

# Jenson & Nicholson (India) Ltd.

617, Bestech Business Tower,  
Sector-48, Sohna Road,  
Gurgaon -122018 (Haryana)  
Tel. No. : +91-124-4017402  
E-mail : info@jnpaints.com  
Website : www.jnpaints.com  
CIN No : L51597WB1922PLC004603

Date: 28/09/2017

The National Stock Exchange of India Ltd.,  
Listing Deptt., "Exchange Plaza",  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai – 400 051.

BSE Limited,  
Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai – 400 001.

**SCRIP CODE: 523592 (BSE)/ JENSONICOL (NSE)/ 020241(CSE)**

**Sub: Submission of Annual Report for the Financial Year 2016-17 pursuant to Regulation 34 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to submit the Annual Report of the Company for the Financial year 2016-17 as approved and adopted in the Annual General Meeting of the Company held on 26<sup>th</sup> day of September, 2017 as per the provisions of the Companies Act, 2013.

Please take the above information into your records.

Thanking You,  
Yours faithfully,

For Jenson & Nicholson (India) Ltd.



Yogesh Kumar Gautam  
(Company Secretary)  
M.NO.A31119



Enclosure:- As Stated



Regd. Office : 7B, Middleton Street, Kolkata-700071

**Whenever you see colour, think of us**

Whenever you see COLOR, think of us

**94<sup>th</sup>**  
**ANNUAL REPORT**  
**2016-17**



**Jenson and Nicholson (India) Ltd.**

**GLOBAL QUALITY IN EVERY CAN**

**Board of Directors**

B.C. Srivastva	Managing Director
N.M. Sahai	Director
Faisal Alam	Director
Kiran Sahai	Director
Ajay Kumar Srivastava	Director

**Audit Committee**

N.M. Sahai	Chairman
Faisal Alam	Member
Ajay Kumar Srivastava	Member

**Nomination and Remuneration Committee**

Ajay Kumar Srivastava	Chairman
N.M. Sahai	Member
Faisal Alam	Member

**Corporate Social Responsibility Committee**

Ajay Kumar Srivastava	Chairman
N.M. Sahai	Member
Faisal Alam	Member

**Stakeholders Relationship Committee**

N.M. Sahai	Chairman
Faisal Alam	Member

**Chief Financial Officer**

Mr. Joginder Batra

**Company Secretary**

Yogesh Kumar Gautam

**Auditors**

M.Mukerjee & Co.

**Bankers**

ICICI Bank Ltd.  
Axis Bank Ltd.

**Registrar & Share Transfer Agent**

C.B. Management Services Pvt. Ltd.  
P-22, Bondel Road,  
Kolkata-700 019  
Phone No. : 40116700/6711  
Fax No. : 2287-0263

**Registered Office**

7B, Middleton Street  
Kolkata-700 071  
Phone : 2287-7042  
Fax No. : 2283-5500

**Corporate Office**

617, Bestech Business Tower,  
Sector- 48, Sohna Road,  
Gurgaon-122 018, Haryana.  
Phone No. : 0124-4017402  
Fax No. : 0124- 4567750

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **Ninety-Fourth** Annual General Meeting of the Company will be held on **Tuesday, 26th day of September, 2017 at 10:30 a.m. at the Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata – 700017** to transact the following business:

**ORDINARY BUSINESS**

**Item No.1**

**To receive, consider and adopt:**

- a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.

**Item No. 2**

To appoint a Director in place of Mrs. Kiran Sahai (DIN: 01279368) who retires by rotation and, being eligible, offers herself for re-appointment.

**Item No. 3**

**Appointment of Statutory Auditors of the Company**

To consider and, if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Agasti & Associates, Chartered Accountants (Firm Registration No. 313043E), be and is hereby appointed as Auditors of the Company in place of the retiring auditors M/s M. Mukherjee & Co., Chartered Accountants (Firm Registration No. 303012E), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the Ninety ninth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Place : Patna By Order of the Board  
Dated : June 8, 2017

**Registered Office:**

7B, Middleton Street  
Kolkata - 700 071  
CIN:L51597WB1922PLC004603  
E mail id: companysecretary@jnpaints.com

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of this Annual General Meeting. A Proxy form for the AGM is enclosed.

2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 20<sup>th</sup> September, 2017 to 26<sup>th</sup> September, 2017 (both days inclusive).
3. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
4. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 19<sup>th</sup> September, 2017 as the “cut-off date” to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 19<sup>th</sup> September, 2017, shall be entitled to avail the facility of remote e-voting/ voting in the general meeting.
6. Members are requested to notify immediately any change in their address to the Registrars and Share Transfer Agent of the Company, C. B. Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata – 700 019.
7. Members desirous of getting any information about the accounts and operation of the Company are requested to write to the Company at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.
8. Pursuant to the relevant provisions of the Companies Act, all Unclaimed / Unpaid Dividend up to the year 1998-1999 have been transferred to the Investors' Education & Protection Fund. The Company did not declare any Dividend since then.
9. Members intending to avail of the nomination facility may furnish the particulars in the prescribed form and are advised to contact the Registrars for details in this regard.
10. In view of increase in cost of printing, you are requested to bring your copy of Annual Report with you at the meeting. Please bring the attendance slip with you duly filled in and hand over the same at the entrance of the meeting hall.
11. The Notice of the AGM along with the Annual Report 2016-17 is being sent to the members by electronic mode

whose e-mail addresses are registered with the Company/ Depository Participant(s) unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent to the members by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's Website viz. [www.jnpaints.com](http://www.jnpaints.com).

12. To Support 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/CDSL.
13. In Compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have already cast their votes by remote e-voting shall not be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Instructions for E-voting are annexed to the Notice.
14. The route map showing directions to reach the venue of the **Ninety-Fourth** AGM is annexed.
15. As per Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meeting issued by Institute of Company Secretaries of India "No gift, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting.
16. The Board of Directors has appointed Ms. Indrani Chaudhuri, Practicing Company Secretary (Membership No. 8739) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
17. **The instructions for shareholders voting electronically are as under:**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23.09.2017 at 9:00 A.M. and ends on 25.09.2017 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/Record date i.e. 19.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN (**170808022**) for the relevant **<Jenson & Nicholson (India) Ltd.>** on which you



choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have

issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

18. Information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the Directors appointed and those retiring by rotation and being eligible seeking re-appointment is as under:

**Profile of Directors Seeking Re-appointment at the Ensuing AGM**

Name of the Director	Mrs. Kiran Sahai
Director Identification Number	01279368
Date of Appointment	31/10/2014
Brief Resume of the Director including nature of expertise in specific functional areas	Mrs. Kiran Sahai is a Matriculation passed. She is much into Corporate Social Responsibility activities as her expertise.
No. of Shares held in the Company	NIL
Directorships and Committee memberships held in other companies. (Excluding alternate directorship, directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013. Membership and Chairmanship of Audit Committee and Stakeholder's Relationship Committee have been included)	ETA SOLUTIONS PRIVATE LIMITED
Inter-se relationships between Directors	Mrs. Kiran Sahai is wife of Shri N.M. Sahai, an Independent Director and Chairman of Audit Committee

Place : Patna  
Dated : June 8, 2017

By Order of the Board

Sd/-

**Registered Office:**  
7B, Middleton Street  
Kolkata – 700 071  
CIN:L51597WB1922PLC004603  
E mail id: [companysecretary@jnpaints.com](mailto:companysecretary@jnpaints.com)

**B.C. Srivastava**  
Managing Director  
DIN: 00929674

**REPORT OF THE BOARD OF DIRECTORS**

Dear Members,

Your Directors submit their report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULTS**

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2016-2017 (Current Year)	2015-2016 (Previous Year)	2016-2017 (Current Year)	2015-2016 (Previous Year)
Total Income	1,378	3,771	3,902	3773.79
Total Expenditure	1,049	4,803	4,937	5156.10
Operational Profit / (Loss)	328.46	(1,032)	(1,035)	(1,382)
Profit/(Loss) before Tax, Exceptional / Extra Ordinary Items	328.46	(1,032)	(1,035)	(1,382)
Exceptional / Extra Ordinary Items	0	0	0	0
Profit/(Loss) before Tax	328.46	(1,032)	(1,035)	(1,382)
Profit / (Loss) after Tax	328.46	(1,032)	(1,035)	(1,382)

**CONSOLIDATED ACCOUNTS**

The Consolidated financial statements of your company for the financial year 2016-17, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015 (erstwhile Listing Agreement) as prescribed by the Securities and Exchange Board of India (SEBI). The financial statement has been prepared on the basis of the audited financial statement of the Company as approved by their respective Board of Directors.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and Auditors report thereon form part of this Annual Report. The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link: [www.jnpaints.com](http://www.jnpaints.com).

**SUBSIDIARIES**

Your Company has one Subsidiary Company (Jenson & Nicholson Paints Pvt. Ltd.) and one wholly owned Subsidiary (Jenson & Nicholson Colours Pvt. Ltd.) floated on 02/11/2015 and 05/05/2017 respectively.

There are no associate companies within the meaning of Section 2 (6) of the Companies Act, 2013 ("Act").

Further, in terms of proviso to Sub-Section (3) of Section 129 of the Act, the Salient features Of the Financial Statement of the Subsidiaries is set out in the prescribed form AOC-1, which is attached herewith as a Separate **Annexure- I**

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiaries are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Corporate Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company ([www.jnpaints.com](http://www.jnpaints.com)). The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company ([www.jnpaints.com](http://www.jnpaints.com))

**FINANCIAL AND ORGANISATIONAL RESTRUCTURING**

Pursuant to Ministry of Finance-Notification dated 25/11/2016, provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 has come into effect from 01/12/2016 hence the Company's reference before BIFR stands abated.

**DIVIDENDS**

The Directors regret their inability to recommend any dividend in view of present position of the Company.

**LOANS, GUARANTEES OR INVESTMENTS**

The Company has made investment in its wholly owned subsidiary company namely Jenson & Nicholson Colours Pvt. Ltd. amounting Rs.5,00,000 (50,000 Equity Shares of Rs. 10/- each fully paid), apart from this Company has not given any loans, guarantees or made any investments hence there is nothing to report in respect of requirement of Section 134(3)(g) of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered during the financial year were in the ordinary course of business and were on arm length basis.

There were no material related party transactions entered by the Company with Directors, KMPs or other persons which may have potential conflict with the interest of Company.

All related party transactions, wherever applicable, are placed before the Audit Committee. The quarterly disclosures of transactions with related parties are made to the Audit Committee.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company ([www.jnpaints.com](http://www.jnpaints.com)).

In Compliance with Section 134(3) of the Companies Act, 2013, particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 are enclosed, in the **Form AOC-2**, as a part of this report (**Annexure-II**).

**SHARES**

The paid up Equity Share Capital as on March 31, 2017 was Rupees 244851190/-. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

No disclosure is required under Section 67(3) (c) of the Act, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The Nomination and Remuneration Policy of the Company provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Nomination and Remuneration Policy can be accessed on the website of the Company ([www.jnpaints.com](http://www.jnpaints.com)).

**PERFORMANCE EVALUATION OF THE BOARD**

The Board of Directors in its Meeting held on 27th October, 2016 has reviewed the performance of the committees, the members and the Board as a whole. The Criteria and manner for performance evaluation is as per the Nomination and Remuneration policy.

**PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION**

The Information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and Rule 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure- III** to this report and form part of this report.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

Particular in respect of Conversation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given in the **Annexure- IV** hereto.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors hereby confirm that

- a) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the company and that such Internal financial control are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CORPORATE SOCIAL RESPONSIBILITY**

The provision of Section 135 of the Companies Act, 2013, does not applicable on company as it does not meet the criteria to fall in that section.

**LISTING OF SHARES**

The Company's Equity Shares are listed on the Calcutta Stock Exchange, Bombay Stock Exchange and National Stock Exchange. Annual Listing Fee of Stock Exchanges has been paid.

**CORPORATE GOVERNANCE**

Since Your Company has equity paid up capital and net worth below the prescribed limit as per Regulation 15 (2) of SEBI (LODR) Regulations, 2015 as on the last day of the previous financial year so regulations 17, 18, 19, 20, 21,22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C , D and E of Schedule V to these Regulations shall not apply to your company.

Accordingly your company is not submitting compliance certificates from CFO and CEO under Regulation 17(8).

Accordingly your Directors have decided not to submit the Corporate Governance report (Para C of Schedule V to SEBI (LODR), Regulations, 2015), Declaration by CEO (Para D of Schedule-V to SEBI (LODR), Regulations, 2015) and Compliance Certificate from Auditor/PCS (Para E of Schedule-V to SEBI (LODR), Regulations, 2015). However as soon as the provisions of said regulation become applicable to a company at a later date, the company shall comply with the requirements of within six months from the date on which the provisions became applicable to the company.

**EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 in Form No.MGT-9 is laid out in **Annexure-V** to this Report.

**NO. OF MEETINGS OF THE BOARD**

During the twelve months ended March 31, 2017, the Board of Directors met four times on 27th May, 2016, 28th July, 2016, 27th October, 2016and 14th February, 2017.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



**DIRECTORS & KEY MANAGERIAL PERSONNEL****Directors**

In accordance with the provisions of the section 152(6) of the Companies Act, 2013, Mrs. Kiran Sahai retires by rotation and is eligible for re-appointment. Accordingly her re- appointment has been included in the Notice convening the Annual General Meeting of the Company.

**Key Managerial Personnel**

No Change has been taken place in Key Managerial Personnel.

**AUDIT COMMITTEE**

As on the date of the report, of the Audit Committee comprises the following Members:

Mr. N. M. Sahai (Chairman)  
Mr. Faisal Alam  
Mr. Ajay Kumar Srivastava

The above composition of the Audit Committee consists of Independent Directors viz. Mr. N. M. Sahai and Mr. Ajay Kumar Srivastava who form the majority.

There were no recommendations made by Audit Committee which were not accepted by the Board.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to section 177 (10) of the Companies Act, 2013 the Board of Directors have formulated a Whistle Blower Policy. The policy provides for a framework and process whereby concerns can be raised by its directors and employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. The said policy is uploaded on the Company's website and can be accessed at: [www.jnpaints.com/investor-relation.php](http://www.jnpaints.com/investor-relation.php).

**INTERNAL FINANCIAL CONTROL**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through regular testing of key controls by independent internal auditors.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination a harassment including sexual harassment.

The Company has in place a Robust Policy on prevention of sexual harassment of employees lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual

harassment and follows the guidelines provided in the policy. During the year under review, no Complaints were received.

**RISK MANAGEMENT POLICY**

As per requirement of Section 134(3) (n) of the Companies Act, 2013, your Directors have adopted/framed a Risk Management Policy for the Company. This policy forms part of the internal financial control and corporate governance process of the Company. The aim of this policy is not to eliminate risks, rather to manage the risks involved in the Company activities.

**STATUTORY AUDITORS**

At the 93<sup>rd</sup> AGM of Company held on 29/09/2016, the shareholders had approved the appointment of M/s. M. Mukerjee & Co., Chartered Accountants as Statutory Auditors to hold the office till the conclusion of the 94<sup>th</sup> AGM.

M/s. M. Mukerjee & Co., Chartered Accountants, have been the Statutory Auditors of the Company since the Financial Year 2004. They were reappointed for the cooling period/relaxation of 3 (Three) years given under Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Considering which the Board of directors on the recommendation of Audit Committee have proposed the appointment of M/s. Agasti & Associates, Chartered Accountants as statutory auditors at the ensuing Annual General Meeting for a period of five years from the conclusion of this Annual General Meeting to the Conclusion of the Annual General Meeting to be held for the year 2022, subject to the ratification of appointment by the members of the Company at each Annual General Meeting.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from M/s Agasti & Associates, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

The Auditors' Report for the financial year ended 31st March, 2017 on the financial statements of the Company is a part of this Annual Report.

**COMMENT ON AUDITORS' REPORT**

The remarks contain in the Auditor's Report have been appropriately explained in Statement on Impact on Audit qualification-Standalone & Consolidated which forms part of Annual Report.

**COST AUDIT**

The Ministry of Corporate Affairs (MCA) vide Notification dated 31<sup>st</sup> December, 2014 made amendment in the Companies (Cost Records and Audit) Rules, 2014, through Companies (Cost Records and Audit) Amendment Rules, 2015. As per the Amendment Rules, our Company is exempted from the requirement to conduct Cost Audit. Our Company is required to maintain Cost Audit Records only as turnover of the Company for FY ending 31/03/2015 exceeds 35 Crores.

**FIXED DEPOSIT**

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

**SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nitin Kumar Mishra, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **Annexure-VI**.

The remarks contain in the Secretarial Audit's Report have been appropriately explained in **Annexure-VI(i)** to the Director's Report.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and analysis is appended as **Annexure-VII**.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY**

Pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, it is stated that no material order has been passed by any regulator, court or tribunal impacting the Company's operation and its going concern status during the Financial Year 2016-17.

**APPRECIATION**

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers and government authorities for their continued support.

**For and on behalf of the Board**

Sd/-	Sd/-
<b>N.M. Sahai</b>	<b>B.C. Srivastava</b>
(Chairman)	Managing Director
DIN: 00422704	DIN: 00929674

**ANNEXURE-I**
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**
**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	JENSON & NICHOLSON PAINTS PVT. LTD.	JENSON & NICHOLSON COLOURS PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period/ Date of Incorporation	1st April, 2016 to 31st March, 2017	5th May, 2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	<b>In Indian Rupees &amp; Exchange Rate: N/A</b>	<b>In Indian Rupees &amp; Exchange Rate: N/A</b>
4.	Share capital	Rs. 30,00,000	Rs. 5,00,000
5.	Reserves & surplus	Rs. (10,44,42,650)	-
6.	Total assets	Rs. 23,92,45,470	-
7.	Total Liabilities	Rs. 23,92,45,470	-
8.	Investments	NIL	-
9.	Turnover	31,23,79,078	-
10.	Profit/ (Loss) before taxation	(8,11,09,585)	-
11.	Provision for taxation	NIL	-
12.	Profit/ (Loss) after taxation	(8,11,09,585)	-
13.	Proposed Dividend	NIL	-
14.	% of shareholding	55%	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations:
- Names of subsidiaries which have been liquidated or sold during the year:

N/A  
N/A.

