

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: 27/05/2016

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

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

Sir(s),

Sub: Outcome of Board Meeting in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

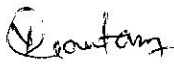
The Board of Directors of the Company at their meeting held today, have inter alia, approved the following:

1. Audited standalone and consolidated financial results of the Company for the quarter and financial year ended March 31, 2016.
2. Accordingly please find enclosed the following:
 - a) Audited standalone and consolidated financial results of the Company for the quarter and financial year ended March 31, 2016;
 - b) Auditor's Report in respect of the audited standalone and consolidated financial results of the Company for the financial year ended March 31, 2016.
 - c) Form B (Audit Report with modified opinion) in respect of audited standalone and consolidated financial results for the financial year ended March 31, 2016.

A copy of the same is also being uploaded on company's website: www.jnpaints.com

Kindly take the above information on your records.

Thanking You,
Yours faithfully,
For Jenson & Nicholson (India) Ltd.


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



Cc: The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata- 700001



JENSON & NICHOLSON (INDIA) LIMITED

Regd. Office: 7B, Middleton Street, Kolkata-700 071., Corp. Office: 617, Bestech Business Tower, Sohna Road, Sector-48, Gurgaon - 122018

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

CIN No. L51597WB1922PLC004603 | Website: www.jnpaints.com

STATEMENT OF STANDALONE/CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST MARCH, 2016

(₹ in Lacs Except Per Share Data)

S. NO.	PARTICULARS	Standalone			Consolidated	
		QUARTER ENDED		YEAR ENDED		QUARTER ENDED
		31.03.2016 Audited	31.12.2015 Unaudited	31.03.2015 Audited	31.03.2016 Audited	31.03.2015 Audited
1	PART I					
	Income from Operations					
	Gross Sales Income from Operations	503.51	1,001.37	1,459.51	4,009.83	5,833.81
	Less: Excise Duty	2.97	85.99	148.64	350.70	604.89
	Net Sales/Income from Operations	500.54	915.38	1,310.87	3,659.13	5,228.92
	Other Operating Income	89.85	3.92	12.17	111.52	39.61
	Total Income from operation	590.39	919.30	1,323.04	3,770.65	5,268.53
2	Expenses					
	a) Cost of Materials Consumed	65.15	374.32	657.57	1,588.71	2,792.30
	b) Purchases of Stock-in-trade	20.10	117.37	156.19	364.95	684.99
	c) Changes in Inventories of Finished Goods, work-in-progress and stock-in-trade	479.39	117.93	40.26	725.56	(41.59)
	d) Employee Benefits Expense	94.22	203.94	247.77	714.47	817.23
	e) Depreciation and Amortisation Expense	13.05	27.58	63.62	118.32	131.05
	f) Other Expense	285.21	328.02	470.43	1,291.35	1,513.15
	Total Expenses	957.12	1,169.16	1,635.84	4,803.36	5,897.13
3	Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(366.73)	(249.86)	(312.80)	(1,032.71)	(628.60)
4	Other Income	0.23	-	896.00	0.23	1,708.10
5	Profit from Ordinary activities before Finance Costs and Exceptional Items (3+4)	(366.50)	(249.86)	583.20	(1,032.48)	1,079.50
6	Finance Costs	-	-	-	-	-
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(366.50)	(249.86)	583.20	(1,032.48)	1,079.50
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7+8)	(366.50)	(249.86)	583.20	(1,032.48)	1,079.50
10	Tax Expense	-	-	-	-	-
11	Net Profit from Ordinary Activities after Tax (9-10)	(366.50)	(249.86)	583.20	(1,032.48)	1,079.50
12	Minority Interest	-	-	-	-	(52.43)
13	Net Profit/(Loss) for the Period (11-12)	(366.50)	(249.86)	583.20	(1,032.48)	1,079.50
14	Paid-up Equity share Capital (Face Value of Rs. 2 each)	748.51	748.51	748.51	748.51	748.51
15	Reserves excluding Revaluation Reserve	-	-	-	-	-
16	Earnings Per Share (EPS)					
	- Basic EPS before Extraordinary items for the period year	(1.14)	(0.83)	1.40	(3.41)	2.24
	- Diluted EPS before Extraordinary items for the period year	-	-	-	-	-
	- Basic EPS after Extraordinary items for the period year	(1.14)	(0.83)	1.40	(3.41)	2.24
	- Diluted EPS after Extraordinary items for the period year	-	-	-	-	-

