



Independent Auditors' Report

**TO THE MEMBERS OF,
LYKIS MARKETING PRIVATE LIMITED,**

Report on the Financial Statements

We have audited the accompanying financial statements of Lykis Marketing Private Limited ("the company"), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give 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;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, matters specified in paragraph 3 and 4 of the Order, are not applicable to the Company.
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 purposes 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, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.





- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:
- the Company does not have any pending litigations which would impact its financial positions.
 - the Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M. S. Mandlecha & Co**
Chartered Accountants
FRN 129037W

Proprietor
Membership No 124248



Place: Mumbai
Date : 18th May, 2015.

LYKIS MARKETING PVT. LTD. (FORMERLY KNOWN AS JIN-X MARKETING PVT. LTD.)

BALANCE SHEET AS AT MARCH 31 2015

	Note No.	INR	
		As at end of	
		Current Reporting Period	Previous Reporting Period
		March 31,	
		2015	2014
EQUITY AND LIABILITIES :			
1 Shareholders' Funds :			
a) Share Capital	1	2,000,000	2,000,000
b) Reserves and Surplus	2	(47,937,767)	(34,547,046)
c) Money received against share warrants			-
2 Share application money pending allotment			
3 Non - Current Liabilities :			
4 Current Liabilities :			
a) Short Term Borrowings	3	100,000	4,603,178
b) Trade Payable	4	67,621,372	62,609,505
c) Other Current Liabilities	5	7,283,586	2,278,374
d) Short Term Provisions	6	-	-
		29,067,190	36,944,011
ASSETS :			
1 Non - Current Assets :			
a) Fixed Assets			
i) Tangible Assets	7	94,953	134,553
ii) Intangible Assets			
iii) Capital Work In Progress			
b) Non Current Investments			
2 Current Assets :			
a) Current Investments			
b) Inventories	8	14,116,981	17,585,660
c) Trade Receivable	9	10,516,726	15,739,278
d) Cash and Cash Equivalents	10	651,943	351,035
e) Short Term Loans & Advances	11	929,849	836,819
f) Other Current Assets	12	2,756,738	2,296,666
		29,067,190	36,944,011

As per our report of even date

For M S MANDLECHA AND CO

Chartered Accountants

Firm Registration No:129037W

M S Mandlecha

Proprietor

Membership No. 124248

Place: Mumbai

Dated : 18.05.2015

For and on behalf of the Board of Directors



Director



Director

LYKIS MARKETING PVT. LTD. (FORMERLY KNOWN AS JIN-X MARKETING PVT. LTD.)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31 2015

	Note No.	INR	
		Current Reporting Period	Previous Reporting Period
		MARCH	
		2015	2014
REVENUE :			
Revenue from Operations	13	36,886,968	104,892,780
Other Income	14	16,471	20,750
Total Revenue		36,903,439	104,913,530
EXPENSES :			
Cost of Raw Materials Consumed		-	-
Purchases of Stock-in-Trade	15	34,208,898	101,548,262
Changes in Inventories of Finished goods, Work-in-progress & Stock-in-Trade	16	3,466,494	(2,926,501)
Employee Benefits Expense	17	6,673,725	12,677,062
Finance Costs	18	169,930	189,772
Other Expenses	19	5,775,113	13,725,646
Total Expenses		50,294,160	125,214,241
Profit / [Loss] before exceptional & extraordinary items & Tax		(13,390,721)	(20,300,711)
Less : Exceptional Items			
Profit / [Loss] before extraordinary items and Tax		(13,390,721)	(20,300,711)
Less : Extraordinary Items			
Profit / [Loss] before Tax		(13,390,721)	(20,300,711)
Less / [Add] : Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
MAT Credit Entitlement		-	-
Prior year's tax adjustments		-	-
		(13,390,721)	(20,300,711)
Profit / [Loss] for the period from continuing operations		(13,390,721)	(20,300,711)
Balance Brought Forward		(34,547,046)	(14,246,335)
Profit / [Loss] for the period		(47,937,767)	(34,547,046)
Earning per Equity Share [EPS] [in Rupees]			
Basic	20	(66.95)	(101.50)