**Part "B": Associates and Joint Ventures:**

[N/A]

## ANNEXURE-II

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

- Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
  - Name(s) of the related party and nature of relationship
  - Nature of contracts/arrangements/transactions
  - Duration of the contracts / arrangements/transactions
  - Salient terms of the contracts or arrangements or transactions including the value, if any
  - Justification for entering into such contracts or arrangements or transactions
  - date(s) of approval by the Board
  - Amount paid as advances, if any:
  - Date on which the special resolution was passed in general meeting as required under first proviso to section 188.
- Details of material contracts or arrangement or transactions at arm's length basis

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
Bihar Hotels Ltd.	Sale of Goods	2016-17	SALE- Rs. 0.85 Lacs Reimbursement of Expenses- Rs. 2.01 Lacs Expenses Paid- Rs. 0.50 Lacs	-	N/A
Jenson & Nicholson Paints Pvt. Ltd.	Amount Received for Assignment of Trade Marks	2016-17	Amount/Advance received for Assignment of Trade Marks- Rs. 5.30 Crores	29/09/15 AGM	N/A

Note: No amount has been written off/written back during the year in respect of debts due from to the related parties.

## ANNEXURE-III

**Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

During the year under review following were the top ten employees in terms of remuneration drawn.

Sl. no.	Name/Designation	Remuneration received (Amount in Rs.)	Age	Experience (years)	Date of joining	Last employment held	% of equity share holding
1.	Sunil Saha	26,89,825	60	34	04/10/1993	Shree Lamination Ltd.	NIL
2.	Joginder Batra	23,15,472	47	28	01/07/2004	Hello Minerals Water Pvt. Ltd.	NIL
3.	Ashish Kumar Halder	8,88,444	59	31	12/08/1985	GTZ India Pvt. Ltd.	NIL
4.	Sanjay Sibal	6,98,073	52	28	12/08/1996	Dunlop India Ltd.	NIL
5.	Prashant Agrawal	6,65,290	44	21	16/08/2004	Kundan Rice Mills Ltd.	NIL
6.	Swarup Kumar Maiti	6,29,412	44	19	06/08/2009	Jubilant Organosys Ltd.	NIL
7.	Yogesh Kumar Gautam	6,03,516	29	4	10/08/2015	Raideep Industries Ltd.	NIL
8.	Ritesh Kumar	6,01,422	42	18	25/10/2006	Vankos & Co.	NIL
9.	Tara Chand Joshi	5,76,900	50	30	02/11/2012	Jindal Group of Companies	NIL
10.	Arvind Kumar Sinha	5,59,092	40	20	20/02/2016	Evergreen Agency (P) Ltd.	NIL

The Number of employees employed throughout the financial year, who were in receipt of or were entitled to receive remuneration aggregating to Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) or more per annum are as follows:

Sl. no.	Name/Designation	Remuneration received (Amount in Rs.)	Age/ Qualification	Experience (years)	Date of joining	Last employment held	% of equity share holding
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Further there was no employee who was employed for a part of the financial year and who was in receipt of or was entitled to receive remuneration aggregating to Rs.8,50,000 (Rupees Eight Lakhs Fifty Thousands only) or more per month.

- All of the aforementioned employees are employed on permanent basis on roll of the Company.
- None of the aforementioned employee is a relative of any director or manager of the Company.

A. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17.

Sl. no.	Name of Director /KMP	Remuneration for the year 2016-17 (Rs. In Lakhs)	% increase /decrease in the remuneration in the year 2016-17	Ratio of Remuneration of each Director to the median remuneration of employees
1.	N. M. Sahai	NIL	NIL	-----
2.	B. C. Srivastava	NIL	NIL	-----
3.	Faisal Alam	NIL	NIL	-----
4.	Kiran Sahai	NIL	NIL	-----
5.	Ajay Kumar Srivastava	NIL	NIL	-----
6.	Joginder Batra (CFO)	23,15,472	NIL	-----
7.	Yogesh Kumar Gautam (CS)	6,03,516	NIL	-----

- a. The median remuneration of employees of the Company during the financial year was Rs. 1,73,446 Lakhs.
- i. In the financial year there was a decrease of (32.37%) in the median remuneration of employee.
- ii. There were 62 permanent employees on the roll of the Company as on 31st March, 2017.
- b. There is no variable component in the remuneration availed by the directors.
- c. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

#### ANNEXURE-IV

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2017.

#### FORM – A

A. POWER AND FUEL CONSUMPTION:

(₹ in Lacs)

Electricity	For the Year Ended March 31st, 2017	For the Year Ended March 31st, 2016
(a) Purchased		
Units (KWH)	236928	280332
Total Amount (Rs.)	2853759	3260240
Rate / Unit (Rs./KWH)	12.04	11.63
(b) Own Generation		
(i) Through Diesel Generation Units (KWH)	17629	18304
Units/Ltr. Of diesel oil (KWH/Ltr.)	5.18	5.08
Cost/ Unit (Rs.)	10.75	10.35
(i) Through Steam Turbine/Generator Units	N.A.	N.A.
Unit/ Ltr. Of Fuel	N.A.	N.A.
Oil/Gas (KWH/Ltr.)	N.A.	N.A.
Cost/Unit	N.A.	N.A.

B. CONSUMPTION PER UNIT OF PRODUCTION:

Products	Standard	Current Period (for the year ended 31.03.2017)	Previous Period (for the year ended 31.03.2016)
Paints, Varnishes & Enamels (KL)	*	2,540.97 KL	3,172.46 KL
Unit/KL Electricity		107.67KVAH	103.98 KVAH
Furnace Oil			
Coal (Specific qty.)		N.A.	N.A.
Others (Specify)			

\*No specific standard as the consumption per unit depends on the product mix

The variation in consumption in power and fuel was due to different product mix and higher quantity of production between current period and previous period.

#### Foreign exchange earnings and outgo

- Earnings: NIL
- Outgo: NIL

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS:**

i.	CIN	<b>L5159WB1922PLC004603</b>
ii.	Registration Date	02.12.1922
iii.	Name of the Company	JENSON & NICHOLSON (INDIA) LTD.
iv.	Category / Sub-Category of the Company	PUBLIC
v.	Address of the Registered office and contact details	7B, MIDDLETON STREET, KOLKATA- 700071.
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	C B MANAGEMENT SERVICES PVT. LTD, P-22, BONDEL ROAD, KOLKATA-700019, PH. NO. 033-4011-6717

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	<b>Paints &amp; Varnishes</b>	<b>20221</b>	<b>99.50%</b>

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	JENSON & NICHOLSON PAINTS PRIVATE LIMITED, Old No. 109B, New No. 124, Developed Plots, SIDCO Industrial Estate, Ambattur Chennai Chennai TN 600098 IN	<b>U24110TN2015PTC102848</b>	Subsidiary	55%	Section 2(46) of Companies Act, 2013

**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i Category-wise Share Holding**

Category of Shareholder	Number of shares held at the beginning of the year (01.04.2016)				Number of shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Bodies Corporate	12633342	0	12633342	33.7559	12602342	0	12602342	33.6731	-0.0828
(e) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f-i) Educational Society	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total(A)(1)</b>	<b>12633342</b>	<b>0</b>	<b>12633342</b>	<b>33.7559</b>	<b>12602342</b>	<b>0</b>	<b>12602342</b>	<b>33.6731</b>	<b>-0.0828</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000



Category of Shareholder	Number of shares held at the beginning of the year (01.04.2016)				Number of shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>12633342</b>	<b>0</b>	<b>12633342</b>	<b>33.7559</b>	<b>12602342</b>	<b>0</b>	<b>12602342</b>	<b>33.6731</b>	<b>-0.0828</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	375	375	0.0010	0	375	375	0.0010	0.0000
(b) Banks/FI	500	62801	63301	0.1691	500	62801	63301	0.1691	0.0000
(c ) Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f) Insurance Companies	731967	0	731967	1.9558	731967	0	731967	1.9558	0.0000
(g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
				0.0000				0.0000	
<b>Sub-Total (B)(1)</b>	<b>732467</b>	<b>63176</b>	<b>795643</b>	<b>2.1259</b>	<b>732467</b>	<b>63176</b>	<b>795643</b>	<b>2.1259</b>	<b>0.0000</b>
<b>2. Non-institutions</b>									
(a) Bodies Corporate									
(i) Indian	2572917	20000	2592917	6.9282	2697431	20000	2717431	7.2609	0.3327
(ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	15800746	3180981	18981727	50.7186	16132028	3155646	19287674	51.5361	0.8175
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1957522	0	1957522	5.2304	1700911	0	1700911	4.5448	-0.6857
(c) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(ii) Trust & Foundations	0	0	0	0.0000	0	0	0	0.0000	0.0000
(iii) Non-Resident Individuals	230750	11520	242270	0.6473	310074	11520	321594	0.8593	0.2120
(iv) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(v) Unclaimed shares	0	0	0	0.0000	0	0	0	0.0000	0.0000
(vi) Clearing Members	222174	0	222174	0.5936	0	0	0	0.0000	-0.5936
<b>Sub-Total (B)(2)</b>	<b>20784109</b>	<b>3212501</b>	<b>23996610</b>	<b>64.1182</b>	<b>20840444</b>	<b>3187166</b>	<b>24027610</b>	<b>64.2010</b>	<b>0.0828</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>21516576</b>	<b>3275677</b>	<b>24792253</b>	<b>66.2441</b>	<b>21572911</b>	<b>3250342</b>	<b>24823253</b>	<b>66.3269</b>	<b>0.0828</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>34149918</b>	<b>3275677</b>	<b>37425595</b>	<b>100.0000</b>	<b>34175253</b>	<b>3250342</b>	<b>37425595</b>	<b>100.0000</b>	<b>0.0000</b>

Note :

1) As per Reg 31 (31-03-17) Non-institution individual slab

	demat shr	phy shr	tot shr
up to Rs 2 lakh	17047866	3155646	20203512
above Rs 2 lakh	785073	0	785073
Total	17832939	3155646	20988585

2) As per MGT-9 (31-03-17) Non-institution individual slab

	demat shr	phy shr	tot shr
up to Rs 1 lakh	16132028	3155646	19287674
above Rs 1 lakh	1700911	0	1700911
Total	17832939	3155646	20988585

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2016)			Share holding at the end of the year (31/03/2017)			
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	% of change in share holding during the year
1.	Maurya Management Private Ltd.	12162214	32.4970491	0	12162214	32.49705	0	0.0000
2.	Bihar Hotels Limited	471128	1.25883904	0	440128	1.17601	0	0.0828
	TOTAL	12633342	33.7558882	0	12602342	33.67305717	0	0.0828

iii Change in Promoters' Shareholding ( please specify, if there is no change)

					Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year ( 31.03.2017)		% change during the year
Sl. No.	PAN	Name	Remarks	Shareholding/ Transaction Date	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1.	AADCM4070A	Maurya Management Private Ltd.	At the beginning of the year	01/04/2016	12162214	32.4970	12162214	32.4970	0.0000
			At the end of the year	31/03/2017	12162214	32.4970	12162214	32.4970	0.0000
2.	AACCB0286G	Bihar Hotels Limited	At the beginning of the year	01/04/2016	471128	1.2588	471128	1.2588	0.0000
			Decrease	24/03/2017	31000	0.0828	440128	1.1760	0.0000
			At the end of the year	31/03/2017	440128	1.1760	440128	1.1760	0.0000

**iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>DETAIL AS PER ANNEXURE- V (a)</b>			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

**v Shareholding of Directors & KMP**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the End of the year	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9053.39	138.61	—	9192.00
ii) Interest due but not paid	16506.25	1429.91	—	17936.16
iii) Interest accrued but not	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>25559.64</b>	<b>1568.52</b>	<b>—</b>	<b>27128.16</b>
Change in Indebtedness during the financial year				
- Addition	300.00	—	—	
- Reduction		—	—	300.00
<b>Net Change</b>	<b>300.00</b>	<b>—</b>	<b>—</b>	<b>300.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	8753.39	138.61	—	8892.00
ii) Interest due but not paid	16506.25	1429.91	—	17936.16
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>25259.64</b>	<b>1568.52</b>	<b>—</b>	<b>26828.16</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
	Stock Option	-	-	-	-	-
	Sweat Equity	-	-	-	-	-
	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors	Nripendra Mohan Sahai	Ajay Kumar Srivastava	
	· Fee for attending board & committee meetings (In Rupees)	1,20,000	1,20,000	2,40,000
	· Commission	Nil	Nil	Nil
	· Others, please specify	Nil	Nil	Nil
	Total (1)	1,20,000	1,20,000	2,40,000
	Other Non-Executive Directors	Faisal Alam	Kiran Sahai	
	· Fee for attending board & committee meetings (In Rupees)	30,000	30,000	60,000
	· Commission	Nil	Nil	Nil
	· Others, please specify	Nil	Nil	Nil
	Total (2)	30,000	30,000	60,000
	Total (B)=(1+2)	1,50,000	1,50,000	3,00,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	6,03,516	23,15,472	29,18,988
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	Stock Option	NIL	NIL	NIL	NIL
1.	Sweat Equity	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	- as % of profit				
	- others, specify...				
	Others, please specify	NIL	NIL	NIL	NIL
2.	Total	NIL	6,03,516	23,15,472	29,18,988

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishments, compounding of offences for the year ended March 31, 2017.

**ANNEXURE-V(a)**
**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS)**

Sl. No.	PAN	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2016 )		Cumulative Shareholding during the year (01/04/2016- 31/03/2017)	
					No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	AAACL0582H	Life Insurance Corporation Of India	At the beginning of the year	01-04-16	731967	1.96	731967	1.9600
			At the end of the year	31-03-17			731967	1.9600
2	BIBPS2141C	Sonia Sudhir .	At the beginning of the year	01-04-16	426323	1.14	426323	1.1400
			Decrease	03-03-17	426323	1.14	0	0.0000
			At the end of the year	31-03-17			0	0
3	AAPJ7435Q	Sudhir Peter .	At the beginning of the year	01-04-16	375475	1	375475	1.0000
			Decrease	03-03-17	375475	1	0	0
			At the end of the year	31-03-17			0	0.0000
4	AACB6671R	Bervin Investment And Leasing Limited.	At the beginning of the year	01-04-16	300000	0.8	300000	0.8
			Decrease	24-02-17	300000	0.8	0	0.0000
			At the end of the year	31-03-17			0	0.0000
5	AEGPC1227D	Lincoln P Coelho	At the beginning of the year	01-04-16	300000	0.8	300000	0.8000
			At the end of the year	31-03-17			300000	0.8000
6	AAICS2146L	Sharnam Motor Services Pvt. Ltd.	At the beginning of the year	01-04-16	247833	0.66	247833	0.6600
			At the end of the year	31-03-17			247833	0.66
7	AFDPB2550A	Lalit Bhasin	At the beginning of the year	01-04-16	200700	0.54	200700	0.5400
			At the end of the year	31-03-17			200700	0.5400
8	AACN0485H	Niche Financial Services Pvt Ltd	At the beginning of the year	01-04-16	200000	0.53	200000	0.5300
			Decrease	10-03-17	100000	0.27	100000	0.2700
			At the end of the year	31-03-17			100000	0.2700
9	AAACS4487J	Shri Parasram Holdings Pvt.ltd.	Increase	01-04-16	5000	0.01	144444	0.39
			At the beginning of the year	01-04-16	139444	0.37	139444	0.3700
			Increase	31-03-17	1176	0	36255	0.1000
			At the end of the year	31-03-17			36255	0.1000
10	AAACJ7821P	Judicious Finvest Pvt Ltd	At the beginning of the year	01-04-16	100000	0.27	100000	0.27
			Decrease	23-09-16	50000	0.13	50000	0.13
			At the end of the year	31-03-17			50000	0.13



Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Jenson & Nicholson (India) Ltd.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jenson & Nicholson (India) Ltd** (hereinafter called the 'company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Jenson & Nicholson (India) Ltd's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017 (Audit Period)** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Jenson & Nicholson (India) Ltd** ("the Company") for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client;

- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

(vi) Other laws applicable to the Company as per their presentations made by the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay, Calcutta and National Stock Exchanges.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and **subject to the following observations which are repetitive in nature:**

1. **In respect of Cumulative Redeemable Preference shares which were due for redemption the Company has not redeemed the preference shares.**
2. **The Company had submitted application in year 2006 for delisting its shares from Stock Exchanges of Ahmedabad, Delhi, Bangalore and Magadh Stock Exchanges. Hence no compliances of listing Agreement are being done in respect of these stock exchanges. Ahmedabad Stock Exchange has raised invoices for arrears of listing fees.**
3. **There are delays in depositing statutory dues such as Provident Fund and other statutory dues applicable to it.**

4. **As has been explained to me, the Company is unable to honour its commitment to employees in respect of Gratuity dues due to liquidity crisis.**

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** as represented by the Company and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

Nitin Kumar Mishra  
Nitin K Mishra & Associates

Practicing Company Secretary

Date: June 8, 2017

Place: New Delhi

Membership No. A34396,

Certificate of Practice No. 14804

**Annexure A**

To,  
The Members,

**Jenson & Nicholson (India) Limited**

My Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**ANNEXURE-VI(i)**

1. **In respect of Cumulative Redeemable Preference shares which were due for redemption the Company has not redeemed the preference shares.**

The net worth of the Company has eroded and the company has no funds to redeem the preference shares.

2. **The Company had submitted application in year 2006 for delisting its shares from Stock Exchanges of Ahmedabad, Delhi, Bangalore and Magadh Stock Exchanges. Hence no compliances of listing Agreement are being done in respect of these stock exchanges. Ahmedabad Stock Exchange has raised invoices for arrears of listing fees.**

The Company had submitted application in year 2006 for delisting its shares from Stock Exchanges Ahmedabad, Delhi, Bangalore and Magadh Stock Exchanges. The Company plans to follow up the matter and resolve these issues although most of the stock exchanges have been shut down or debarred by SEBI based on market capitalization basis.

3. **There are delays in depositing statutory dues such as Provident Fund and other statutory dues applicable to it.**

Due to inadequacy of cash resources the Company is unable to deposit statutory dues in time. The payment position of statutory dues however has significantly improved.

4. **As has been explained to me, the Company is unable to honour its commitment to employees in respect of Gratuity dues due to liquidity crisis.**

The company's net worth is eroded and it has become sick. Due to inadequacy of cash resources, Company is unable to honor its commitment to employees in respect of Gratuity dues. As soon as the resources become available the company plans to settle the dues.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****ECONOMIC ENVIRONMENT**

The financial year 2016-17 has been a year marked with both excitement and challenges for the global as well as the Indian economy. Some of the events that took place during the course of this year could very well turn out to be the defining moments for the world economy at large. The sheer scale and swiftness with which the Indian Government demonetised almost 86% of the currency notes in circulation in November 2016 is one such event. Coming at a time when the Indian economy was just beginning to look up on the back of positive sentiments from private consumption and normal monsoon, the cash shortage and payment disruptions caused by demonetisation, strained the consumption and business activity for a major part of the second half of the year. Consequently, GDP growth for the year is expected to be almost 1% lower at 6.7% than that in the previous year. Capital investments still remain stagnant with an overhang of spare capacity in many industries and corporate balance sheets still remain stretched hindering their ability to invest on any future uptick in demand. Merchandise exports continued to contract, partly as a result of the lower commodity prices as well as due to the weak global demand.