Statement of Assets and Liabilities as on 31st March, 2016

Particulars	₹ in Lacs		
	Standalone		Consolidated
	Year Ended 31.03.2016 Audited	31.03.2015 Audited	Year Ended 31.03.2016 Audited
A EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	2,448.51	2,448.51	2,448.51
(b) Reserves and Surplus	(38,238.80)	(37,171.68)	(38,488.63)
Subtotal - Shareholders' funds	(35,790.29)	(34,723.17)	(36,040.12)
2 Minority Interest	-	-	-
2 Non-Current Liabilities			
(a) Long-term borrowings	923.45	923.45	923.45
(b) Long-term provisions	217.42	322.59	217.42
Subtotal - Non-current liabilities	1,140.87	1,246.04	1,140.87
3 Current Liabilities			
(a) Short-term borrowings	8,268.55	8,252.05	8,561.56
(b) Trade payables	3,888.12	4,421.25	4,005.26
(c) Other current liabilities	23,853.71	23,945.98	23,764.20
(d) Short-term provisions	208.89	275.47	208.89
Subtotal - Current liabilities	36,219.27	36,894.75	36,539.91
TOTAL - EQUITY AND LIABILITIES	1,569.85	3,417.62	1,640.66
B ASSETS			
1 Non-current assets			
(a) Fixed assets	629.55	781.55	630.18
(b) Non-current investments	16.68	0.18	0.18
(d) Long-term loans and advances	11.02	11.23	11.02
Subtotal - Non-current assets	657.25	792.96	641.38
2 Current assets			
(a) Inventories	138.93	967.12	231.30
(b) Trade receivables	388.00	1,080.65	389.74
(c) Cash and cash equivalents	243.29	466.80	277.51
(d) Short-term loans and advances	78.43	110.09	100.73
(e) Other current assets	63.95	-	-
Subtotal - Current assets	912.60	2,624.66	999.28
TOTAL - ASSETS	1,569.85	3,417.62	1,640.66

NOTES:

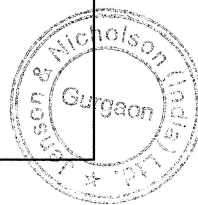
- The Company has only one business segment, i.e. Paints
- 10,00,000 14.5% Cumulative Redeemable Preference Shares of ₹ 100 - each were due for redemption which have not yet been redeemed.
- 7,00,000 14% Cumulative Redeemable Preference Shares of ₹ 100 - each were due for redemption which have not yet been redeemed.
- Figures for the previous periods have been rearranged and regrouped wherever necessary.
- The company have filed a reference application on 21st February, 2014 before the Board for Industrial and Financial Reconstruction (BIFR) under the sick industrial companies (Special Provisions) Act, 1985. The reference has been registered as case no. 34/2015 vide letter dated 20/03/2015
- Contingent liability for additional penal interest for ₹ 739.67 lacs not provided against legal cases filed by banks and FIs. All loans/borrowings from Banks/Financial Institutions have been assigned to M/s Vivid Colors Pvt Ltd
- Contingent liability for interest for Rs. 176928.22 lacs not provided on loans from banks and financial institutions whether secured or unsecured for the period from 01.04.2006 to 31st March, 2016. For the period from 1st April, 2015 to 31st March, 2016 the interest amounts Rs. 35141.58
- All loans/borrowings from Banks/Financial Institutions have been assigned to M/s Vivid Colors Pvt Ltd.
- Company continues to suffer due to shortages of working capital. Company's proposal for financial restructuring is pending with Banks and FIs.
- The Company has entered into an agreement with its subsidiary M/s Jenson & Nicholson Paints Pvt Ltd for Trade Mark Licence cum Assignment agreement for use of trade marks of the company.
- The above results were reviewed and approved by the audit committee and approved by the board of directors at the meeting held on 27th May, 2016. The statutory auditors of the company have carried out a limited review of aforesaid results.
- comparable figures for 31/03/2015 for consolidated financial results not given because company has only one subsidiary, which incorporated in Nov. 2015. So consolidated figures for 31/03/2015 not available.