As per our report of even date
For M S MANDLECHA AND CO
Chartered Accountants
Firm Registration No:129037W


Proprietor
Membership No. 124248

Place: Mumbai
Dated : 18.05.2015



For and on behalf of the Board of Directors



Notes to the Financial Statements

	INR	
	As at end of	
	Current Reporting Period	Previous Reporting Period
	March 31,	
	2015	2014

Note : 1 - Share Capital :

Authorised :

200000 [as at 31-03-14 :200000] Equity Shares of Rs.10/- each

2,000,000	2,000,000
2,000,000	2,000,000

Issued, Subscribed and Fully Paid-up Equity Shares :

200000 [as at 31-03-14 :200000] Equity Shares of Rs.10/- each

2,000,000	2,000,000
2,000,000	2,000,000

A. The reconciliation of the Shares outstanding as at March 31,2015 and as at March 31,2014

TYPE OF SHARE :

Balance as at the beginning of the year

ADD / LESS:

Outstanding at the end of the period

	As at march 31, 2015		As at march 31, 2014	
	No of shares	Amount	No of shares	Amount
Balance as at the beginning of the year	200,000	2,000,000	200,000	2,000,000
ADD / LESS:				
Outstanding at the end of the period	200,000	2,000,000	200,000	2,000,000

B.Terms/ Rights attached to Shares

The equity share holders of the Company are entitled to receive interim and/ or final dividend as declared and approved by the Board of Directors and/ or the share holders of the Company. The dividend so declared will be in proportion to the number of equity shares held by the share holders. In the event of the liquation of the Company, equity share holders will be entitled to receive remaining assets of the company after distribution of all preference share holders. However, no such Preference share capital exist during the period. The distribution will in proportion to the number of equity shares held by the share holders.

C.Details of Share Holders holding more than 5% of Equity Shares

Name of Share Holder	31st March 2015		31st March 2014	
	No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
Equity Share of Rs.10 each fully Paid				
1. Lykis Limited	199,900	99.95	199,900	99.95
2. Vijay Kedia	50	0.03	50	0.03
3. Nadir Dhrolia	50	0.03	50	0.03

Note : 2 - Reserve and Surplus :

Surplus :

Balance as per last Balance Sheet

Add : Profit / (loss) for the period

(34,547,046)	(14,246,335)
(13,390,721)	(20,300,711)
(47,937,767)	(34,547,046)

Balance as at year end

(47,937,767)	(34,547,046)
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Note : 3 - Short Term Borrowings :		
Unsecured		
Loans and advances from related parties	100,000	100,000
Loans and advances from Other		4,503,178
TOTAL	100,000	4,603,178
Secured		
Loans and advances from Bank	-	-
TOTAL	-	-
Secured Short-term borrowings	-	-
Unsecured Short-term borrowings	100,000	4,603,178

Note : 4 - Trade Payable:		
Sundry Creditors	67,621,372	62,609,505
Total	67,621,372	62,609,505

Note : 5 - Other Current Liabilities :		
Other Payables :		
Outstanding Expenses Payable	5,852,114	1,069,708
Payable to Statutory Authorities	331,472	256,631
Security Deposits	1,100,000	952,035
Total	7,283,586	2,278,374

Note : 6 - Short Term Provisions :		
Others :		
Other Provisions	-	-
Deffered Tax Liability	-	-
Provision for Income Tax (net)	-	-
Total	-	-

Note :8 - Inventories :		
Classification of Inventories :		
a Stock-in-Trade (acquired for trading)	14,116,980	17,585,660
Total	14,116,980	17,585,660

Note :9 - Trade Receivables :		
Unsecured & Considered Good		
More than Six Month	7,489,150	932,332
Other Receivable	3,027,576	14,806,945
Less : Provision For Doubtful Debt	-	-
Total	10,516,726	15,739,278