**ENVIRONMENT HEALTH AND SAFETY**

Environment, Health and Safety (EHS) is one of the primary focus areas for your Company. Your Company is committed to consider compliance to statutory EHS requirements as the minimum performance standard and go beyond and adopt stricter standards wherever appropriate.

Your Company is sensitive about the health and safety of its employees.

**Opportunities & Threats**

The Indian market continues to hold a lot of potential for growth in the longer term. Some of the initiatives being undertaken at various levels by the Government like agenda on improving the ease of doing business, financial inclusion agenda through the Jan Dhan program, Direct Benefit Transfer program, transparent auction of the national assets, etc. are expected to go a long way in building a sustainable growth trajectory in the economy. This should provide a lot of growth opportunities in the domestic paint industry for both, decorative(s) as well as industrial products. This would also fuel demand for offerings in the Home Improvement segment in line with the rising income levels and rising aspirations of the consumers. Your Company would continue to invest in its capabilities to adequately address these long term opportunities and would take all efforts to deliver strong and consistent performance in the years to come.

**Outlook**

On the domestic front, the financial year 2017-18 has started on a positive note with the progress seen on implementation of the GST regime from the second quarter of the year. While over the long-term it is expected to give a strong fillip to the economic activity with rationalisation of the market place and also boost competitiveness of the industry, it is bound to have disruptions in the short term.

The impact of demonetisation felt over the last two quarters of the previous financial year is expected to fade out and the last few quarters and coupled with any adverse demand conditions, this could lead to a squeeze on the margins of the industry.

**Risks & Concerns**

Though India rides on some inherent strength, following risk factors exist which the auto component manufacturers may have to counter with:

- A global and/or economic slowdown can derail the prospects of the Industry.
- Volatility in the prices of material and other inputs could erode the industry's cost competitiveness.
- Intense competition from counterparts may add further pressure on margin of manufacturers.

The focus on diversifying the sourcing of various raw materials continues. This has led to introduction of newer raw materials as well as newer suppliers thereby reducing the supply risk. At the same time, it provides an opportunity to bring efficiencies in sourcing and reduce the material cost.

**Financial Performance**

Over the past few years, the Indian paint market has substantially grown and caught the attention of many international players. The country continues to enjoy a healthy growth rate compared to other economies, backed by the increasing level of disposable income, and demand from infrastructure, industrial and automotive sectors. On the back of such advocacy, it is anticipated that the sector will post a Compound Annual Growth Rate (CAGR) of around 15% during FY 2014 to FY 2017,

The Indian economy grew at 7.2 percent in 2016-17 due to improvement in the performance of both services as well as manufacturing sectors. The Indian rupee depreciated significantly during the year from around ` 62 to a US Dollar to as low as ` 69 to a US Dollar, limiting the gains on lower crude prices for the Government. Currency depreciation in India however was not in isolation and was seen across economies due to strengthening of the US Dollar. The Sensex closed at a level of 29620.50 at the end of March 2017, from the 25341.86 mark at the start of April 2016.

**Internal Control System**

The Company has proper and adequate system of internal controls, which provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides an external firm which is carrying out internal audits. The internal auditor's reports are regularly reviewed by Senior Management and Audit Committee of the Board for its implementation and effectiveness.

The Company endeavors to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

**Cautionary Statement**

Management Discussion and Analysis Report may be Forward Looking Statement. Actual result may differ materially from those expressed or implied depending upon global and Indian regulations, tax regimes, and economic developments within India and overseas.

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**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone) in term of Reg. 33 of SEBI (LODR), Regulations, 2015**

(Figures are in ₹ Lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1377.92	1377.92
	2.	Total Expenditure	1049.46	44054.30
	3.	Net Profit/(Loss)	328.46	(42676.38)
	4.	Earnings Per Share	0.23	(114.67)
	5.	Total Assets	1022.92	1022.92
	6.	Total Liabilities	36486.19	79491.03
	7.	Net Worth	(35463.27)	(78468.11)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: repetitive since more than last 10 years			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure-A			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.			
	(i) Management's estimation on the impact of audit qualification:			
	(ii) If management is unable to estimate the impact, reasons for the same:			
	(iii) Auditors' Comments on (i) or (ii) above:			
	Signatories:			
	• CEO/Managing Director		B.C. Srivastava (Managing Director)	
	• CFO		Joginder Batra	
	• Audit Committee Chairman		N.M.Sahai	
	• Statutory Auditor		Spandan Sengupta	

Place : 08/06/2017

Date : Patna

**ANNEXURE-A**

Impact qualification by the Auditor	Management's Views
The banks, financial institutions and other lenders have filed legal cases against the company for recovery of outstanding loans and interest thereon. No provision has been made in these accounts for additional interest, penal interest, liquidated damages etc. amounting to Rs. 739.67 lacs as claimed by the above lenders at various legal forums, The same has been shown as contingent liability in notes to accounts attached to the said accounts. Company however had been providing interest on the above loans on a basis as considered appropriate by the management but up to 31 <sup>st</sup> March, 2006. However, the company has stopped providing interest on all loans from banks and financial institutions whether secured or unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them. Interest amounting to Rs. 219193.40 lacs up to the current year ended 31 <sup>st</sup> March, 2017 has not been provided but the same has also been included in contingent liability.	The network of the Company has eroded and the company has no funds to repay the loan or interest thereof. Interest has been provided upon the loans till 31 <sup>st</sup> March, 2006. However provision of interest on all loans was stopped, since it was for sure that the Company was declared an NPA by all the lenders, banks and financial institutions. However, we have shown the interest till the balance sheet date as a contingent liability. The situation has completely changed because the total liability of all the Secured lenders amounting to Rs. 26,323.02 lacs being principal and interest had been settled at a settlement amount of Rs. 3153.13 lacs and the same has been paid to the lenders by a investor M/s Vivid Colors Pvt. Ltd. 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.

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Jenson & Nicholson (India) Limited

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Jenson & Nicholson (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the 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 matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 the Companies (Accounts) Rules, 2014. This responsibility also 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; and design, implementation and maintenance of adequate internal financial control, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the standalone financial statements.

## **Basis for Qualified Opinion**

### **Attention is drawn to:**

- i. The banks, financial institutions and other lenders have filed legal cases against the company for recovery of outstanding loans and interest thereon. No provision has been made in these accounts for additional interest, penal interest, liquidated damages etc. amounting to INR 739.67 lacs as claimed by the above lenders at various legal forums. The same has been shown as contingent liability in notes to accounts attached to the said accounts. Company however had been providing interest on the above loans on a basis as considered appropriate 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 w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them. Interest amounting to INR 219193.40 lacs up to the current year ended 31st March, 2017 has not been provided but the same has also been included in contingent liability.
- ii. These financial statements have been prepared on a going concern basis. The Company has incurred an operating profit during the year. The company is passing through a severe liquidity crisis and is unable to honour its commitment to lenders, preference shareholders, suppliers and employees. The bankers, financial institutions and other lenders have taken legal action for recovery of their dues. Several petitions for winding up of the company have been filed by the creditors and lenders. The company is contesting these petitions or is settling such petitions out of courts. The company is in the process of restructuring its business and also trying to identify alternative source of finance. In the absence of adequate financial support this basis would be invalid. Provision would then have to be made for any loss that might arise when the company's assets are realised.

### **Qualified Opinion**

Because of the significance of the matters described in the Basis for Qualified Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in Basis of Qualified Opinion, the aforesaid standalone 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 March 31, 2017, and its profit and its cash flows for the year ended on the date:

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("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-I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we 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;



- 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-II" and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements with the exception of the paragraph Basis of Qualified Opinion.
  - ii) 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.
  - iii) 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.
  - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**M. MUKERJEE & CO.**  
Chartered Accountants  
FRN: 303013E  
24, Netaji Subhas Road  
Kolkata-700 001

Sd/-  
**SPANDAN SENGUPTA**  
Partner  
Membership No: 135833

Place : Patna  
Date : June 8th, 2017

## ANNEXURE-I TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2017

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; In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. As informed to us no material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified during the period by the management. 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. In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. According, the provisions of Clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- 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 the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state Insurance, income-tax(TDS), sales-tax, service tax, value added tax, custom duty, excise duty and any other statutory dues with the appropriate authorities. The extent of outstanding statutory dues

as on 31.3.2017 for a period of more than six months from the date they became payable are given below:-

S.No.	Statutory Dues	Outstanding dues (in Lacs)
1.	Provident Fund	20.82
2	ESI	14.96
3	Income Tax (TDS)	Nil
4	Sale Tax/VAT	10.07
5	Service Tax	Nil
6	Custom Duty	73.67
7	Excise Duty	239.78

- b) According to the records of the Company, the dues outstanding of income tax , sales tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount ₹ in lacs	Period	Forum where the dispute is pending
Central Sales Tax Act	Sales Tax	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)
		101.64	2008-2009	Commercial Tax Tribunal
		8.56	2009-2010	Additional Commissioner(Appeals)
		1.25	2010-2011	Additional Commissioner(Appeals)
		15.57	2011-2012	Additional Commissioner(Appeals)
		49.40	2012-2013	Additional Commissioner(Appeals)
State Sales Tax Acts	Sales Tax	7.91	2001-2002	Commercial taxes ,Tribunal
		2.69	2007-2008	Addl Commissioner of Commercial Tax
		0.80	2007-2008	Commercial taxes ,Tribunal
		0.72	2008-2009	Commercial taxes ,Tribunal
		1.55	2013-2014	Deputy Commissioner of Commercial Tax
Parvel Octroi	Octroi Assessed	71.91		Government of Maharashtra
Central Excise Act,1944	Excise Duty	669.90		Excise Authority
Income Tax Act,1961	Income Tax	38.54	1998-1999	High Court at Kolkata
		11.46	2011-2012	Income Tax, Tribunal
Custom Duty	Custom Duty	341.28		Custom Authority

- viii. The company had defaulted in repayment of loans or borrowings to financial institutions, banks and Government or dues to 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.

- ix. Based upon the audit procedures and according to the information and explanations given by the management, and on an overall examination of the balance sheet, we report that there were no monies raised by way of initial public offer or further public offer (including debt instruments).
- x. Based upon the audit procedures and according to the information and explanation given to us, we report that no fraud by Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act,2013.
- xii. In our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly Para 3(xii) of the order is not applicable to the Company.
- xiii. Based upon the audit procedures and according to the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review and hence not commented upon.
- xv. Based upon the audit procedures and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with the directors or persons connected with him
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly,

paragraph, 3 (xvi) of the order is not applicable to the Company.

**M. MUKERJEE & CO.**  
Chartered Accountants  
FRN: 303013E  
24, Netaji Subhas Road  
Kolkata-700 001

Sd/-  
**SPANDAN SENGUPTA**  
Partner  
Membership No: 135833

Place : Patna

Date : June 8th, 2017

## ANNEXURE-II TO INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Jenson & Nicholson (India) Ltd. ("the Company") as at 31st March 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**M. MUKERJEE & CO.**  
Chartered Accountants  
FRN: 303013E  
24, Netaji Subhas Road  
Kolkata-700 001.

Sd/-  
**SPANDAN SENGUPTA**  
Partner  
Membership No: 135833

Place : Patna

Date : June 8th, 2017

## Balance Sheet as at 31st March'2017

(₹ in Lacs)

	Note	As at 31st March, 2017		As at 31st March, 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	2	2,448.51		2,448.51	
Reserves & Surplus	3	(37,911.79)	(35,463.28)	(38,238.80)	(35,790.29)
<b>NON CURRENT LIABILITIES</b>					
Long Term Borrowings	4	923.45		923.45	
Long Term Provisions	5	209.06	1,132.51	217.42	1,140.86
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	6	7,968.55		8,268.55	
Trade Payables					
Total Outstanding due of Micro and Small Enterprises	7	-		-	
Total Outstanding due of creditors other than Micro and Small Enterprises	7	3,642.31		3,888.12	
Other Current Liabilities	8	23,463.73		23,853.71	
Short Term Provisions	9	279.09	35,353.68	208.89	36,219.28
<b>TOTAL</b>			<b>1,022.92</b>		<b>1,569.85</b>
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
Fixed Assets	10				
(i) Tangible		603.00		608.38	
(ii) Intangible		14.11		21.17	
		617.11		629.55	
Non-Current Investments	11	16.68		16.68	
Long Term Loans and Advances	12	22.40		23.26	
			<b>656.18</b>		<b>669.49</b>
<b>CURRENT ASSETS</b>					
Inventories	13	145.15		138.92	
Trade Receivables	14	110.93		388.00	
Cash and Cash Equivalents	15	93.50		231.05	
Short Term Loans and Advances	16	17.16		78.43	
Other Current Assets	17	-	366.74	63.95	900.36
<b>TOTAL</b>			<b>1,022.92</b>		<b>1,569.85</b>
Significant Accounting Policies					
Notes to the Financial Statements	1-33				
As per our attached report of even date		On behalf of the Board of Directors			
<b>M. Mukerjee &amp; Co.</b>		Sd/-		Sd/-	
Chartered Accountants		<b>Nripendra Mohan Sahai</b>		<b>B.C. Srivastava</b>	
		Director		Managing Director	
		DIN: 00422704		DIN: 00929674	
Sd/-		Sd/-		Sd/-	
<b>Spandan Sengupta</b>		<b>Kiran Sahai</b>		<b>Ajay Kumar Srivastava</b>	
Partner		Director		Director	
Membership No. 135833		DIN: 01279368		DIN: 00110886	
FRN No. 303013E		Sd/-		Sd/-	
		<b>Yogesh Kumar Gautam</b>		<b>Joginder Batra</b>	
		Company Secretary		Chief Financial Officer	
Place : Patna					
Dated : 8th June, 2017					

## Statement of Profit &amp; Loss Account for the year ended 31st March, 2017

(₹ in Lacs)

	Note	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>INCOME</b>			
Revenue from Operation (Net)	18	765.29	3,770.65
Other Income	19	612.63	0.23
<b>Total Revenue</b>		<b>1,377.92</b>	<b>3,770.87</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	246.17	1,588.71
Purchases of Stock in Trade		-	364.95
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	21	28.21	725.56
Employee Benefits Expense	22	335.69	714.47
Depreciation & Amortisation Expenses	10	18.55	118.32
Other Expenses	23	420.83	1,291.35
<b>Total Expenses</b>		<b>1,049.46</b>	<b>4,803.36</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL EXTRA ORDINARY ITEMS AND TAX</b>		<b>328.46</b>	<b>(1,032.48)</b>
Exceptional Items		-	-
<b>PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>328.46</b>	<b>(1,032.48)</b>
Extra Ordinary Items		-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>328.46</b>	<b>(1,032.48)</b>
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>328.46</b>	<b>(1,032.48)</b>
<b>Earnings per Equity Share (in ₹)</b>	24		
Basic / Diluted		0.23	(3.41)
Significant Accounting Policies			
Notes to the Financial Statements	1-33		

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN: 00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer



## Cash Flow Statement for the year period 31st March, 2017

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax ,exceptional and extraordinary items	328.46	(1,032.48)
Adjustment for :		
- Depreciation	18.55	118.32
- Interest/Dividend Received	(9.64)	-
- Provision for Doubtful Debts and Advances	143.69	53.32
<b>Operating Profit before Working Capital Changes</b>	<b>481.06</b>	<b>(860.84)</b>
Adjustments for :		
- Decrease/(Increase) in inventories	(6.22)	828.20
- Decrease/(Increase) in trade receivables	133.38	639.33
- Decrease/(Increase) in loans and advances	62.15	31.87
- Decrease/(Increase) in other current assets	63.95	(63.95)
- Increase/(Decrease) in trade and other payables	(635.79)	(625.40)
- Increase/(Decrease) in provisions	16.54	(171.75)
<b>Cash generated from Operating activities</b>	<b>115.06</b>	<b>(222.55)</b>
Income taxes paid/TDS (Net of Refund)	45.31	-
<b>NET CASH GENERATED FROM /(USED IN) OPERATING ACTIVITIES</b>	<b>160.37</b>	<b>(222.55)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
- Purchase of Fixed Assets/Capital W.I.P	(7.55)	(0.96)
- Interest Received	9.64	-
- Investment in Subsidiary (JNPL)	-	(16.50)
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>2.09</b>	<b>(17.46)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Repayment of Loan During the Year	(300.00)	16.50
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(300.00)</b>	<b>16.50</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>(137.54)</b>	<b>(223.51)</b>
<b>CASH AND CASH EQUIVALENT</b>		
- As at 31st March,2015 (Opening Balance)	231.05	454.56
- As at 31st March,2016 (Closing Balance)	93.50	231.05
	<b>(137.54)</b>	<b>(223.51)</b>

## Note :

- 1 Previous year's figures have been re-arranged where ever necessary.
- 2 The above Cash Flow Statement has been prepared by using the Indirect method as per Accounting Standard 3 - Cash Flow Statement issued by the Institute of Chartered Accountants of India.

	As at 31st March, 2017	As at 31st March, 2016
3 Cash and Cash equivalents comprises of		
Cash on hand	1.36	0.49
Cheques on Hand	0.06	-
Balance with Scheduled Banks	89.70	228.17
Fixed Deposit with Banks	2.39	2.39
Cash and Cash equivalents in Cash Flow Statement	93.50	231.05
3 The above is also in agreement with the SEBI guidelines for Cash Flow Statement		
4 Figures in brackets are outflows/deductions.		

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN: 00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

### Corporate Information

Jenson & Nicholson (India) Limited ('JNIL or Company') is a public company domiciled in India. Its shares are listed on three Stock Exchanges in India. The Company is engaged in the manufacturing and selling of paints.

### 1.1 Basis of preparation of financial statements

#### a) Basis of Accounting:

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by SEBI. The Financial Statements have been prepared on accrual basis and under the historical cost covenant.

The Accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year. Starting from 1st April, 2017, IND AS Accounting Standards, as prescribed by the Ministry of Corporate Affairs, have been applicable to the Company and the Accounting Policies would undergo necessary changes.

#### b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make judgements, estimates and assumptions that affect the reported amount revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

#### c) Current and Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (which has been defined to be twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

### 1.2 Revenue Recognition

- (a) All revenues, costs, assets and liabilities are accounted for on accrual basis.
- (b) Dividend income is accounted when the right to receive payment is established and known.
- (c) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts; excise duty, sales returns and sales tax/VAT.