By order of the Board
Jenson & Nicholson (India) Limited

[Signature]

B.C. Srivastava
Managing Director
DIN: 00929674

Place: Patna
Dated: 27th May, 2016



Jenson & Nicholson (India) Ltd.

617, Bestech Business Tower,
Sector-48, Sohna Road,
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Date: 27/05/2016

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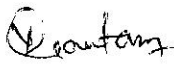
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For Jenson & Nicholson (India) Ltd.


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



Cc: The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata- 700001



JENISON & NICHOLSON (INDIA) LIMITED

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(' in Lacs Except Per Share Data)

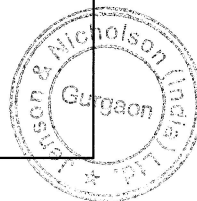
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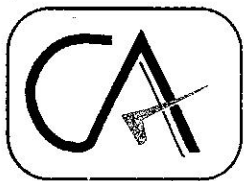
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NOTES:

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- 7,00,000 14% Cumulative Redeemable Preference Shares of '100 - each were due for redemption which have not yet been redeemed.
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- The above results were reviewed and recommended by the audit committee and approved by the board of directors at the meeting held on 27th May, 2016. The statutory auditors of the company have carried out a limited review of aforesaid results.
- comparable figures for 31/03/2015 for consolidated financial results not given because company has only one subsidiary, which incorporated in Nov. 2015. So consolidated figures for 31/03/2015 not available.

By order of the Board
Jenison & Nicholson (India) LimitedB.C. Srivastava
Managing Director
DIN: 00929674Place: Patna
Dated: 27th May, 2016



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

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, 2016 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.

Office

24. NETAJI SUBHAS ROAD, 2ND FLOOR, ROOM NO. 24, KOLKATA - 700 001, TEL : (033) 2230 1882, TELEFAX : (033) 2230 4886
B.O. ● : A. 303 CLASSIC CENTRE, OFF MAHAKALI CAVES ROAD, ANDHERI (EAST), MUMBAI - 400 093, TEL.: (022) 4015 8734
● : KAMAL NIWAS (OPP. STATE LIBRARY), MIDDLE POINT, ANDAMAN NICOBAR ISLANDS, PORT BLAIR - 744101
● : NORTH SUBHAS PALLY, DANKUNI HOUSING MORE, KASHMIRA APARTMENT, SERVICE ROAD, DANKUNI - 712244



Opinion

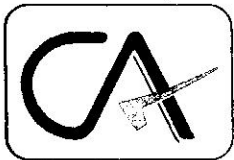
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, 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. 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 ₹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 ₹176928.23 lacs up to the current year ended 31st March, 2016 has not been provided but the same has also been included in contingent liability.
3. 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.

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

4. 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

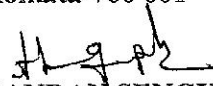
Continuation Sheet

- 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.
 - 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.