Note : 10 - Cash and Cash Equivalentents :		
Balances with Banks		
on current accounts	375,218	343,504
Demand deposits	266,471	
Cheque/ drafts on hand	10,254	7,531
Cash on hand		
Total	651,943	351,035



Note : 11 - Short Term Loans and Advances :		
[Unsecured, Considered Good] (unless otherwise stated)	520,476	520,476
Security Deposits		
Other Loans and Advances	409,373	316,343
Advances to Staff		
Advances to Party		
Income tax (Net off from provision)		
Total	929,849	836,819

Note : 12 - Other Current Assets :		
a Preliminary Expenses	50,708	64,544
Opening Balance	13,836	13,836
Less : Written Off During the Year	36,872	50,708
	2,719,866	2,214,533
b Vat Receivable		31,425
c Prepaid Expenses		
Total	2,756,738	2,296,666

Note : 13- Revenue from Operations :		
Sale of Products	36,879,007	102,843,984
Traded goods		
	7,961	2,048,797
Other Operating Revenues		
Total	36,886,968	104,892,780
Revenue from operations		

Note : 14 - Other Income :		
Interest Income [Gross] :	16,471	13,950
From Fixed Deposit Receipt		
From Securities		
Total	16,471	13,950
Dividend Income [Gross] :		
From Long Term Investments		
Total		
Income from Sale of Investments		
Short term Capital gain in sale of shares		
Long term Capital gain in sale of shares		
Total		
Other		6,800
Short Term Gain on Sale of Laptop		
Sales Tax Refund		
Total	16,471	20,750

Note : 15 - Purchase of Stock In Trade :		
Purchase of Stock In Trade	34,208,898	101,548,262
Total	34,208,898	101,548,262

Note : 16 - Changes in Inventories :		
Stock at closing :	14,116,980	17,585,660
Stock In Trade	14,116,980	17,585,660
Less : Stock at commencement	17,583,474	14,659,159
Stock In Trade	17,583,474	14,659,159
Total	3,466,494	(2,926,501)



Note :17 - Employee Benefit Expense :		
Salaries, wages and bonus	6,593,903	12,541,007
Staff welfare expenses	79,822	136,055
Total	6,673,725	12,677,062

Note :18 - Finance Cost :		
Interest (others)	169,930	189,772
Total	169,930	189,772

Note : 19 - Other Expenses :		
Repairs :		
Others	17,972	35,000
Advertisement Expenses	13,659	36,720
Bank Charges	374,480	1,194,868
Business Promotions	419,323	962,511
Commission A/c	94,786	47,989
Conveyance	126,868	477,814
Collie & Cartage Charges	129,577	465,230
Discount	39,600	82,811
Depreciation	6,775	7,010
Electricity Expenses	23,537	82,414
Fax & Courier	31,425	41,921
Insurance	-	53,883
Demurrage Charges	1,232,510	949,316
Misc Expenses	-	520,899
Listing Fees	54,998	30,179
Office Expenses	-	13,553
Packing & Forwarding Expenses	13,836	13,836
Preliminary Expenses W/Off	182,832	218,177
Printing & stationery	275,412	216,377
Professional Fees	570,136	774,853
Rent	-	21,930
Sampling Expenses	6,838	40,719
Telephone Expenses	1,909,498	6,884,098
Transport Charges	2,550	174,682
Travelling Charges	113,972	37,833
Vat Paid	48,482	187,762
Service Tax	13,233	63,231
LBT Expenses	34,014	54,941
Entry Tax	8,800	5,088
ROC fees	30,000	30,000
Audit Fees		
Total	5,775,113	13,725,646
A Audit fees		
a Auditors' Remuneration [Including Service Tax] :		
i Audit Fees	10,000	20,000
ii Tax Audit Fees	20,000	10,000
iii Certification & Other Charges		
iv Total	30,000	30,000

Note : 20 - Calculation of Earnings per Equity Share [EPS] :

		INR	
The numerators and denominators used to calculate the basic and diluted EPS are as follows :			
A	Profit after tax attributable to Shareholders	(13,390,721)	(20,300,711)
B	Basic and weighted average number of Equity shares outstanding during the y	Nos. 200,000	200,000
C	Nominal value of equity share	INR 10	10
D	Basic EPS	INR (66.95)	(101.50)