- (d) Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- (e) Non compete fees received in a financial year are apportioned annually over the period of the Contract.

### 1.3 Fixed Assets/Depreciation/Amortization

#### a) Tangible Fixed Assets

Tangible Fixed Assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment. The cost of fixed assets comprises of its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of Buildings or Plant and Machinery is capitalized under relevant tangible asset heads.

Profit or loss on disposal of tangible assets is recognised in the statement of profit and loss. Fixed asset should be eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Subsequent expenditures related to an item of fixed assets are added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance.

#### b) Intangible Fixed Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Intangible assets are amortised on a straight-line method basis over their estimated useful life.

Gain or losses arising from the retirement or disposal of intangible assets are recognised in the profit and loss account.

#### c) Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of assets where applicable prescribed under Schedule II to the Companies Act, 2013 and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. Pursuant to Notification of Schedule II of the Companies Act, 2013, depreciation is provided on pro-rata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, prescribed under Schedule II to the Companies Act, 2013.

No depreciation is provided on Freehold Land.

Leasehold Land and Building is amortized on a straight line basis over the tenure of respective leases.

Intangible assets are amortised on a straight-line method basis over their estimated useful life.

**d) Impairment Loss**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to cash generating unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of asset's net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. Impairment loss in excess of Revaluation Surplus is recognised as expense in Profit & Loss Account. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exist or has decreased. Impairment loss/ reversal thereof is adjusted to the carrying value of the respective assets which in case of CGU, are allocated to its assets on pro-rata basis. Impairment loss on revalued assets/CGU previously charged as expenses in recognised as income in the Profit and Loss Account.

**1.4 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are valued at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost unless there is a diminution, other than temporary, in value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**1.5 Valuation of Inventories**

Finished goods and work in progress are stated at lower of cost and estimated net realisable value. Cost of inventories constitutes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Raw Materials, components, stores and spares are valued at lower of cost and estimated net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realisable value.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

**1.6 Foreign Currencies**

Foreign currency transactions and balances:

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate difference between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. In circumstances where the exchange rate at reporting date may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date the relevant monetary item is reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**(iii) Exchange differences**

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expenses in the period in which they arise.

**(iv) Forward exchange contracts entered to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

**1.7 Research & Development**

Revenue expenditure on research & Development is charged to Profit & Loss Account in the year in which it is incurred. Fixed assets utilised for research and development

are capitalised and Capital expenditure on Research and Development is treated in the same way as additions to fixed assets.

### 1.8 Leased Equipment

Lease Rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss Account on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

### 1.9 Amortization of expenses

- Expenses incurred in connection with issue of debentures are written off over the period of such debentures or ten years whichever is earlier.
- Preference Share issue expenses are charged off to revenue over the period of such Preference Shares.

### 1.10 Retirement Benefits

#### Provident Fund

The company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The company has an obligation to make to good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

#### Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date. Actuarial gains and losses are adjusted to the profit and loss account in the period in which it arises.

### Leave Encashment Plan

The company treats accumulated leave to the extent such leave are carried forward as employee benefit for measurement purposes. The Company provides for leave encashment on actuarial basis as of balance sheet date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

### 1.11 Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid, if any, to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain that future taxable income will be available against which such deferred tax assets can be realized.

### 1.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

## Notes on Financial Statements

### 2 SHARE CAPITAL

(₹ in Lacs)

		As at 31st March, 2017	As at 31st March, 2016
<b>AUTHORISED SHARE CAPITAL</b>			
2,500,000	Redeemable Preference Shares of Rs. 100/- each.	<b>2,500.00</b>	2,500.00
80,000,000	Ordinary Shares of Rs. 2/- each.	<b>1,600.00</b>	1,600.00
		<b>4,100.00</b>	4,100.00
<b>ISSUED AND SUBSCRIBED AND PAID UP:</b>			
1,000,000	14.5% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid	<b>1,000.00</b>	1,000.00
700,000	14% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid	<b>700.00</b>	700.00
37,425,595	Ordinary Shares of Rs. 2/- each, fully paid	<b>748.51</b>	748.51
		<b>2,448.51</b>	2,448.51

Of the above Ordinary Shares :

**Notes on Financial Statements**

- 2.1 Till 1982, 5,25,000 Ordinary Shares were allotted as fully paid up by way of bonus shares, by capitalisation of Reserves.
- 2.2 b) 7,50,000 Ordinary shares were allotted as fully paid bonus shares in 1991-92 by capitalisation of General Reserves and Share Premium Account.
- 2.3 c) 1,14,17,057 Ordinary Shares of Rs. 2/- each fully paid were allotted to promoters' group and overseas corporate bodies at a premium of Rs.7.40 per share on conversion of the Optionally Convertible Debentures amounting to Rs. 1000.42 lacs issued to them and interest thereon.
- 2.4 d) 53,19,148 Ordinary Shares of Rs. 2/- each fully paid were allotted to Unit Trust of India on conversion of the Optionally Convertible Debentures amounting to Rs. 500.00 lacs issued to them at a premium of Rs.7.40 per share.

Of the above Preference Shares :

- 2.5 a) 10,00,000 14.5% Cumulative Redeemable Preference Shares of Rs.100/- each issued in three tranches in 1997-98 redeemable at par at the end of the fifth year from the dates of allotment, i.e., 25.09.2002, 27.10.2002 and 08.12.2002 with option for early redemption not exceeding 25% of the aggregate of the Preference Shares outstanding at the end of the fourth year from the date of the allotment, i.e., 25.09.2001, 27.10.2001 and 08.12.2001. These Preference Shares have not been redeemed as yet.
- 2.6 b) 7,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each issued in two tranches in 1998-99 are redeemable at par at the end of the fifth year, sixth year and seventh year from the respective dates of allotment i.e., 01.02.2004 and 09.02.2004, 01.02.2005 and 09.02.2005 and 01.02.2006 and 09.02.2006 in the proportion of 30%, 30% and 40% respectively. The Preference Shareholders had filed a notice for redemption of the aforesaid preference shares.

**2.7 The details of Share Holding more than 5% shares: (₹ in Lacs)**

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	% held	No. of Shares	% held	No. of Shares
Maurya Management Pvt Ltd	32.50%	12,162,214	32.50%	12,162,214

**2.8 The reconciliation of the number of shares outstanding is set out below: (₹ in Lacs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,74,25,595	3,74,25,595
Equity Shares at the End of the year	3,74,25,595	3,74,25,595

**3 RESERVES & SURPLUS (₹ in Lacs)**

	Balance as at 31st March, 2016	Additions during the Period	Withdrawals during the Period	Balance as at 31st March 2017
Capital Reserve	0.04	0.00	0.00	0.04
Capital Redemption Reserve	25.69	0.00	0.00	25.69
Securities Premium Account	2,229.24	0.00	0.00	2,229.24
Revaluation Reserve	2,447.13	0.00	1.44	2,445.68
Debenture Redemption Reserve - N.C.D.	350.32	0.00	0.00	350.32
Debenture Redemption Reserve - O.C.D.	34.26	0.00	0.00	34.26
General Reserve	1,483.41	0.00	0.00	1,483.41
Debit Balance in Profit & Loss A/c	(44,808.89)	328.46		(44,480.43)
	(38,238.80)	328.46	1.44	(37,911.79)

(₹ in Lacs)

## Notes on Financial Statements

	As at 31st March, 2017	As at 31st March, 2016
<b>4 LONG TERM BORROWINGS</b>		
<b>TERM LOANS</b>		
<b>From Banks</b>		
Secured	923.45	923.45
Unsecured	-	923.45
<b>Total Long Term Borrowings</b>	<b>923.45</b>	<b>923.45</b>

Security Status:

S. NO	Name of Lenders	Original Lenders	Charge
1	Vivid Colors Pvt. Ltd.	United Bank of India, Indian Overseas Bank, IDBI, IIBI, Dombivili Nagari Sahakari Bank Ltd., Punjab Natinal Bank	<p><b>United Bank of India</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha and Shir Shailendra Prakash Sinha.</p> <p><b>Indian Overseas Bank</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha.</p> <p><b>IDBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets.</p> <p><b>IIBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha and Shri Shailendra Prakash Sinha.</p> <p><b>Dombivili Nagari Sahakari Bank Ltd</b> - Hypothecation of Plant and Machinery.</p> <p><b>Punjab Natinal Bank</b> - Whole immovable properties of the company including plant &amp; machinery, spares, tools office equipments and furniture &amp; fixtures, and Personal guarantee by the promoter of the company by Shri S P Sinha.</p>

4.1 Term Loan from Banks and financial institutions (United Bank of India, Dombivili Nagari Sahakari Bank Ltd, PNB, Indian Overseas Bank, IIBI, and IDBI) are secured by equitable mortgage of immovable properties of the Company and by way of charge on movable plant and machinery, machinery spares, tools and accessories and other movables both present and future. The Term Loan from IIBI included in the above loans is also guaranteed by two of the Promoters of the Company. Term loans from IDBI, United Bank of India and Indian Overseas Bank have been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd. The term loan from Dombivili Nagari Sahakari Bank Ltd, IIBI, Canara Bank and Punjab National Bank has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprise Ltd (ACRE)

4.2 Period and amount of Continuing default (₹ in Lacs)

S No.	Name of Lenders		Amount in default as on 31st March'17	Interest	Period of Default	Amount in default as on 31st March'16	Interest	Period of Default
	Current Lenders	Original Lenders						
1	Vivid Colors Pvt Ltd	United Bank of India, Indian Overseas Bank, IDBI, IIBI, Dombivili Nagari Sahakari Bank Ltd, Punjab National Bank	923.45	6,562.86	Since 1999-2000	923.45	6,562.86	Since 1999-2000



## Notes on Financial Statements

- 4.3 The company has stopped providing interest on all loans from Banks and Financial Institutions whether secured and unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them.
- 4.4 The Security given to secured lenders in fixed assets had been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of all the loans. 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.

**5 LONG TERM PROVISIONS**

(₹ in Lacs)

**Employees benefit**

Gratuities	183.27	190.87
Leave Encashment	25.79	26.54
	<u>209.06</u>	<u>217.42</u>

(₹ in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
<b>6 SHORT TERM BORROWINGS</b>				
Loans Repayable on Demand				
<b>From Banks</b>				
Secured	4,606.19		4,606.19	
Unsecured	-	4,606.19	-	4,606.19
<b>From Other Parties</b>				
Secured	3,223.75		3,523.75	
Unsecured	138.61	3,362.36	138.61	3,662.36
Total		<u>7,968.55</u>		<u>8,268.55</u>

Security Status:

S. NO	Current Lendors	Original Lendors	Charge
1	Vivid Colors Pvt. Ltd.	State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, SBI Home Finance Ltd, SIDBI, Canara Bank, Allahabad Bank, National Co-Operative Bank, Standard Chartered Bank, Global Trust Bank (OBC)	<p><b>State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, SBI Home Finance Ltd</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati</p> <p><b>SIDBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets.</p> <p><b>Canara Bank</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati.</p> <p><b>Allahabad Bank</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati.</p> <p><b>National Co-Operative Bank</b> - Includes Rs. 51.25 lacss secured by pledge of various raw materials &amp; components (imported or indigenous) and guaranteed by one of the Directors of the Company. Security documentation is pending.</p> <p><b>Standard Chartered Bank</b> - First charge on Insta Color Machines (Tinting Machines)</p> <p><b>Global Trust Bank (OBC)</b> - Second charge on all Fixed assets of the company and Personal Guarantee of Shri S P Sinha."</p>

**Notes on Financial Statements**

- 6.1 Cash credit and working capital loan from banks are secured by way of charge on Company's stocks (not relating to plant and machinery), bills receivable, book debts and other movables both present and future except for certain Jensonomatic Automatic Machines hypothecated by way of a first charge in favour of a banker. Temporary overlimit taken from a bank is also guaranteed by one of the Directors of the Company. Cash Credit and working capital loans from State bank of India, Bank of Baroda, Bank of India and Union Bank of India have been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd and for Allahabad Bank & Standard Chartered Bank Global Trust Bank (OBC) have been assigned in favour of Vivid Colors Pvt Ltd.
- 6.2 Bill Discounting facility from SIDBI is secured by a charge on whole of the immovable properties of the Company together with building, Plant and Machinery and other items attached to the earth or permanently fastened to earth. Subsequently the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 6.3 Loans include Rs. 500 lacs received from Global Trust Bank (OBC) originally as Short term in 1997-98 for a period of six months as advance for issue of secured Redeemable Non-Convertible debentures of Rs. 100/- each which was subsequently renewed for a further period of six months. No repayment has been made nor any debenture has been issued as yet. Now it has been categorised as Short term as per as per Schedule VI requirements. The entire loan has been assigned in favour of M/s Vivid Colors Pvt Ltd.
- 6.4 Includes Rs 500 lacs as Short Term loan from M/s SBI Home Finance Ltd, the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 6.5 The company has stopped providing interest on all loans from Banks and Financial Institutions whether secured and unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them.
- 6.6 Short Term Borrowings from other parties amounting to Rs 3223.75 lacs (previous year 3523.75 lacs) secured by mortgaged of 55% shares pledged of Jenson & Nicholson Paints Pvt Ltd (a subsidiary of Jenson and Nicholson (India) Ltd).
- 6.7 The Security given to secured lenders in fixed assets had been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of all the loans. 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.

Period and amount of Continuing default

(₹ in Lacs)

S No.	Name of Lenders	Original Lenders	Amount in default as on 31st March'17	Interest	Period of Default	Amount in default as on 31st March'16	Interest	Period of Default
1	Vivid Colors Pvt. Ltd.	State Bank of India, Union Bank, Bank of Baroda, Bank of India, SBI Home Finance Ltd, SIDBI, Canara Bank, Allahabad Bank, Standard Chartered Bank, National Co-Operative Bank, Global Trust Bank (OBC)	4,606.19	9,943.39	Since 1999-2000	4,606.19	9,943.39	Since 1999-2000

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>7 TRADE PAYABLE</b>		
Sundry Creditors		
Due to Micro Small and Medium Enterprise	-	-
Others	<b>3,642.31</b>	<b>3,888.12</b>
	<b>3,642.31</b>	<b>3,888.12</b>

Information related to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

- a) The Company has not received intimation from suppliers regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any, relating to the amounts unpaid at the year end together with interest payable as required under the said Act, has not been made.

**Notes on Financial Statements**
**8 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Unpaid Matured Deposit	13.57	13.57
Unpaid matured debentures and interest accrued thereon		
Non Convertible Debentures		
Vivid Colors Pvt. Ltd. (IDBI)	2,342.08	2,342.08
Vivid Colors Pvt. Ltd. (NIA)	229.30	229.30
Vivid Colors Pvt. Ltd. (UTI)	813.60	813.60
Optionally Convertible Debentures	0.00	0.00
Vivid Colors Pvt. Ltd. (UTI)	902.15	902.15
	<b>4,287.13</b>	<b>4,287.13</b>
Interest and due on borrowings	17,936.17	17,936.17
Statutory Liabilities	368.25	388.75
Payable to Employees'	620.89	795.17
Liability for Expenses	233.23	320.56
Security Deposits	4.50	12.37
Advance received against Assignment of Trade Marks	-	100.00
	<b>23,463.73</b>	<b>23,853.71</b>

There is no amount due and outstanding to be credited to Investor Education & Protection Fund as at 31.03.2017

- 8.1 Rs. 8,00,00,000/-, 20.5% Non-Convertible Debentures of Rs. 100/- each redeemable at 5% premium privately placed with IDBI are redeemable in three tranches amounting to Rs. 200 lacs, Rs. 400 lacs and Rs. 200 lacs on 1st January, 2004, 2005 and 2006. However the said debenture has not been redeemed. Subsequently the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 8.2 Rs. 1,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with NIA were redeemable at the end of the third year from the date of allotment i.e., 25th February, 2003 at par. However the said debenture has not been redeemed yet.
- 8.3 Rs. 5,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with UTI are redeemable in three tranches of equal amount at the end of the 4th, 5th and 6th year from the date of allotment i.e., on 18th October, 2003, 2004, 2005 respectively at par. The entire loan has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprises Ltd (ACRE).
- 8.4 Rs. 10,00,00,000, 13.5% Optionally Convertible Debentures issued to UTI consisting of Part A (10,00,000 Debentures) of Rs.50/- each converted into Equity Shares of Rs. 2/- each at a premium of Rs. 7.40 on 30th November, 2001. Optional Part B (10,00,000 Debentures) of Rs.50/- each convertible into Equity Shares of Rs.2/- each at a premium of Rs.7.40 on notice being served. If option is not exercised, it shall be redeemed at par in 3 equal instalments on 31st May, 2004, 2005, 2006 respectively. However nothing has happened on this front as yet. The entire loan has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprises Ltd (ACRE).
- 8.5 All the Non-Convertible Debentures and Optionally Convertible Debentures are to be secured by an equitable mortgage of the Company's all immovable properties both present and future and hypothecation of other movable assets save and except stock and book debts (by way of second charge) ranking pari-passu with mortgage / charge created in favour of Vivid Colors Pvt Ltd Security documentations are pending for 15% NCD placed with NIA, 15% NCD placed with UTI and 13.5% OCD placed with UTI.

Status of Security

(₹ in Lacs)

Status of Security	31st March, 2017	31st March, 2016
Following amounts are secured by mortgage on Fixed Assets of the Company		
Unpaid matured debentures and interest accrued thereon	4,287.13	4,287.13
Interest and due on borrowings	16,506.25	16,506.25

- 8.6 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. During the year M/s Sirius Financial Services Pvt Ltd has also assigned all the loans from Banks and Financial Institutions which they have take over from IFCI to 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 loans. 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.