Place: Patna
May 27th, 2016



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


SPANDAN SENGUPTA
Partner
Membership No: 135833



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

ANNEXURE-I TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2016

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/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 & 186 of the Act in respect of loans, investments, guarantee and security
- 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 on the basis of examination of records of the Company, amounts deducted/accrued during the year in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities.
- b) According to the information and explanations given to us, company has undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable. The arrear as on 31st March 2016 on the aforesaid dues were as below:

(Amount in Lacs)

1	Provident Fund	51.87
2	Income Tax	3.60
3	Sales Tax	30.57
4	Customs Duty	73.67
5	Excise Duty	244.45
6	Professional Tax	3.16
7	ESI	14.86



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

- c) According to the information and explanations given to us, dues that have not been deposited by the Company on account of disputes. We give below details of such disputed amount:-

Statement of disputed dues

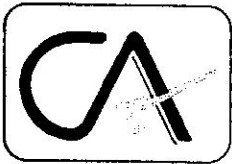
Name of the Statute	Nature of dues	Amount- ₹ in lacs	Period	Forum where the dispute is pending
Central Sales Tax Act	Sales Tax	6.57	2003-2004	Commercial Tax Tribunal
		25.51	2004-2005	Commercial Tax Tribunal
		21.60	2007-2008	Additional Commissioner(Appeals)
		2.86	2007-2008	Additional Commissioner(Appeals)
		101.64	2008-2009	Commercial Tax Tribunal
		8.56	2009-2010	Additional Commissioner(Appeals)
		1.25	2010-2011	Additional Commissioner(Appeals)
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
Panvel Octroi	Octroi Assessed	71.91		Government of Maharashtra
Central Excise Act,1944	Excise Duty	638.20		Excise Authority
Income Tax Act,1961	Income Tax	38.54	1998-1999	High Court at Kolkata
		15.29	2011-2012	Income Tax, Tribunal
Custom Duty	Custom Duty	322.56		Custom Authority

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

	<u>Parties</u>	<u>Amount ₹ in lacs</u>	<u>Period from</u>
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. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has term loan outstanding amounting to Rs.1470.64 lacs as on 31st March, 2016. The term loan have been applied for the purposes for which they were obtained.
- x. According to the information and explanation given to us, no material fraud by Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

- xi. 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 Act.
- xii. According to the information and explanation given to us, 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. 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.
- xv. 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.

Place: Patna
May 27th, 2016

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


SPANDAN SENGUPTA
Partner
Membership No: 135833



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 2016 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:

- 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;



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

- 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.

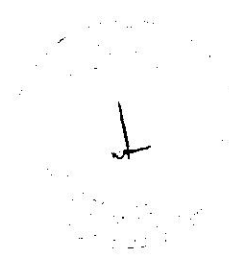
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 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, 2016, 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.

Place: Patna
May 27th, 2016



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

SPANDAN SENGUPTA
Partner
Membership No: 135833



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

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, 2016, 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.



Office



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiary, 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:

- i) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its jointly controlled companies as at March 31, 2016;
- ii) In the case of the Consolidated Statement of Profit and Loss, of the consolidated profits for the year ended on that date; and
- iii) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiary as mentioned in **Annexure I** to this report, whose financial statement reflect total assets of Rs.251.25 Lacs as at March 31, 2016, total revenues of Rs.2.97 Lacs and net cash inflows(Outflows) amounting to Rs.(377.02) 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) 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 this matter with respect to our reliance on the work done and the reports of the other auditor.

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 ₹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 ₹176928.23 lacs up to the current year ended 31st March, 2016 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, 2016 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



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

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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.

Place: Patna
May 27th, 2016

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

SPANDAN SENGUPTA
Partner
Membership No: 135833



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

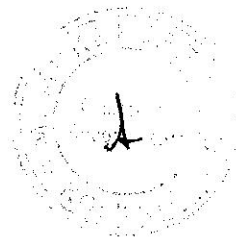
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ANNEXURE I TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2016
(referred to in our report of even date)

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.	Nov15-March 16	Direct	251.25	2.97	(377.02)	M/s PKF Sridhar & Santhanam LLP

Place: Patna
May 27th, 2016



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


SPANDAN SENGUPTA
Partner
Membership No: 135833



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

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, 2016, 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

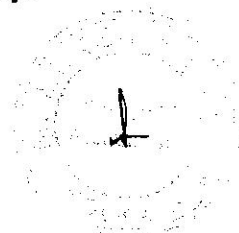
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal 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, 2016, 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.