Note :7 - Fixed Assets

INR

Nature of Fixed Assets TANGIBLE	Gross Block					Depreciation				Net Block	
	As at 01/04/2014	Additions During the year	Addition through Business	Sales and / or adj. during the year	As at 31-03-15	Up to 31-03-14	For the year	On Sales and / or adj. during the year	Up to 31-03-15	As at 31-03-15	As at 31-03-14
	COMPUTER	196,605	-	-	-	196,605	86,905	33,188	-	120,093	76,512
MOBILE	30,000	-	-	-	30,000	5,147	6,412	-	11,559	18,441	24,853
	226,605	-	-	-	226,605	92,052	39,600	-	131,652	94,953	134,553
Previous year	96,335	164,270		34,000	226,005	16,041	82,811	6,000	92,052	134,553	80,294

Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Depreciation and amortisation for the year on tangible assets as	39,600	82,811
Depreciation and amortisation for the year on intangible assets	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	39,600	82,811



SCHEDULE : NOTES FORMING PART OF ACCOUNTS :

A) Significant Accounting Policies

1) Basis of Preparation of Financial Statements

The accounts have been prepared on the basis of Going Concern concept and under the historical cost convention. The Company adopts accrual basis in preparing of its accounts to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

2) Fixed Assets:

- (a) Fixed Assets are stated at actual cost less accumulated depreciation till the date of the balance sheet.
- (b) Depreciation is provided on SLM value as per the rate and in the manner specified in Schedule II to the Companies Act, 2013.
- (c) Depreciation on addition to fixed assets during the accounting period are provided for on Pro-rata basis.

3) Revenue Recognition

Unless otherwise specified income and expenditure are recognized and accounted on accrual basis

4) Retirement Benefits

The Company has decided to meet expenses on account of gratuity, leave encashment and other retirement benefits on cash basis and hence no provision has been made in the accounts for the same.

5) Taxation :

Income Tax Expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) . The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.



6) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent Liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or are reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may be never be realised.

7) Valuation of Inventories

Stock In Trade are valued at cost or market price whichever is lower.

8) Earning Per Share

The Company reports Basic and Diluted Earning Per Share in accordance with Accounting Standard 20, "Earning Per Share" issued by The Institute of Chartered Accountants of India. Basic Earning Per Share is computed by dividing net profit after tax by weighted average number of equity shares outstanding for the period. Diluted Earning Per Share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

B) Other Notes

- 1) Loans and advances are subject to confirmation and reconciliation, if any. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in ordinary course of business. The provisions of Depreciation and all known liabilities are adequate and not in excess of amount reasonably necessary.
- 2) The previous year's figures have been reworked, regrouped, rearranged and reclassified to confirm to the current period presentation.
- 3) Sundry creditors, sundry debtors and loans and advances are subject to confirmation and reconciliation if any.
- 4) Since none of the employee has completed eligible years of service, no provision has been made for payment of gratuity. Further, the EPF Act, & ESIC Act are not applicable to the company.
- 5) Cash on hand as on the balance sheet date have not been physically verified by the Auditors & a Certificate given by the management has been relied upon.



- 6) The Company has not made any imports during the year. The Company does not have any Earnings or Expenditure in Foreign Currency.
- 7) Stock in Trade as on Balance Sheet date is identified by the management and a Certificate given by the management to this effect has been relied upon
- 8) Contingent Liabilities
There are no contingent liabilities as on balance sheet date.
- 9) Segment Reporting
The Company is engaged in business of trading in FMCG products and allied activities and there are no separate reportable segments as per Accounting Standard 17 on 'Segment reporting'

As per our report of even date
For M. S. MANDLECHA & CO
Chartered Accountants



Mayur S. Mandlecha
(Proprietor)



For Lykis Marketing Pvt Ltd



(Director)



(Director)

Dated : 18.05.2015

Place : Mumbai