**Notes on Financial Statements**

(₹ in Lacs)

**9 SHORT TERM PROVISIONS**
**Employees benefit**

Gratuities	103.63		82.65	
Leave Encashment	11.22		8.87	
PF Contributions	9.12	123.97	0.00	91.52
Provision for Premium on NCD		40.00		40.00
Provision for Tax (net of advance payment of tax)		115.11		77.37
	<b>279.09</b>			<b>208.89</b>

**10 Schedules to the Accounts**

(₹ in Lacs)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION								NET BLOCK	
	Cost / Revaluation as at 31.03.16	Additions	Deductions	Cost/ Revaluation as at 31.03.2017	As at 31.03.16	Provided	On Revaluation	On Deductions	As at 31.03.2017	As at 31.03.2016	Provided	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>I. Tangible Assets:</b>														
Freehold Land	386.61			386.61	-	-	-	-	-	-	-	-	386.61	386.61
Leasehold Land	108.29			108.29	20.61	0.19	0.89	-	21.70	-	-	-	86.60	87.68
Buildings	1,029.40			1,029.40	821.61	1.34	0.55	-	823.50	148.83	-	148.83	57.07	58.96
Plant and Equipments	14,801.53	6.39		14,807.92	6,060.78	9.75	-	-	6,070.54	8,666.29	-	8,666.29	71.10	74.46
Furniture & Fixtures	995.63	1.17		996.79	929.13	0.22	-	-	929.34	65.83	-	65.83	1.62	0.67
Vehicles	46.15			46.15	46.15	-	-	-	46.15	-	-	-	-	-
Total Tangible Assets	17,367.62	7.55	-	17,375.18	7,878.28	11.50	1.44	-	7,891.22	8,880.96	-	8,880.96	603.00	608.38
Previous Year	17,366.66	0.96	-	17,367.62	7,732.38	111.27	34.64	-	7,878.28	8,880.96	-	8,880.96	60,838,440.04	753.32
<b>II. Intangible Assets:</b>														
Trade Mark	2,399.64	-	-	2,399.64	2,399.64	-	-	-	2,399.64	-	-	-	-	-
Computer Software	42.10	-	-	42.10	20.94	7.06	-	-	27.99	-	-	-	14.11	21.17
Total Intangible Assets	2,441.74	-	-	2,441.74	2,420.58	7.06	-	-	2,427.63	-	-	-	14.11	21.17
Previous Year	2,441.74	-	-	2,441.74	2,413.52	7.06	-	-	2,420.58	-	-	-	21.17	28.22
Total Fixed Assets (I+II)	19,809.36	7.55	-	19,816.92	10,298.86	18.55	1.44	-	10,318.85	8,880.96	-	8,880.96	617.11	629.55
Previous Year	19,808.40	0.96	-	19,809.36	10,145.90	131.05	5.73	339.69	9,942.99	9,588.19	-	9,588.19	629.55	1,234.19

(₹ in Lacs)

**11 NON CURRENT INVESTMENTS**

As at 31st March, 2017 As at 31st March, 2016

**Other Investments (At cost, fully paid up, non trade, Unquoted)**
**Investment in Equity Instruments**

In Equity shares of subsidiary company (At Cost) Trade, Unquoted	16.50	16.50
1,65,000 Equity shares of Rs. 10/- each fully paid up in Jenson Nicholson Paints Pvt Ltd		

**Others**

500 'B' Class Shares of Rs.10/- each of J&N Employees' Consumers' Co-operative Stores Limited, fully paid	0.05	0.05
500 Equity Shares of Rs.10/- each of The Co-operative Stores Limited, Delhi, fully paid	0.05	0.05

**Investments in Debentures and Bonds**

30 - 1/2 % Debenture of Rs.100/- each of East India Clinic Limited, fully paid.	0.03	0.03
Rs. 4,500/- 5% Registered Debenture Stock (non-redeemable) of East India Clinic Limited, fully paid	0.05	0.05

16.68 16.68

As at 31st March, 2017 As at 31st March, 2016

**12 Long Term Loans & Advances (Unsecured, Considered Good)**

Security Deposits	22.40	23.26
	<b>22.40</b>	<b>23.26</b>

## Notes on Financial Statements

13 INVENTORIES	As at		As at	
	31st March, 2017		31st March, 2016	
Raw Materials	420.33		386.33	
Less: Provision for Stocks Lying in Naihati	367.44	52.89	367.44	18.89
Containers	36.66		35.90	
Less: Provision for Stocks Lying in Naihati	12.90	23.76	12.90	23.01
Work-in-Progress	10.89		4.33	
Less: Provision for Stocks Lying at Naihati	4.33	6.56	4.33	0.00
Finished Goods	75.68		103.12	
Less: Provision for Stocks Lying at Naihati	14.77	60.91	14.77	88.34
Stock in Trade		-		7.34
Stores and Spare Parts	27.60		27.91	
Less: Provision for Stocks Lying in Naihati	26.57	1.03	26.57	1.34
		145.15		138.92
				(₹ in Lacs)
14 TRADE RECEIVABLE (UNSECURED)				
Overdue for a period of exceeding six months:				
Considered Good	59.32		94.09	
Doubtful	943.04		799.34	
	1,002.35		893.43	
Less : Provision for Doubtful Debts	943.04	59.32	799.34	94.09
Other Receiveables				
Considered Good		51.61		293.92
		110.93		388.00
15 CASH AND CASH EQUIVALENTS				
Cash on hand		1.36		0.49
Cheques on Hand		0.06		-
Balance with Scheduled Banks		89.70		228.17
Deposit with Banks maturity more than 3 months but less than 12 months		2.39		2.39
		93.50		231.05
16 Short Term Loans & Advances (Unsecured, considered good)				
Deposits		2.56		0.33
Other loans and advances		-		
i) Advances/Claims revocerable in cash or in kind		1.56		72.48
ii) Prepaid Expenses		5.84		5.62
iii) Balance with statutory/ government authorities		7.19		-
		17.16		78.43
(Unsecured, considered doubtful)				
Other loans and advances				
i) Advances/Claims revocerable in cash or in kind		322.93		322.93
Less : Provision for doubtful		322.93		322.93
		-		-
17 Other Current Assets				
Due from Subsidiary		-		63.95
		-		63.95

## Notes on Financial Statements

(₹ in Lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>18 Revenue from Operations</b>		
<b>(a) Sale of Products</b>	<b>422.69</b>	4,009.83
Less: Excise Duty	<u>46.42</u>	<u>350.70</u>
	<b>376.26</b>	<b>3,659.13</b>
<b>Particulars of Sale of Products</b>		
Paints	<b>422.68</b>	4009.83
<b>(b) Other Operating Income</b>		
Scrap Sales	<b>9.72</b>	9.80
Insurance Claims Received	-	0.16
Job Work Charges	<b>364.81</b>	84.80
Miscellaneous Income	<u>14.51</u>	<u>16.76</u>
	<b>389.03</b>	<b>111.52</b>
Total Revenue from Operations	<u><b>765.29</b></u>	<u><b>3,770.65</b></u>
<b>19 OTHER INCOME</b>		
Interest on Income tax Refund	9.64	-
Assignment/Transfer of TradeMarks	600.00	-
Miscellaneous Income	<u>2.99</u>	<u>0.23</u>
	<b>612.63</b>	<b>0.23</b>
<b>20 CONSUMPTION OF MATERIALS ETC.</b>		
	<b>For the year ended 31st March, 2017</b>	<b>For the year ended 31st March, 2016</b>
Raw Materials & Components		
Opening Stock	<b>386.33</b>	473.52
Add : Purchases	<u><b>257.26</b></u>	<u>1,266.26</u>
	<b>643.60</b>	<b>1,739.78</b>
Less : Closing Stock	<u><b>420.33</b></u>	<u>386.33</u>
	<b>223.27</b>	<b>1,353.45</b>
Containers		
Opening Stock	<b>35.90</b>	50.38
Add : Purchases	<u><b>23.66</b></u>	<u>220.79</u>
	<b>59.57</b>	<b>271.17</b>
Less : Closing Stock	<u><b>36.66</b></u>	<u>35.90</u>
	<b>22.91</b>	<b>235.27</b>
	<u><b>246.17</b></u>	<u><b>1,588.71</b></u>
<b>CIF value of Imports</b>		
Raw Material	-	-
Capital Goods	-	-
Finished Goods	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Particulars of Material Consumed</b>		
Acids & Chemicals	<b>5.36</b>	218.27
Pigments	<b>41.54</b>	267.10
Resins	<b>134.76</b>	711.14
Solvents	<b>41.61</b>	156.94
Others	-	-
Total	<u><b>223.27</b></u>	<u><b>1,353.45</b></u>
of which	%	%
Imported	<b>0.00%</b>	0.00%
Indigenous	<b>223.27</b>	<b>1,353.45</b>
	<b>100.00%</b>	
	<u><b>223.27</b></u>	<u><b>1,353.45</b></u>



## Notes on Financial Statements

(₹ in Lacs)

	For the year ended 31st March, 2017	For the Year ended 31st March, 2016
<b>21 Change in Inventories of Finished Goods, Stock in Process and Stock in Trade</b>		
Opening Work in Progress	4.33	30.54
Closing Work in Progress	10.89	4.33
	(6.56)	26.21
Opening Finished Stocks/Stock in Trade	110.45	809.80
Closing Finished stocks / Stock in Trade	75.68	110.45
	34.77	699.35
Total	28.21	7265.56
<b>22 Employee Benefits Expense</b>		
Salaries and Wages	281.60	631.65
Contribution to Provident & Other Funds	35.11	39.32
Staff Welfare Expenses	18.98	43.50
	335.69	714.47
<b>23 Other Expenses</b>		
Consumption of Stores & Spare Parts	7.21	11.81
Power & Fuel	30.71	40.55
Rent	8.18	89.14
Repairs & Maintenance - Building	5.01	5.34
Repairs & Maintenance - Plant & Machinery	5.07	3.83
Repairs & Maintenance - Office and Others	19.98	12.47
Insurance	2.92	5.72
Freight	18.29	339.43
Travelling	31.97	107.39
Sales Promotion, Discounts and Marketing Exp.	10.17	251.81
Cash Discounts	0.81	137.51
Security Charges	20.50	21.03
Consultancy & Legal Exp.	32.59	44.33
Auditors' Remuneration		
As Audit Fee	1.00	1.00
For Tax Audit Fees	0.60	0.60
For Company Law Matters		
For Other Services	0.96	0.90
Reimbursement of Expenses	1.44	0.42
Directors' Sitting Fee	1.80	2.63
Provision for Doubtful Debts	143.69	53.32
Miscellaneous	77.91	162.13
	420.83	1,291.35

**Notes on Financial Statements**

(₹ in Lacs)

**23.1 Store and Spares Consumed**

	%	( ₹ in Lacs )	%	( ₹ in Lacs )
Imported				
Indigenous	100%	7.21	100%	11.81
		7.21		11.81

**24 Earnings Per Equity Shares**

(₹ in Lacs)

	<b>For the year ended 31st March, 2017</b>	<b>For the Year ended 31st March, 2016</b>
Profit after Tax (Loss)	328.46	(1,032.48)
Preference Dividend	243.00	243.00
Adjusted Profit (Loss) after taxation	85.46	(1,275.48)
Weighted Average Number of Equity Shares	37,425,595	37,425,595
Basic Earnings Per Equity Share (Loss)	0.23	(3.41)
(Face Value ₹ 2/- per share)		

Diluted Earnings per share have not been disclosed for both the years as potential ordinary shares, ordinary if converted into shares, will have anti dilutive effect.

25. The Insolvency and Bankruptcy Code, 2016 came into effect in the month of December, 2016 and BIFR has been abated. Hence the Company's reference before BIFR stands abated. Consequently, Board will decide over making application to NCLT.
26. The company has incorporated a wholly owned subsidiary in the name of Jenson & Nicholson Colours Pvt. Ltd on 05/05/2017.
27. **Contingent liabilities not provided for in respect of:**

<b>S. No.</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2017 (₹ in lacs)</b>	<b>31<sup>st</sup> March, 2016 (₹ in lacs)</b>
1	Sales Tax Matter under Appeal	373.54	239.19
2	Income Tax Matter under Appeal	50.00	53.83
3	Panvel Octroi under dispute	71.91	71.91
4	Excise Duty under Appeal	669.90	638.20
5	Interest on custom duty payable	341.28	322.56
6	Arrear Pref. Share Dividend	4374	4131.00
7	Interest payable under dispute	739.67	739.67
8	Interest on loans originally taken from banks, financial institutions and other lenders now all are assigned in favour of M/s Vivid Colors Pvt. Ltd. which has not been provided after 31 <sup>st</sup> March' 2006.	219193.40	176928.23
9	Claim against the company not acknowledged as debts [Various Suppliers' Claims under dispute (Principal and Interest thereon)]	25601.22	20243.40
10	Claim against the company for given corporate guarantees including interest thereon	30393.31	25593.47
11	Interest on loan from Vivid Colors Pvt. Ltd	4111.89	3620.77
12	Claim by Kolkata Port Trust on account of difference in rent.	208.07	208.07

**28. DEFERRED TAX**

In view of carry forward losses, in drawing up the Accounts, the Company has not considered the impact of Net Deferred tax assets after setting off deferred tax liability arising out of timing difference. Deferred Tax Assets have not been recognized in accounts since it cannot be stated with reasonable certainty that there will be sufficient future income to recover such deferred tax assets.

## Notes on Financial Statements

## 29. SEGMENT REPORTING

As the Company's business activity falls within a single business segment viz. paints and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

## 30. RELATED PARTIES

Related party disclosures in accordance with the Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, the related parties are as follows:

## A) RELATED PARTY RELATIONSHIPS

Description of Party	Relationship
1. Mr. B.C. Srivastava	Managing Director-KMP
2. Mr. Joginder Batra	Chief Financial Officer-KMP
3. Mr. Yogesh Kumar Gautam	Company Secretary -KMP
4. Bihar Hotels Limited	Enterprise under common control
5. Jenson & Nicholson Paints Pvt. Ltd.	Subsidiary of the Company

## B) SUMMARY OF TRANSACTIONS

(₹ in Lacs)

Particulars	Subsidiaries		Enterprise under Common control		Key Managerial Personnel	
	2017	2016	2017	2016	2017	2016
Sale of Material	-	-	0.85	5.51	-	-
Expenses Paid/ payable	-	-	0.50	0.52	-	-
Rent receive/ receivable	-	-	-	7.20	-	-
Reimbursement of Expenses received/ receivable	-	167.25	2.01	3.51	-	-
Royalty receivable	-	0.059	-	-	-	-
Amount received for Assignment of Trade Marks	530.00	1000.00	-	-	-	-
Remuneration paid/payable	-	-	-	-	29.87	22.89

## C. TRANSACTION DURING THE YEAR WITH RELATED PARTIES

(₹ in Lacs)

Transactions	2017	2016
<b>Sale of goods</b>		
Bihar Hotels Ltd	0.85	5.51
<b>Expenses Paid</b>		
Bihar Hotels Ltd	0.50	0.52
<b>Reimbursement of Expenses received</b>		
Jenson & Nicholson Paints Pvt. Ltd	-	167.25
Bihar Hotels Ltd	2.01	3.50
<b>Royalty receivable</b>		
Jenson & Nicholson Paints Pvt. Ltd	-	0.059
<b>Amount/Advance received for Assignment of Trade Marks</b>		
Jenson & Nicholson Paints Pvt. Ltd.	530.00	100.00

**Note:** No amount has been written off/ written back during the year in respect of debts due from or to the related parties.

## Notes on Financial Statements

## 31. Debts Restructuring

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.

## 32. Corporate Social Responsibility

The provision of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility is not applicable to the Company as the net worth, turnover and net profit (Average Net profit calculated in accordance with the provisions of section 198) during the financial year is less than the stipulated amount. Though the policy has been framed by the Company on Corporate Social Responsibility and there is no CSR activities initiated due to lack of profits therefore there is no reporting requirement pursuant to provisions of Section 134(3)(o) of the Companies Act, 2013.

## 33. EMPLOYEE BENEFITS (Disclosure as per AS 15 revised)

## i) Defined Benefit Plans

## a) Gratuity (Unfunded)

(₹ in Lacs)

		31.03.2017	31.03.2016
		IN LACS	IN LACS
<b>A</b>	<b>Expense recognised in the Statement of Profit &amp; Loss</b>		
1	Current Service Cost	10.1	10.35
2	Interest Cost	32.61	30.72
3	Expected Return on Plan Assets	-	-
4	Net actuarial (gain)/loss recognised during the year	(8.25)	(0.85)
5	<b>Total Expense</b>	<b>34.46</b>	<b>40.22</b>
<b>B</b>	<b>Change In Present Value of the Obligation during the year</b>		
1	Present Value of Obligation as at the beginning of the year	42.38	39.3
2	Current Service Cost	1.01	1.03
3	Interest Cost	3.26	3.07
4	Benefits Paid	(11.01)	(0.94)
5	Actuarial (gain)/loss on obligation	(0.82)	(0.84)
6	Present Value of Obligation as at the end of the year	34.81	42.38
<b>C</b>	<b>Change in Fair value of plan assets during the year</b>		
1	Fair value of plan assets as at the beginning of the year	-	-
2	Expected return on plan assets	-	-
3	Contribution made	-	-
4	Benefits paid	-	-
5	Fair value of plan assets as at the end of the year	-	-
<b>D</b>	<b>The Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
	Investments with Insurer		
<b>E</b>	<b>The principal assumptions used in determining gratuity obligations for the Company's plan are shown below</b>		
	Discount Rate	6.9	7.7
	Expected rate of return on assets*	-	-
	Employee Turnover	2%	2%
	Mortality rate	100% ( of Indian Assured Lives)	100% ( of Indian Assured Lives)

\*Expected rate of return on plan assets is same as actual rate of return since ARD falls on 31st March

\*The gratuity scheme is not managed on funded basis.

## Notes on Financial Statements

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(₹ in Lacs)

		Gratuity				
<b>F</b>	Net Liability Recognised in the Balance Sheet	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	Present Value of the Obligation	34.81	42.38	39.3	36.17	37.01
	Fair Value of plan assets	-	-	-	-	-
	Funded Status [Surplus/deficit]	-	-	-	-	-
	<b>Net Liability Recognised in the Balance Sheet</b>	<b>34.81</b>	<b>42.38</b>	<b>39.3</b>	<b>36.17</b>	<b>37.01</b>
	Experience Gain/ (Loss) adjusted on plan liabilities	(1.81)	(0.21)	(3.94)	(4.5)	(3.07)
	Experience Gain/ (Loss) adjusted on plan assets	-	-	-	-	-
	Actuarial Gain/(Loss) due to change in assumptions	-	-	-	-	-

- b) Provident Fund for certain eligible employees is administered by the Company through the Trusts "Jenson & Nicholson (India) Limited Employees Provident Fund and Jenson & Nicholson (India) Limited Workers Provident Fund" covered as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a Trust provide that in a provident fund set up by the employer, being exempt under Section 17 (1) of the said Act, any shortfall in the rate of interest on contributions as compared to the rate approved by the Government for the Employees' Provident Fund administered by the Regional Provident Fund commissioner is to met by the employer. Such a provident fund would in effect be a defined benefit plan in accordance with the requirements of AS 15.