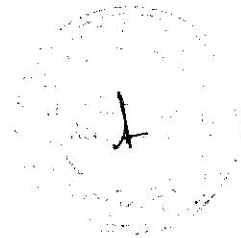
M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

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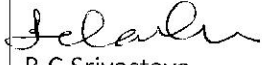
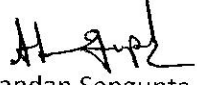
Place: Patna
May 27th, 2016

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



H. Sengupta
SPANDAN SENGUPTA
Partner
Membership No: 135833

FORM B

Sr.	Particulars	Standalone financial results	Consolidated financial results
1.	Name of the company	JENSON & NICHOLSON (INDIA) LTD.	
2.	Annual financial statements for the year ended	March 31, 2016	March 31, 2016
3.	Type of Audit qualification/observation	As per Annexure-1	As per Annexure-1
4.	Frequency of qualification/observation	As per Annexure-1	As per Annexure-1
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	For Jenson & Nicholson (India) Ltd.  B.C. Srivastava Managing Director DIN: 00929674 For Jenson & Nicholson (India) Ltd.  Joginder Batra CFO For M. Mukerjee & Co. Chartered Accountants FRN-303013E  Spandan Sengupta Partner Membership No. 135833 For Jenson & Nicholson (India) Ltd.  N.M. Sahai Audit Committee Chairman DIN: 00422704	



ANNEXURE-1

Sl. No.	Qualification/Observation	Management Response to Qualification/Observation	Frequency
1.	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. 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 up to the current year ended 31st March, 2016 has not been provided but the same has also been included in contingent liability.	The networth 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 31st 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. This year situation has completely change because the total liability of all the Secured lenders amounting to ` 26,323.02 lacs being principal and interest has been settled at a settlement amount of ` 3153.13 lacs and the same has been paid to the lenders by a investor M/s Vivid Colors Pvt. Ltd.(Vivid). 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.	Repetitive more than 10 years
2.	According to the information and explanations given to us and on the basis of examination of records of the Company, amounts deducted/accrued during the year in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities.	The payment position of statutory dues had significantly improved. However, in view of inadequacy of cash resources, various statutory dues could not be paid in time. However, the is paid on time during the financial year.	
3.	According to the information and explanation given to us, there are	On account of disputes pending with the concerned departments, the company had	

	dues of sales tax, income tax, wealth tax, service tax, custom duty and excise duty and cess which have not been deposited on account of any dispute.	not paid these dues. However, the company has contested at the respective forums to nullify their demands. The company is hopeful that the dispute will be settled in its own favour.	
4.	In our opinion, the accumulated losses of the Company exceeded more than fifty percent of its net worth. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year	The Company's second reference before the BIFR under the sick Industrial company's (special provisions) Act'1985 regd vide case no.47/2012 was abated by the Hon'ble BIFR on hearing held on 19.09.2013, on an application filed by ACRE after acquisition of the Sikandrabad Assets. The Company had filed a fresh reference Application before the BIFR and the reference has been registered as case no.34/2015. The case has been admitted by BIFR and date of hearing has been postponed. New date of hearing is awaited.	
5.	The company has defaulted in repayment of dues to financial institution, banks and debenture holders.	In view of inadequacy of cash resources, the company is not able to repay its dues to the financial institutions, banks and debenture-holders. The company eroded its entire net worth and became sick as mentioned above. 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.	
6.	The company has given irrevocable guarantees for loans taken by others from the banks or financial institutions and a liability including interest of ` 25593.47 lacs (previous year 21552.50 lacs) has been claimed which the company has not acknowledged as debt on the ground that the company was taken over by a buyer but the liability on this account has also been shown in Contingent Liability	These are disputed liabilities and the company is contesting with the respective forum	