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN: 00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated) in term of Reg. 33 of SEBI (LODR), Regulations, 2015**

(Figures are in ₹ Lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	3901.71	3901.71
	2.	Total Expenditure	4936.85	47941.69
	3.	Net Profit/(Loss)	(1035.14)	(44039.98)
	4.	Earnings Per Share	(3.42)	(118.32)
	5.	Total Assets	2846.37	2846.37
	6.	Total Liabilities	39923.08	82927.92
	7.	Net Worth	(37076.70)	(80081.55)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
	b.	Type of Audit Qualification : Qualified Opinion		
	c.	Frequency of qualification: repetitive since more than last 10 years		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure-A		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.		
	(i)	Management's estimation on the impact of audit qualification:		
	(ii)	If management is unable to estimate the impact, reasons for the same:		
	(iii)	Auditors' Comments on (i) or (ii) above:		
	Signatories:			
	•	CEO/Managing Director	B.C. Srivastava (Managing Director)	
	•	CFO	Joginder Batra	
	•	Audit Committee Chairman	N.M.Sahai	
	•	Statutory Auditor	Spandan Sengupta	

**Place : 08/06/2017**

**Date : Patna**

**Annexure - A**

Impact qualification by the Auditor	Management's Views
The banks, financial institutions and other lenders have filed legal cases against the company for recovery of outstanding loans and interest thereon. No provision has been made in these accounts for additional interest, penal interest, liquidated damages etc. amounting to Rs. 739.67 lacs as claimed by the above lenders at various legal forums, The same has been shown as contingent liability in notes to accounts attached to the said accounts. Company however had been providing interest on the above loans on a basis as considered appropriate by the management but up to 31 <sup>st</sup> March, 2006. However, the company has stopped providing interest on all loans from banks and financial institutions whether secured or unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them. Interest amounting to Rs. 219193.40 lacs up to the current year ended 31 <sup>st</sup> March, 2017 has not been provided but the same has also been included in contingent liability.	The network of the Company has eroded and the company has no funds to repay the loan or interest thereof. Interest has been provided upon the loans till 31 <sup>st</sup> March, 2006. However provision of interest on all loans was stopped, since it was for sure that the Company was declared an NPA by all the lenders, banks and financial institutions. However, we have shown the interest till the balance sheet date as a contingent liability. The situation has completely changed because the total liability of all the Secured lenders amounting to Rs. 26,323.02 lacs being principal and interest had been settled at a settlement amount of Rs. 3153.13 lacs and the same has been paid to the lenders by a investor M/s Vivid Colors Pvt. Ltd. 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.



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Jenson & Nicholson (India) Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Jenson & Nicholson (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising the consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 the Companies (Accounts) Rules, 2014 (Particularly Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

Attention is drawn to:

- i. The banks, financial institutions and other lenders have filed legal cases against Jenson & Nicholson (India) Limited for recovery of outstanding loans and interest thereon. No provision has been made in these accounts for additional interest, penal interest, liquidated damages etc. amounting to INR 739.67 lacs as claimed by the above lenders at various legal forums. The same has been shown as contingent liability in notes to accounts attached to the said accounts. Company however had been providing interest on the above loans on a basis as considered appropriate 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 w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them. Interest amounting to INR 219193.40 lacs up to the current year ended 31st March, 2017 has not been provided but the same has also been included in contingent liability.
- ii. These financial statements have been prepared on a going concern basis. Jenson & Nicholson (India) Limited has incurred an operating profit during the year. The company is passing through a severe liquidity crisis and is unable to honor its commitment to lenders, preference shareholders, suppliers and employees. The bankers, financial institutions and other lenders have taken legal action for recovery of their dues. Several petitions for winding up of the company have been filed by the creditors and lenders. The company is contesting these petitions or is settling such petitions out of courts. The company is in the process of restructuring its business and also trying to identify alternative source of finance. In the absence of adequate financial support this basis would be invalid. Provision would then have to be made for any loss that might arise when the company's assets are realized.

### Qualified Opinion

Because of the significance of the matters described in the Basis for Qualified Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in Basis of Qualified Opinion, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date

### Other Matters

We did not audit the financial statements of subsidiary as mentioned in Annexure I to this report, whose financial statement reflect total assets of INR 2392.45 Lacs as at March 31, 2017, total revenues of INR 3123.79 Lacs and net cash inflows(Outflows) amounting to INR (1603.17) lacs for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management

### Report on Other Legal and Regulatory Requirements

1. The banks, financial institutions and other lenders have filed legal cases against the Holding company for recovery of outstanding loans and interest thereon. No provision has been made in these accounts for additional interest, penal interest, liquidated damages etc. amounting to INR 739.67 lacs as claimed by the above lenders at various legal forums. The same has been shown as contingent liability in notes to accounts attached to the said accounts. Holding Company however had been providing interest on the above loans on a basis as considered appropriate by the management but up to 31st March, 2006. However, the Holding Company has stopped providing interest on all loans from banks and financial institutions whether secured or unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them. Interest amounting to INR 219193.40 lacs up to the current year ended 31st March, 2017 has not been provided but the same has also been included in contingent liability.

2. These financial statements have been prepared on a going concern basis. The Holding Company has incurred an operating profit during the year. The Holding company is passing through a severe liquidity crisis and is unable to honour its commitment to lenders, preference shareholders, suppliers and employees. The bankers, financial institutions and other lenders have taken legal action for recovery of their dues. Several petitions for winding up of the company have been filed by the creditors and lenders. The Holding company is contesting these petitions or is settling such petitions out of courts. The Holding company is in the process of restructuring its business and also trying to identify alternative source of finance. In the absence of adequate financial support this basis would be invalid. Provision would then have to be made for any loss that might arise when the company's assets are realised.

We further report that, the effect of our remarks in paragraph 2 and 3 could not be readily ascertained.

3. As required by sub-section 3 of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary as noted in the 'Other Matter' paragraph, we report, to the extent applicable, 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 of aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the relevant assertion contained in the audit report of standalone financial statements of subsidiary which are incorporated in India, none of the Directors of such company are disqualified as on March 31, 2017 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the financial controls over financial reporting of the Holding Company, subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure-II" and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of subsidiary company, as noted in the 'Other Matter' paragraph:
- i) The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Holding Company, its subsidiary company.
  - ii) The Holding Company, its subsidiary companies 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.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India.
- iv) The Holding Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December, 2016. Based on the opinion expressed by Subsidiary Company's statutory auditor, the Subsidiary has provided the requisite disclosures in its financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. So, based on audit procedures and relying on the management representation as well as the Auditor's Report of the Subsidiary, we report that the disclosures are in accordance with books of account maintained by the Holding and Subsidiary and as produced to us by the Management.

**M. MUKERJEE & CO.**  
Chartered Accountants  
FRN: 303013E  
24, Netaji Subhas Road  
Kolkata-700 001

Sd/-  
**SPANDAN SENGUPTA**  
Partner  
Membership No: 135833

Place : Patna  
Date : June 8, 2017

#### ANNEXURE I TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2017

(referred to in our report of even date)

The following subsidiary has not been audited by M. Mukerjee & Co., which are considered for consolidation of Jenson & Nicholson (India) Ltd.

Name of the Company	Accounting Period	Subsidiary	Total Assets*	Total Revenue*	Net Cash outflow*	Name of Auditor
Jenson & Nicholson Paints Pvt. Ltd.	April-16-March 17	Direct	2392.45	3123.79	(1603.17)	M/s PKF Sridhar & Santhanam LLP

#### ANNEXURE-II TO INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in our report of even date)

##### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

In conjunction with our audit of the consolidated financial statements of Jenson & Nicholson (India) Ltd. ("the Holding Company") as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of the Holding Company, its Subsidiary, incorporated in India as of that date.

##### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, incorporated in India, are responsible for establishing and maintaining internal financial controls based on

the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

##### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our

audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its Subsidiary Company, incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such Company.

**M. MUKERJEE & CO.**

Chartered Accountants

FRN: 303013E

24, Netaji Subhas Road  
Kolkata-700 001

Sd/-

**SPANDAN SENGUPTA**

Partner

Membership No: 135833

Place : Patna

Date : June 8, 2017

## Consolidated Balance Sheet as at 31st March' 2017

(₹ in Lacs)

	Note	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	2,448.51	2,448.51
Reserves & Surplus	3	(39,525.21)	(37,076.70)
Minority Interest		-	-
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	4	923.45	923.45
Long Term Provisions	5	212.51	1,135.96
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	6	8,764.93	8,563.94
Trade Payables			
Total Outstanding due of Micro and Small Enterprises	7	-	-
Total Outstanding due of creditors other than Micro and Small Enterprises	7	5,447.54	4,005.26
Other Current Liabilities	8	24,295.56	23,761.82
Short Term Provisions	9	279.09	38,787.12
<b>TOTAL</b>		<b>2,846.37</b>	<b>1,640.65</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	10		
(i) Tangible		616.17	609.01
(ii) Intangible		80.41	21.17
		696.58	630.18
Non-Current Investments	11	0.18	0.18
Long Term Loans and Advances	12	22.40	23.26
		719.15	653.61
<b>CURRENT ASSETS</b>			
Inventories	13	1,033.01	231.30
Trade Receivables	14	721.50	389.74
Cash and Cash Equivalents	15	313.42	265.27
Short Term Loans and Advances	16	59.29	100.73
Other Current Assets	17	-	2,127.22
<b>TOTAL</b>		<b>2,846.37</b>	<b>1,640.65</b>

Significant Accounting Policies

Notes to the Financial Statements

1-33

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN: 00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer

**Consolidated Statement of Profit & Loss Account for the year ended 31st March, 2017**

(₹ in Lacs)

	Note	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>INCOME</b>			
Revenue from Operation (Net)	18	<b>3,886.25</b>	3,773.56
Other Income	19	<b>15.46</b>	0.23
Total Revenue		<b>3,901.71</b>	3,773.79
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	<b>246.17</b>	1,588.71
Purchases of Stock in Trade		<b>3,293.85</b>	459.71
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	21	<b>(752.80)</b>	633.18
Employee Benefits Expense	22	<b>1,035.70</b>	838.38
Finance Costs		<b>7.78</b>	2.38
Depreciation & Amortisation Expenses	10	<b>28.07</b>	118.35
Other Expenses	23	<b>1,078.08</b>	1,515.39
Total Expenses		<b>4,936.85</b>	5,156.10
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL EXTRA ORDINARY ITEMS AND TAX</b>		<b>(1,035.14)</b>	(1,382.32)
Exceptional Items		-	-
<b>PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>(1,035.14)</b>	(1,382.32)
Extra Ordinary Items		-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(1,035.14)</b>	(1,382.32)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(1,035.14)</b>	(1,382.32)
Minority Interest		-	(52.43)
Net Profit Attributable to shareholders		<b>(1,035.14)</b>	(1,329.89)
Earnings per Equity Share (in `)	24		
Basic / Dilluted		<b>(3.42)</b>	(4.20)
Significant Accounting Policies			
Notes to the Financial Statements	1-33		

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN: 00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer



## Consolidated Cash Flow Statement for the year period 31st March, 2017

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax ,exceptional and extraordinary items	(1,035.14)	(1,382.32)
Adjustment for :		
-Depreciation	28.07	118.35
-Interest/Dividend Received	(9.64)	-
-Interest Cost	7.78	2.38
-Provision for Gratuity	3.45	-
-Provision for Doubtful Debts and Advances	143.69	53.32
Operating Profit before Working Capital Changes	(861.79)	(1,208.26)
Adjustments for :		
-Decrease/(Increase) in inventories	(801.71)	735.82
-Decrease/(Increase) in trade receivables	(475.46)	637.59
-Decrease/(Increase) in loans and advances	42.30	9.57
-Increase/(Decrease) in trade and other payables	1,276.02	(600.15)
-Increase/(Decrease) in provisions	16.54	(171.75)
Cash generated from Operating activities	(804.10)	(597.19)
Income taxes paid/TDS (Net of Refund)	45.31	-
<b>NET CASH GENERATED FROM /(USED IN) OPERATING ACTIVITIES</b>	<b>(758.79)</b>	<b>(597.19)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
-Purchase of Fixed Assets/Capital W.I.P	(95.91)	(1.62)
-Interest Received	9.64	-
-Interest Cost	(7.78)	-
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(94.05)</b>	<b>(1.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
-Proceeds on receipt of Share Capital	-	100.00
-Repayment of Loan During the Year	(300.00)	-
-Proceeds from Deposit	700.00	-
-Proceeds from Short Term Borrowings	500.99	309.51
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>900.99</b>	<b>409.51</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>48.15</b>	<b>(189.29)</b>
<b>CASH AND CASH EQUIVALENT</b>		
-As at 31st March,2015 (Opening Balance)	265.27	454.56
-As at 31st March,2016 (Closing Balance)	313.42	265.27
	<b>48.15</b>	<b>(189.29)</b>

## Note :

- Previous year's figures have been re-arranged wherever necessary.
- The above Cash Flow Statement has been prepared by using the Indirect method as per Accounting Standard 3 - Cash Flow Statement issued by the Institute of Chartered Accountants of India.

	As at 31st March, 2017	As at 31st March, 2016
3 Cash and Cash equivalents comprises of		
Cash on hand	2.00	0.49
Cheques on Hand	0.06	-
Balance with Scheduled Banks	295.98	261.39
Fixed Deposit with Banks	15.39	3.39
Cash and Cash equivalents in Cash Flow Statement	313.42	265.27
3 The above is also in agreement with the SEBI guidelines for Cash Flow Statement		
4 Figures in brackets are outflows/deductions.		

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN:00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer

**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of preparation of Consolidated financial statements****a) Basis of Accounting:**

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by SEBI. The Financial Statements have been prepared on accrual basis and under the historical cost convention.

The Accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year. Starting from 1st April, 2017, IND AS Accounting Standards, as prescribed by the Ministry of Corporate Affairs, have been applicable to the Company and the Accounting Policies would undergo necessary changes.

**b) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make judgements, estimates and assumptions that affect the reported amount revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

**c) Current and Non Current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (which has been defined to be twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

**1.2 Revenue Recognition**

- (a) All revenues, costs, assets and liabilities are accounted for on accrual basis.
- (b) Dividend income is accounted when the right to receive payment is established and known.
- (c) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts; excise duty, sales returns and sales tax/VAT.
- (d) Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- (e) Non compete fees received in a financial year are apportioned annually over the period of the Contract.

**1.3 Fixed Assets/Depreciation/Amortization****a) Tangible Fixed Assets**

Tangible Fixed Assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment. The cost of fixed assets comprises of its purchase price including

import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of Buildings or Plant and Machinery is capitalized under relevant tangible asset heads.

Profit or loss on disposal of tangible assets is recognised in the statement of profit and loss. Fixed asset should be eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Subsequent expenditures related to an item of fixed assets are added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**b) Intangible Fixed Assets**

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Intangible assets are amortised on a straight-line method basis over their estimated useful life.

Gain or losses arising from the retirement or disposal of intangible assets are recognised in the profit and loss account.

**c) Depreciation**

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of assets where applicable prescribed under Schedule II to the Companies Act, 2013 and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. Pursuant to Notification of Schedule II of the Companies Act, 2013, depreciation is provided on pro-rata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, prescribed under Schedule II to the Companies Act, 2013.

No depreciation is provided on Freehold Land.

Leasehold Land and Building is amortized on a straight line basis over the tenure of respective leases. Intangible assets are amortised on a straight-line method basis over their estimated useful life.

**d) Impairment Loss**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to cash generating unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of asset's net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. Impairment loss in excess of Revaluation Surplus is recognised as expense in Profit & Loss Account. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exist or has decreased. Impairment loss/ reversal thereof is adjusted to the carrying value of the respective assets which in case

of CGU, are allocated to its assets on pro-rata basis. Impairment loss on revalued assets/CGU previously charged as expenses is recognised as income in the Profit and Loss Account.

#### 1.4 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are valued at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost unless there is a diminution, other than temporary, in value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

#### 1.5 Valuation of Inventories

Finished goods and work in progress are stated at lower of cost and estimated net realisable value. Cost of inventories constitutes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Raw Materials, components, stores and spares are valued at lower of cost and estimated net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realisable value.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

#### 1.6 Foreign Currencies

Foreign currency transactions and balances:

##### (i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate difference between the reporting currency and the foreign currency at the date of the transaction.

##### (ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. In circumstances where the exchange rate at reporting date may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date the relevant monetary item is reported in the reporting

currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### (iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expenses in the period in which they arise.

##### (iv) Forward exchange contracts entered to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

#### 1.7 Research & Development

Revenue expenditure on research & Development is charged to Profit & Loss Account in the year in which it is incurred. Fixed assets utilised for research and development are capitalised and Capital expenditure on Research and Development is treated in the same way as additions to fixed assets.

#### 1.8 Leased Equipment

Lease Rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss Account on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

#### 1.9 Amortization of expenses

a) Expenses incurred in connection with issue of debentures are written off over the period of such debentures or ten years whichever is earlier.

b) Preference Share issue expenses are charged off to revenue over the period of such Preference Shares.

#### 1.10 Retirement Benefits

##### Provident Fund

The company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The company has an obligation to make to good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

##### Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the

respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date. Actuarial gains and losses are adjusted to the profit and loss account in the period in which it arises.

**Leave Encashment Plan**

The company treats accumulated leave to the extent such leave are carried forward as employee benefit for measurement purposes. The Company provides for leave encashment on actuarial basis as of balance sheet date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

**1.11 Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid, if any, to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain that future taxable income will be available against which such deferred tax assets can be realized.

**1.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

**1.13 Principles of consolidation**

- i) The Consolidated Financial Statements have been prepared to comply in all material respect with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable.
- ii) The financial statements of Jenson & Nicholson (India) Limited together with audited financial statements of its subsidiary Jenson & Nicholson Paints Pvt. Ltd. have been considered for the purpose of consolidation.
- iii) The financial statements of the Parent Company and its subsidiary i.e. Jenson & Nicholson Paints Pvt. Ltd. have been combined to the extent possible on a line by line basis by adding together like items

of assets, liabilities, income and expenses. The results of subsidiary acquired or disposed off during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post – acquisition increase in the relevant reserves of the subsidiaries/ joint ventures.

- iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- v) Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group.
- vi) The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date.
- vii) The excess of cost to the Parent company of its investments in subsidiary over its share of the equity of the subsidiary at the date on which the investment in the subsidiary is made, is recognized as "Goodwill on Consolidation" being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Parent Company, it is recognized as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidated financial statements. Impact of Currency Translation on such "Goodwill" and "Capital Reserve" is adjusted in the respective carrying amounts.
- viii) The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorate on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period. On disposal of cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## Notes on Consolidated Financial Statements

## 2 SHARE CAPITAL

(₹ in Lacs)

		As at 31st March, 2017	As at 31st March, 2016
<b>AUTHORISED SHARE CAPITAL</b>			
2,500,000.00	Redeemable Preference Shares of Rs. 100/- each.	2,500.00	2,500.00
80,000,000.00	Ordinary Shares of Rs. 2/- each.	1,600.00	1,600.00
		<b>4,100.00</b>	<b>4,100.00</b>
<b>ISSUED AND SUBSCRIBED AND PAID UP:</b>			
1,000,000.00	14.5% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid	1,000.00	1,000.00
700,000.00	14% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid	700.00	700.00
37,425,595.00	Ordinary Shares of Rs. 2/- each, fully paid	748.51	748.51
		<b>2,448.51</b>	<b>2,448.51</b>

**Of the above Ordinary Shares :**

- 2.1 Till 1982, 5,25,000 Ordinary Shares were allotted as fully paid up by way of bonus shares, by capitalisation of Reserves.
- 2.2 b) 7,50,000 Ordinary shares were allotted as fully paid bonus shares in 1991-92 by capitalisation of General Reserves and Share Premium Account.
- 2.3 c) 1,14,17,057 Ordinary Shares of Rs. 2/- each fully paid were allotted to promoters' group and overseas corporate bodies at a premium of Rs.7.40 per share on conversion of the Optionally Convertible Debentures amounting to Rs. 1000.42 lacs issued to them and interest thereon.
- 2.4 d) 53,19,148 Ordinary Shares of Rs. 2/- each fully paid were allotted to Unit Trust of India on conversion of the Optionally Convertible Debentures amounting to Rs. 500.00 lacs issued to them at a premium of Rs.7.40 per share.

**Of the above Preference Shares :**

- 2.5 a) 10,00,000 14.5% Cumulative Redeemable Preference Shares of Rs.100/- each issued in three tranches in 1997-98 redeemable at par at the end of the fifth year from the dates of allotment, i.e., 25.09.2002, 27.10.2002 and 08.12.2002 with option for early redemption not exceeding 25% of the aggregate of the Preference Shares outstanding at the end of the fourth year from the date of the allotment, i.e., 25.09.2001, 27.10.2001 and 08.12.2001. These Preference Shares have not been redeemed as yet.
- 2.6 b) 7,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each issued in two tranches in 1998-99 are redeemable at par at the end of the fifth year, sixth year and seventh year from the respective dates of allotment i.e., 01.02.2004 and 09.02.2004, 01.02.2005 and 09.02.2005 and 01.02.2006 and 09.02.2006 in the proportion of 30%, 30% and 40% respectively. The Preference Shareholders had filed a notice for redemption of the aforesaid preference shares.
- 2.7 The details of Share Holding more than 5% shares:

(₹ in Lacs)

Name of the Shareholder		As at 31st March, 2017		As at 31st March, 2016
	% held	No. of Shares	% held	No. of Shares
Maurya Management Pvt Ltd	32.50%	12,162,214	32.50%	12,162,214

- 2.8 The reconciliation of the number of shares outstanding is set out below:

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,74,25,595	3,74,25,595
Equity Shares at the End of the year	3,74,25,595	3,74,25,595

## Notes on Consolidated Financial Statements

## 3 RESERVES &amp; SURPLUS

(₹ in Lacs)

	Balance as at 31st March, 2016	Additions during the Period	Withdrawals during the Period	Balance as at 31st March 2017
Capital Reserve	0.04	-	-	0.04
Capital Redemption Reserve	25.69	-	-	25.69
Share Premium Account	2,276.82	-	-	2,276.82
Revaluation Reserve	2,447.13	-	1.44	2,445.68
Debenture Redemption Reserve - N.C.D.	350.32	-	-	350.32
Debenture Redemption Reserve - O.C.D.	34.26	-	-	34.26
General Reserve	1,483.41	-	-	1,483.41
Debit Balance in Profit & Loss A/c	(45,106.30)	(1,035.14)		(46,141.44)
	(38,488.63)	(1,035.14)	1.44	(39,525.21)

	As at 31st March, 2017	As at 31st March, 2016
<b>4 LONG TERM BORROWINGS</b>		
TERM LOANS		
From Banks		
Secured	923.45	923.45
Unsecured	-	923.45
<b>Total Long Term Borrowings</b>	<b>923.45</b>	<b>923.45</b>

Security Status:

S. NO	Name of Lenders	Original Lenders	Charge
1	Vivid Colors Pvt. Ltd.	United Bank of India, Indian Overseas Bank, IDBI, IIBI, Dombivili Nagari Sahakari Bank Ltd., Punjab Natinal Bank	<p><b>United Bank of India</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha and Shri Shailendra Prakash Sinha.</p> <p><b>Indian Overseas Bank</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha.</p> <p><b>IDBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets.</p> <p><b>IIBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha and Shri Shailendra Prakash Sinha.</p> <p><b>Dombivili Nagari Sahakari Bank Ltd</b> - Hypothecation of Plant and Machinery.</p> <p><b>Punjab Natinal Bank</b> - Whole immovable properties of the company including plant &amp; machinery, spares, tools office equipments and furniture &amp; fixtures, and Personal guarantee by the promoter of the company by Shri S P Sinha.</p>

**Notes on Consolidated Financial Statements**

4.1 Term Loan from Banks and financial institutions (United Bank of India, Dombivli Nagari Sahakari Bank Ltd, PNB, Indian Overseas Bank, IIBI, and IDBI) are secured by equitable mortgage of immovable properties of the Company and by way of charge on movable plant and machinery, machinery spares, tools and accessories and other movables both present and future. The Term Loan from IIBI included in the above loans is also guaranteed by two of the Promoters of the Company. Term loans from IDBI, United Bank of India and Indian Overseas Bank have been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd. The term loan from Dombivli Nagari Sahakari Bank Ltd, IIBI, Canara Bank and Punjab National Bank has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprise Ltd (ACRE)

4.2 Period and amount of Continuing default

(₹ in Lacs)

S No.	Name of Lenders		Amount in default as on 31st March' 17	Interest	Period of Default	Amount in default as on 31st March'16	Interest	Period of Default
	Current Lenders	Original Lenders						
1	Vivid Colors Pvt Ltd	United Bank of India, Indian Overseas Bank, IDBI, IIBI, Dombivli Nagari Sahakari Bank Ltd, Punjab National Bank	923.45	6,562.86	Since 1999-2000	923.45	6,562.86	Since 1999-2000

4.3 The company has stopped providing interest on all loans from Banks and Financial Institutions whether secured and unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them.

4.4 The Security given to secured lenders in fixed assets had been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of all the loans. 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.

(₹ in Lacs)

**5 LONG TERM PROVISIONS**

Employees benefit

Gratuities	186.72	190.87
Leave Encashment	25.79	26.54
	<u>212.51</u>	<u>217.42</u>

**As at  
31st March, 2017**

**As at  
31st March, 2016**

**6 SHORT TERM BORROWINGS**

Loans Repayable on Demand

**From Banks**

Secured	4,606.19	4,606.19
Unsecured	-	4,606.19

**From Other Parties**

Secured	3,223.75	3,523.75
Unsecured	138.61	138.61

Borrowings from Related Party

Unsecured	796.38	295.39
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<b>Total</b>	<b>8,764.93</b>	<b>8,563.94</b>
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**Notes on Consolidated Financial Statements**

Security Status:

S. NO	Current Lendors	Original Lendors	Charge
1	Vivid Colors Pvt. Ltd.	State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, SBI Home Finance Ltd, SIDBI,- Canara Bank, Allahabad Bank, National Co-Operative Bank,- Standard Chartered Bank, Global Trust Bank (OBC)	<p><b>State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, SBI Home Finance Ltd</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati</p> <p><b>SIDBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets.</p> <p><b>Canara Bank</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati.</p> <p><b>Allahabad Bank</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati.</p> <p><b>National Co-Operative Bank</b> - Includes Rs. 51.25 lacss secured by pledge of various raw materials &amp; components (imported or indigenous) and guaranteed by one of the Directors of the Company. Security documentation is pending.</p> <p><b>Standard Chartered Bank</b> - First charge on Insta Color Machines (Tinting Machines)</p> <p><b>Global Trust Bank (OBC)</b> - Second charge on all Fixed assets of the company and Personal Guarantee of Shri S P Sinha.</p>

- 6.1 Cash credit and working capital loan from banks are secured by way of charge on Company's stocks (not relating to plant and machinery), bills receivable, book debts and other movables both present and future except for certain Jensonomatic Automatic Machines hypothecated by way of a first charge in favour of a banker. Temporary overlimit taken from a bank is also guaranteed by one of the Directors of the Company. Cash Credit and working capital loans from State bank of india, Bank of Baroda, Bank of India and Union Bank of India have been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd and for Allahabad Bank & Standard Chartered Bank Global Trust Bank (OBC) have been assigned in favour of Vivid Colors Pvt Ltd.
- 6.2 Bill Discounting facility from SIDBI is secured by a charge on whole of the immovable properties of the Company together with building, Plant and Machinery and other items attached to the earth or permanently fastened to earth. Subsequently the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 6.3 Loans include Rs. 500 lacs received from Global Trust Bank (OBC) originally as Short term in 1997-98 for a period of six months as advance for issue of secured Redeemable Non-Convertible debentures of Rs. 100/- each which was subsequently renewed for a further period of six months. No repayment has been made nor any debenture has been issued as yet. Now it has been categorised as Short term as per as per Schedule VI requirements. The entire loan has been assigned in favour of M/s Vivid Colors Pvt Ltd.
- 6.4 Includes Rs 500 lacs as Short Term loan from M/s SBI Home Finance Ltd, the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 6.5 The company has stopped providing interest on all loans from Banks and Financial Institutions whether secured and unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them.
- 6.6 Short Term Borrowings from other parties amounting to Rs 3523.75 lacs (previous year 3507.25 lacs) secured by mortgaged of Trade mark and Goodwill. During the year Company has taken a loan of Rs. 16.50 Lacs as Temporary Advance.
- 6.7 The Security given to secured lenders in fixed assets had been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of all the loans. 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.

Period and amount of Continuing default

(₹ in Lacs)

S No.	Name of Lenders	Original Lendors	Amount in default as on 31st March'17	Interest	Period of Default	Amount in default as on 31st March'16	Interest	Period of Default
1	Vivid Colors Pvt. Ltd.	State Bank of India, Union Bank, Bank of Baroda, Bank of India, SBI Home Finance Ltd, SIDBI, Canara Bank, Allahabad Bank, Standard Chartered Bank, National Co-Operative Bank, Global Trust Bank (OBC)	4,606.19	9,943.39	Since 1999-2000	4,606.19	9,943.39	Since 1999-2000

**Notes on Consolidated Financial Statements**

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>7 TRADE PAYABLE</b>		
Sundry Creditors		
Due to Micro Small and Medium Enterprise	-	-
Others	<b>5,447.54</b>	<b>4,005.26</b>
	<b>5,447.54</b>	<b>4,005.26</b>
Information related to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:		
a) The Company has not received intimation from suppliers regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any, relating to the amounts unpaid at the year end together with interest payable as required under the said Act, has not been made.		
<b>8 OTHER CURRENT LIABILITIES</b>		
Matured unpaid Fixed Deposit	<b>13.57</b>	<b>13.57</b>
Unpaid matured debentures and interest accrued thereon		
Non Convertible Debentures		
Vivid Colors Pvt. Ltd. (IDBI)	<b>2,342.08</b>	<b>2,342.08</b>
Vivid Colors Pvt. Ltd. (NIA)	<b>229.30</b>	<b>229.30</b>
Vivid Colors Pvt. Ltd. (UTI)	<b>813.60</b>	<b>813.60</b>
Optionally Convertible Debentures	-	-
Vivid Colors Pvt. Ltd. (UTI)	<b>902.15</b>	<b>902.15</b>
Interest and due on borrowings	<b>17,936.17</b>	<b>17,936.17</b>
Statutory Liabilities	<b>374.38</b>	<b>393.58</b>
Payable to Employees'	<b>620.89</b>	<b>795.17</b>
Liability for Expenses	<b>233.23</b>	<b>320.56</b>
Security Deposits	<b>4.50</b>	<b>12.37</b>
Advance received against Assignment of Trade Marks	-	-
Performance Guarantee Deposit	<b>700.00</b>	-
Other Liabilities	<b>125.69</b>	<b>3.27</b>
	<b>24,295.56</b>	<b>23,761.82</b>

**There is no amount due and outstanding to be credited to Investor Education & Protection Fund as at 31.03.2017**

- 8.1 Rs. 8,00,00,000/-, 20.5% Non-Convertible Debentures of Rs. 100/- each redeemable at 5% premium privately placed with IDBI are redeemable in three tranches amounting to Rs. 200 lacs, Rs. 400 lacs and Rs. 200 lacs on 1st January, 2004, 2005 and 2006. However the said debenture has not been redeemed. Subsequently the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 8.2 Rs. 1,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with NIA were redeemable at the end of the third year from the date of allotment i.e., 25th February, 2003 at par. However the said debenture has not been redeemed yet.
- 8.3 Rs. 5,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with UTI are redeemable in three tranches of equal amount at the end of the 4th, 5th and 6th year from the date of allotment i.e., on 18th October, 2003, 2004, 2005 respectively at par. The entire loan has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprises Ltd (ACRE).
- 8.4 Rs. 10,00,00,000, 13.5% Optionally Convertible Debentures issued to UTI consisting of Part A (10,00,000 Debentures) of Rs.50/- each converted into Equity Shares of Rs. 2/- each at a premium of Rs. 7.40 on 30th November, 2001. Optional Part B (10,00,000 Debentures) of Rs.50/- each convertible into Equity Shares of Rs.2/- each at a premium of Rs.7.40 on notice being served. If option is not exercised, it shall be redeemed at par in 3 equal instalments on 31st May, 2004, 2005, 2006 respectively. However nothing has happened on this front as yet. The entire loan has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprises Ltd (ACRE).
- 8.5 All the Non-Convertible Debentures and Optionally Convertible Debentures are to be secured by an equitable mortgage of the Company's all immovable properties both present and future and hypothecation of other movable assets save and except stock and book debts (by way of second charge) ranking pari-passu with mortgage / charge created in favour of Vivid Colors Pvt Ltd

**Notes on Consolidated Financial Statements**

Security documentations are pending for 15% NCD placed with NIA, 15% NCD placed with UTI and 13.5% OCD placed with UTI.

Status of Security	31st March, 2017	31st March, 2016
Following amounts are secured by mortgage on Fixed Assets of the Company		
Unpaid matured debentures and interest accrued thereon	<b>4,287.13</b>	4,287.13
Interest and due on borrowings	<b>16,506.25</b>	16,506.25

- 8.6 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. During the year M/s Sirius Financial Services Pvt Ltd has also assigned all the loans from Banks and Financial Institutions which they have take over from IFCI to 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 loans. 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.

**9 SHORT TERM PROVISIONS**

(₹ in Lacs)

**Employees benefit**

Gratuities	<b>103.63</b>		82.65
Leave Encashment	<b>11.22</b>		8.87
PF Contributions	<b>9.12</b>	<b>123.97</b>	-
Provision for Premium on NCD		<b>40.00</b>	40.00
Provision for Tax (net of advance payment of tax)		<b>115.11</b>	77.37
		<b>279.09</b>	208.89

**10 Schedules to the Accounts**

(₹ in Lacs)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION								NET BLOCK	
	Cost/ Revaluation as at 31.03.16	Additions	eductions	Cost/ Revaluation as at 31.03.2017	As at 31.03.16	rovided	On Revaluation	On Deductions	As at 31.03.2017	As at 31.03.2016	Provided	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
I. Tangible Assets:														
Freehold Land	386.61			386.61	-	-	-	-	-	-	-	-	386.61	386.61
Leasehold Land	108.29			108.29	20.61	0.19	0.89	-	21.70	-	-	-	86.60	87.68
Buildings	1,029.40			1,029.40	821.61	1.34	0.55	-	823.50	148.83	-	148.83	57.07	58.96
Plant and Equipments	14,802.19	22.74		14,824.93	6,060.81	13.56		-	6,074.37	8,666.29	-	8,666.29	84.26	75.08
Furniture & Fixtures	995.63	1.17		996.79	929.13	0.22		-	929.34	65.83	-	65.83	1.62	0.67
Vehicles	46.15	-		46.15	46.15	-	-	-	46.15	-	-	-	-	-
Total Tangible Assets	17,368.27	23.91	-	17,392.18	7,878.31	15.31	1.44	-	7,895.06	8,880.96	-	8,880.96	616.17	609.01
Previous Year	17,366.66	1.62	-	17,368.27	7,732.38	111.29	34.64	-	7,878.31	8,880.96	-	8,880.96	609.01	753.32
II. Intangible Assets:														
Trade Mark	2,399.64	72.00	-	2,471.64	2,399.64	5.70	-	-	2,405.34	-	-	-	66.30	-
Computer Software	42.10	-	-	42.10	20.94	7.06	-	-	27.99	-	-	-	14.11	21.17
Total Intangible Assets	2,441.74	72.00	-	2,513.74	2,420.58	12.76	-	-	2,433.33	-	-	-	80.41	21.17
Previous Year	2,441.74	-	-	2,441.74	2,413.52	7.06	-	-	2,420.58	-	-	-	21.17	28.22
Total Fixed Assets (I+II)	19,810.02	95.91	-	19,905.93	10,298.88	28.07	1.44	-	10,328.39	8,880.96	-	8,880.96	696.58	630.18
Previous Year	19,808.40	1.62	-	19,810.02	10,145.90	118.35	34.64	-	10,298.88	8,880.96	-	8,880.96	630.18	781.55

**Notes :**

- The Company revalued its freehold land, buildings and plant & machinery as at 30.06.85 and thereafter on 30.09.95 further revalued its land and building. These revaluations resulted in net increase in value of assets by Rs. 334063 as at 30th September, 1995 which was credited to Revaluation Reserve.

**Notes on Consolidated Financial Statements**

		(₹ in Lacs)	
	As at 31st March, 2017	As at 31st March, 2016	
<b>11 INVESTMENTS</b>			
<b>Other Investments (At cost, fully paid up, non trade, Unquoted)</b>			
<b>Investment in Equity Instruments</b>			
500 'B' Class Shares of Rs.10/- each of J&N Employees' Consumers' Co-operative Stores Limited, fully paid	0.05	0.05	
500 Equity Shares of Rs.10/- each of The Co-operative Stores Limited, Delhi, fully paid	0.05	0.05	
<b>Investments in Debentures and Bonds</b>			
30 - 1/2 % Debenture of Rs.100/- each of East India Clinic Limited, fully paid.	0.03	0.03	
Rs. 4,500/- 5% Registered Debenture Stock (non-redeemable) of East India Clinic Limited, fully paid	0.05	0.05	
	<b>0.18</b>	<b>0.18</b>	
	As at 31st March, 2017	As at 31st March, 2016	
<b>12 Long Term Loans &amp; Advances (Unsecured, Considered Good)</b>			
Security Deposits	22.40	23.26	
	<b>22.40</b>	<b>23.26</b>	
<b>13 INVENTORIES</b>	31st March, 2017	31st March, 2016	
Raw Materials	420.33	386.33	
Less: Provision for Stocks Lying in Naihati Containers	367.44	367.44	18.89
Less: Provision for Stocks Lying in Naihati Work-in-Progress	36.66	35.90	
Less: Provision for Stocks Lying at Naihati Finished Goods	12.90	12.90	23.01
Less: Provision for Stocks Lying at Naihati Stock in Transit (Finished Goods)	10.89	4.33	
Stock in Trade	4.33	4.33	-
Stores, Spare Parts and Stationery	75.68	103.12	
Less: Provision for Stocks Lying in Naihati	14.77	14.77	88.34
	-	-	
	873.39	99.72	
	42.07	27.91	
Less: Provision for Stocks Lying in Naihati	26.57	26.57	1.34
	<b>1,033.01</b>	<b>231.30</b>	
<b>14 TRADE RECEIVABLE (UNSECURED)</b>			(₹ in Lacs)
Overdue for a period of exceeding six months:			
Considered Good	100.40	94.09	
Doubtful	943.04	799.34	
	<b>1,043.43</b>	<b>893.43</b>	
Less : Provision for Doubtful Debts	943.04	799.34	94.09
Other Receivables			
Considered Good	621.10	295.65	
	<b>721.50</b>	<b>389.74</b>	
<b>15 CASH AND CASH EQUIVALENTS</b>			
Cash on hand	2.00	0.49	
Cheques on Hand	0.06	-	
Balance with Scheduled Banks	295.98	261.39	
Fixed Deposit with Banks	15.39	3.39	
	<b>313.42</b>	<b>265.27</b>	

## 16 Short Term Loans & Advances

For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	2.56		0.33
	22.79		81.21
	5.97		5.62
	27.97		13.56
	8.43		8.73
	5.15		-
	59.29		100.73
	322.93		322.93
	322.93		322.93
	-		-
	-		-
	-		-
	3,530.18		4,012.80
	46.42		350.70
	3,483.75		3,662.11
	3,530.18		4,012.80
	9.72		9.80
	-		0.16
	364.81		84.80
	27.97		16.70
	402.50		111.46
	3,886.25		3,773.56
	9.64		-
	5.82		0.23
	15.46		0.23
For the year ended 31st March, 2017		For the year ended 31st March, 2016	
386.33		473.52	
257.26		1,266.26	
643.60		1,739.78	
420.33	223.27	386.33	1,353.45
35.90		50.38	
23.66		220.79	
59.57		271.17	
36.66	22.91	35.90	235.27

## 20 CONSUMPTION OF MATERIALS ETC.

For the year ended 31st March, 2017		For the year ended 31st March, 2016	
<b>386.33</b>		473.52	
<b>257.26</b>		<u>1,266.26</u>	
<b>643.60</b>		1,739.78	
<b>420.33</b>	<b>223.27</b>	<u>386.33</u>	1,353.45
<b>35.90</b>		50.38	
<b>23.66</b>		<u>220.79</u>	
<b>59.57</b>		271.17	
<b>36.66</b>	<b>22.91</b>	35.90	235.27

## Notes on Consolidated Financial Statements

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	246.17	1,588.71
<b>CIF value of Imports</b>		
<b>Raw Material</b>	-	-
<b>Capital Goods</b>	-	-
<b>Finished Goods</b>	-	-
	-	-
<b>Particulars of Material Consumed</b>		
Acids & Chemicals	5.36	218.27
Pigments	41.54	267.10
Resins	134.76	711.14
Solvents	41.61	156.94
Others	-	-
Total	223.27	1,353.45
of which	%	%
Imported	0.00%	0.00%
Indigenous	223.27	100.00%
	100.00%	1,353.45
	223.27	1,353.45
		(₹ in Lacs)
<b>21 Change in Inventories of Finished Goods, Stock in Process and Stock in Trade</b>		
Opening Work in Progress	4.33	30.54
Closing Work in Progress	10.89	4.33
	(6.56)	26.21
Opening Finished Stocks/Stock in Trade	202.83	809.80
Closing Finished stocks / Stock in Trade	949.07	202.83
	(746.24)	606.97
Total	(752.80)	633.18
<b>22 Employee Benefits Expense</b>		
Salaries and Wages	949.49	755.42
Contribution to Provident & Other Funds	61.15	39.32
Staff Welfare Expenses	25.07	43.64
	1,035.70	838.38
	For the year ended 31st March, 2017	For the Year ended 31st March, 2016
<b>23 Other Expenses</b>		
Custom Duty Expense	-	-
Consumption of Stores & Spare Parts	7.21	11.81
Power & Fuel	30.71	40.55
Rent	8.18	98.29
Repairs & Maintenance - Building	5.01	5.34
Repairs & Maintenance - Plant & Machinery	5.07	3.83
Repairs & Maintenance - Office and Others	23.01	13.60
Insurance	2.92	5.72
Freight	232.06	339.43
Travelling	31.97	107.39
Sales Promotion, Discounts and Marketing Exp.	282.34	251.91
Cash Discounts	0.81	137.51
Rates and Taxes	43.89	0.00
Communication Exp.	15.95	0.34
Printing and Stationery	4.91	0.10

**Notes on Consolidated Financial Statements**

	For the year ended 31st March, 2017	For the Year ended 31st March, 2016
Security Charges	20.50	21.03
Consultancy & Legal Exp.	101.00	254.88
Auditors' Remuneration	-	
As Audit Fee	5.25	1.57
For Tax Audit Fees	1.00	0.60
For Other Services	1.25	1.07
Reimbursement of Expenses	0	0.42
Directors' Sitting Fee	1.80	2.63
Provision for Doubtful Debts	143.69	53.32
Interest and Bank Charges	2.40	0.18
Miscellaneous	106.88	163.86
	<b>1,078.08</b>	1,515.39
		(₹ in Lacs)
<b>23.1 Store and Spares Consumed</b>	% (₹ in Lacs)	% (₹ in Lacs)
Imported		
Indigenous	100% 7.21	1.00 11.81
	7.21	11.81
		(₹ in Lacs)
<b>24 Earnings Per Equity Shares</b>		
Profit after Tax (Loss)	(1,035)	(1,330)
Preference Dividend	243	243
Adjusted Profit (Loss) after taxation	(1,278)	(1,573)
Weighted Average Number of Equity Shares	37,425,595	37,425,595
Basic Earnings Per Equity Share (Loss)	(3.42)	(4.20)
(Face Value ₹ 2/- per share)		

Diluted Earnings per share have not been disclosed for both the years as potential ordinary shares, ordinary if converted into shares, will have anti dilutive effect.

25. The Insolvency and Bankruptcy Code, 2016 came into effect in the month of December, 2016 and BIFR has been abated. Hence the Company's reference before BIFR stands abated. Consequently, Board will decide over making application to NCLT.
26. The company has incorporated a wholly owned subsidiary in the name of Jenson & Nicholson Colours Pvt. Ltd 05/05/2017.
27. **Contingent liabilities not provided for in respect of:**

S. No.	Particulars	31st March, 2017 (₹ in lacs)	31st March, 2016 (₹ in lacs)
1	Sales Tax Matter under Appeal	373.54	239.19
2	Income Tax Matter under Appeal	50.00	53.83
3	Panvel Octroi under dispute	71.91	71.91
4	Excise Duty under Appeal	669.90	638.20
5	Interest on custom duty payable	341.28	322.56
6	Arrear Pref. Share Dividend	4374	4131.00
7	Interest payable under dispute	739.67	739.67
8	Interest on loans originally taken from banks, financial institutions and other lenders now all are assigned in favour of M/s Vivid Colors Pvt. Ltd. which has not been provided after 31st March' 2006.	219193.40	176928.23
9	Claim against the company not acknowledged as debts [Various Suppliers' Claims under dispute (Principal and Interest thereon)]	25601.22	20243.40
10	Claim against the company for given corporate guarantees including interest thereon	30393.31	25593.47
11	Interest on loan from Vivid Colors Pvt. Ltd	4111.89	3620.77
12	Claim by Kolkata Port Trust on account of difference in rent.	208.07	208.07



**Notes on Consolidated Financial Statements**
**28. DEFERRED TAX**

In view of carry forward losses, in drawing up the Accounts, the Company has not considered the impact of Net Deferred tax assets after setting off deferred tax liability arising out of timing difference. Deferred Tax Assets have not been recognized in accounts since it cannot be stated with reasonable certainty that there will be sufficient future income to recover such deferred tax assets.

**29. SEGMENT REPORTING**

As the Company's business activity falls within a single business segment viz. paints and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

**30. RELATED PARTIES**

Related party disclosures in accordance with the Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, the related parties are as follows:

**A) RELATED PARTY RELATIONSHIPS**

Description of Party	Relationship
1. Mr. B.C. Srivastava	Managing Director-KMP
2. Mr. Joginder Batra	Chief Financial Officer-KMP
3. Mr. Yogesh Kumar Gautam	Company Secretary -KMP
4. Bihar Hotels Limited	Enterprise under common control
5. Jenson & Nicholson Paints Pvt. Ltd.	Subsidiary of the Company
6. Sheenlac Paints Limited	Entity with significant influence in Subsidiary Company
7. Mr. Sudhir Peter	Person holding significant holding in Subsidiary Company

**B) SUMMARY OF TRANSACTIONS**

(₹ in Lacs)

Particulars	Subsidiaries		Enterprise under Common control		Key Managerial Personnel		Person Holding Significant holding in Subsidiary Holding	
	2017	2016	2017	2016	2017	2016	2017	2016
Sale of Material	-	-	0.85	5.51	-	-	-	-
Purchase of Traded Goods	-	-	2884.50	107.36	-	-	-	-
Expenses Paid/ payable	-	-	0.50	0.52	-	-	-	-
Rent receive/ receivable	-	-	-	0.72	-	-	-	-
Reimbursement of Expenses received/ receivable	-	-	1136.82	126.77	-	-	-	-
Short term borrowings	-	-	(293.01)	293.01	-	-	-	-
Interest Payable on Short term borrowings	-	-	7.78	2.38	-	-	-	-
Capital contribution including premium	-	-	-	42.22	-	-	-	-
Remuneration paid/ payable	-	-	-	-	29.87	22.90	-	-
Loan Received	-	-	-	-	787.00	-	-	-

**C. TRANSACTION DURING THE YEAR WITH RELATED PARTIES**

(₹ in Lacs)

Transactions	2017	2016
<b>Sale of goods</b>		
Bihar Hotels Ltd	0.85	5.52
<b>Purchase of Traded Goods</b>		
Sheenlac Paints Limited	288.50	107.36
<b>Expenses Paid</b>		
Bihar Hotels Ltd	0.50	0.52

## Notes on Consolidated Financial Statements

Transactions	2017	2016
<b>Reimbursement of Expenses received</b>		
Jenson & Nicholson Paints Pvt. Ltd	-	167.25
Bihar Hotels Ltd	2.01	3.51
Sheenlac Paints Limited	1134.80	123.26
<b>Short term borrowings</b>		
Sheenlac Paints Limited	(293.01)	293.01
<b>Interest Payable on Short term borrowings</b>		
Sheenlac Paints Limited	7.78	2.38
<b>Capital contribution including premium</b>		
Sheenlac Paints Limited	-	42.22
<b>Loan Received</b>		
Sudhir Peter	787.00	-

**Note:** No amount has been written off/ written back during the year in respect of debts due from or to the related parties.

### 31. Debts Restructuring

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.

### 32. Corporate Social Responsibility

The provision of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility is not applicable to the Company as the net worth, turnover and net profit (Average Net profit calculated in accordance with the provisions of section 198) during the financial year is less than the stipulated amount. Though the policy has been framed by the Company on Corporate Social Responsibility and there is no CSR activities initiated due to lack of profits therefore there is no reporting requirement pursuant to provisions of Section 134(3) (o) of the Companies Act, 2013.

### 33. EMPLOYEE BENEFITS (Disclosure as per AS 15 revised)

#### i) Defined Benefit Plans

##### a) Gratuity (Unfunded)

(₹ in Lacs)

	31.03.2017	31.03.2016
	IN LACS	IN LACS
<b>A Expense recognised in the Statement of Profit &amp; Loss</b>		
1 Current Service Cost	10.1	10.35
2 Interest Cost	32.61	30.72
3 Expected Return on Plan Assets	-	-
4 Net actuarial (gain)/loss recognised during the year	(8.25)	(0.85)
5 <b>Total Expense</b>	34.46	40.22
<b>B Change In Present Value of the Obligation during the year</b>		
1 Present Value of Obligation as at the beginning of the year	42.38	39.3
2 Current Service Cost	1.01	1.03
3 Interest Cost	3.26	3.07
4 Benefits Paid	(11.01)	(0.94)
5 Actuarial (gain)/loss on obligation	(0.82)	(0.84)
6 Present Value of Obligation as at the end of the year	34.81	42.38
<b>C Change in Fair value of plan assets during the year</b>		
1 Fair value of plan assets as at the beginning of the year	-	-
2 Expected return on plan assets	-	-
3 Contribution made	-	-
4 Benefits paid	-	-
5 Fair value of plan assets as at the end of the year	-	-

## Notes on Consolidated Financial Statements

		31.03.2017	31.03.2016
		IN LACS	IN LACS
<b>D</b>	<b>The Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
	Investments with Insurer		
<b>E</b>	<b>The principal assumptions used in determining gratuity obligations for the Company's plan are shown below</b>		
	Discount Rate	6.9	7.7
	Expected rate of return on assets*	-	-
	Employee Turnover	2%	2%
	Mortality rate	100% ( of Indian Assured Lives)	100% ( of Indian Assured Lives)

\*Expected rate of return on plan assets is same as actual rate of return since ARD falls on 31st March

\*The gratuity scheme is not managed on funded basis.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(₹ in Lacs)

		Gratuity				
<b>F</b>	Net Liability Recognised in the Balance Sheet	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Present Value of the Obligation	34.81	42.38	39.3	36.17	37.01
	Fair Value of plan assets	-	-	-	-	-
	Funded Status [Surplus/deficit]	-	-	-	-	-
	<b>Net Liability Recognised in the Balance Sheet</b>	<b>34.81</b>	<b>42.38</b>	<b>39.3</b>	<b>36.17</b>	<b>37.01</b>
	Experience Gain/ (Loss) adjusted on plan liabilities	(1.81)	(0.21)	(3.94)	(4.5)	(3.07)
	Experience Gain/ (Loss) adjusted on plan assets	-	-	-	-	-
	Actuarial Gain/(Loss) due to change in assumptions	-	-	-	-	-

- b) Provident Fund for certain eligible employees is administered by the Company through the Trusts "Jenson & Nicholson (India) Limited Employees Provident Fund and Jenson & Nicholson (India) Limited Workers Provident Fund" covered as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a Trust provide that in a provident fund set up by the employer, being exempt under Section 17 (1) of the said Act, any shortfall in the rate of interest on contributions as compared to the rate approved by the Government for the Employees' Provident Fund administered by the Regional Provident Fund commissioner is to met by the employer. Such a provident fund would in effect be a defined benefit plan in accordance with the requirements of AS 15.

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN: 00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer

**Form no. MGT-11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**JENSON & NICHOLSON (INDIA) LIMITED**

CIN: L51597WB1922PLC004603

Regd. Office: 7B Middleton Street, Kolkata-700 071

Corporate Office: Plot #617, Bestech Business Tower, Gurgaon, Haryana-122018

Ph.: -033-2287-7042/0124-4017402, Fax: 033-2283-5500/ 0124-4017402, e-mail: companysecretary@jnpaints.com

Website: www.jnpaints.com

**Ninety-Fourth Annual General Meeting- 26th day of September, 2017**

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/ We being the member(s) of ..... shares of the above named company hereby appoint:

1. Name : .....  
Address : .....  
Email ID : ..... Signature .....
2. Name : .....  
Address : .....  
Email ID : ..... Signature .....
3. Name : .....  
Address : .....  
Email ID : ..... Signature .....

As my / our proxy to attend and vote (on a poll) for me/ us and on my / behalf at the 94th Annual General Meeting of the company to be held on Tuesday, 26th day of September, 2017 at 10:30 a.m. at the Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata – 700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (optional see Note 2) (Please mention no. of shares)		
Ordinary Business				
1.	To receive, consider and adopt: the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Board of Directors and the Auditors thereon; and	For	Against	Abstain
2.	To appoint Statutory Auditors and fix their remuneration.			
3.	To appoint a Director in place of Mrs. Kiran Sahai (DIN: 01279368) who retires by rotation and, being eligible, offers herself for re-appointment.			

Signed this.....Day of.....2017

Signature of the member

Signature of the Proxy holder(S)

Affix  
Revenue  
Stamp not  
less than  
₹1

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference, if you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



**JENSON & NICHOLSON (INDIA) LIMITED**

CIN: L51597WB1922PLC004603

Regd. Office: 7B Middleton Street, Kolkata-700 071

Corporate Office: Plot #617, Bestech Business Tower, Gurgaon, Haryana-122018

Ph.: -033-2287-7042/0124-4017402, Fax: 033-2283-5500/ 0124-4017402, e-mail: companysecretary@jnpaints.com

Website: www.jnpaints.com

**Attendance Slip**

**94th Annual General Meeting, 26th September, 2017**

Regd. Folio no. ....

DP Id\*.....

No. of Shares Held.....

Client Id\*.....

I/we hereby certify that I am a registered Shareholder/Proxy for the Registered Shareholder of the Company.

I/we hereby record my/our presence at the Ninety Fourth Annual General Meeting of the Company to be held at the Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata- 700 017 on 26th September, 2017 at 10:30 a.m.

.....  
Member's/Proxy's Name in Block Letters

.....  
Member's/Proxy's Signature

\*Applicable for Investors holding shares in electronic form.

Note: Pls fill the attendance slip and hand it over at the Entrance of the Meeting hall.

Pls note that no gifts/company products will be given at the meeting.



The Hall of Kalamandir Basement (Kalakunj), 48,

Shakespeare Sarani, Kolkata – 700017

Ninety-Fourth Annual General Meeting of the Members of Jenson & Nicholson (India) Ltd. is scheduled on Tuesday, the 26th day of September, 2017 at 10:30 a.m.

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Whenever you see COLOR, think of us

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*If undelivered, please return to*

**JENSON AND NICHOLSON (INDIA) LIMITED**

617, Bestech Business Tower, Sohna Road,  
Sector-48, Gurugram - 122018