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Corporate Data

Sole director

Patel Pratik

Secretary

First Island Secretaries Limited

***Registered office and principal
place of business***

812 Silvercord, Tower 1
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Independent auditor

Moore CPA Limited
801-806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Report of the Sole Director

The sole director presents his report and the audited financial statements of Engineering and Manufacturing Jash Limited (the “company”) for the year ended 31 March 2020.

Principal activity

The principal activity of the company is the trading of engineered goods.

There have been no significant change in this activity compared with previous year.

Results and dividends

The company’s loss for the year ended 31 March 2020 and its financial position at that date are set out in the financial statements on pages 7 to 14.

The sole director does not recommend the payment of a dividend for the year.

Business review

Business review has not been prepared as the director considers the company meets the qualifying criteria for the reporting exemption under the Hong Kong Companies Ordinance.

Share capital

There were no movements in the company’s share capital during the year.

Sole Director

The name of the sole director of the company at the date of this report is as set out on page 2.

Change in the sole director

There were no changes in the sole director during the year or up to the date of this report.

Rotation of the sole director

In accordance with the Company’s Articles of Association, the sole director continues in office.

Permitted indemnity provision

Pursuant to the company’s Articles of Association, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for the benefit of the sole director during the year ended 31 March 2020.

Sole director’s interest in transactions arrangements or contracts

No director had a material interest, either directly or indirectly, in any transactions, arrangements, or contracts of significance to the business of the company to which the holding company of the company was a party during the year.

Report of the Sole Director (Continued)

Sole director's rights to acquire shares or debentures

At no time during the year was the company or its holding company a party to any arrangement to enable the sole director of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

Independent auditor

The independent auditor, Moore CPA Limited, retires and a resolution of its re-appointment will be proposed at the forthcoming annual general meeting of the company.

Patel Pratik
Sole director

Statement of Comprehensive Income

For the year ended 31 March 2020

	Note	2020 HK\$	2019 HK\$
Revenue	3	-	1,247,960
Cost of sales		-	(1,123,176)
Gross profit		-	124,784
Other income	3	661	2,265
Administrative expenses		(124,624)	(176,449)
Loss before tax	4	(123,963)	(49,400)
Income tax	6	-	-
Loss for the year		(123,963)	(49,400)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(123,963)	(49,400)

Statement of Financial Position

At 31 March 2020

	Note	2020 HK\$	2019 HK\$
Assets			
<i>Current assets</i>			
Trade receivables		158,112	1,248,549
Prepayments		10,688	12,487
Cash and cash equivalents	7	<u>221,062</u>	<u>408,192</u>
Total assets		<u>389,862</u>	<u>1,669,228</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	9	1	1
Retained profits	8	<u>194,151</u>	318,114
Total equity		<u>194,152</u>	<u>367,515</u>
<i>Current liabilities</i>			
Due to immediate holding company	10	142,577	1,123,706
Accruals		<u>53,134</u>	<u>227,407</u>
		<u>195,711</u>	<u>1,351,113</u>
Total equity and liabilities		<u>389,862</u>	<u>1,669,228</u>

Patel Pratik
Sole Director

Statement of Cash Flows

For the year ended 31 March 2020

	Note	2020 HK\$	2019 HK\$
Cash flows from operating activities			
Loss before tax		(123,963)	(49,400)
Adjustments for:-			
Bank interest income	3	<u>(661)</u>	<u>(978)</u>
		(124,624)	(50,378)
Decrease/(increase) in trade receivables		1,090,437	(1,248,549)
Decrease/(increase) in prepayments		1,798	(10,687)
(Decrease)/increase in amount due to immediate holding company		(981,129)	1,070,429
(Decrease)/increase in accruals		<u>(174,273)</u>	<u>109,552</u>
Cash used in operations		(187,791)	(129,633)
Bank interest received	3	<u>661</u>	<u>978</u>
Net cash used in operating activities		(187,130)	(128,655)
Net decrease in cash and cash equivalents		(187,130)	(128,655)
Cash and cash equivalents at beginning of year		<u>408,192</u>	<u>536,847</u>
Cash and cash equivalents at end of year		<u>221,062</u>	<u>408,192</u>
Analysis of cash and cash equivalents			
Bank balances	7	<u>221,062</u>	<u>408,192</u>

Notes to the Financial Statements

31 March 2020

1. *General*

Engineering and Manufacturing Jash Limited (the “company”) is a limited liability company incorporated in Hong Kong. Its principal activity is trading of engineered goods. The address of its registered office and principal place of business is set out on page 2 of the financial statements.

2. *Basis of preparation of financial statements and principal accounting policies*

The company qualifies for the reporting exemption as a small private company under Section 359(1)(a) of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its financial statements in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These financial statements comply with the SME-FRS have been prepared under the accrual basis of accounting and on the basis that the company is a going concern. These financial statements have also been prepared in compliance with the Hong Kong Companies Ordinance.

The following are the specific accounting policies that are necessary for a proper understanding of these financial statements.

a) *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, as follows: -

Revenue from the sale of engineered products is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers.

Bank interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

b) *Foreign currency translation*

The reporting currency of the company is the Hong Kong dollars, which is the currency of the primary economic environment in which the company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in income statement.

Notes to the Financial Statements (Continued)

31 March 2020

2. *Basis of preparation of financial statements and principal accounting policies (continued)*

c) *Taxation*

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

d) *Trade receivables*

Trade receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

f) *Related parties*

(a) A person, or a close member of that person's family, is related to the company if that person:-

- (i) has control or joint control over the company;
- (ii) has significant influence over the company; or
- (iii) is a member of key management personnel of the company or the company's parent;

or

(b) An entity is related to the company if any of the following conditions applies:-

- (i) the entity and the company are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the company are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Financial Statements (Continued)

31 March 2020

3. Revenue, other income and gains

An analysis of the company's revenue, and other income and gains is as follows:-

	2020 HK\$	2019 HK\$
Sales of engineered goods	-	1,247,960
Other income and gains		
Bank interest income	661	978
Exchange gain	-	1,287
	661	2,265

4. Loss before tax

The company's loss before tax is arrived at after charging:-

	2020 HK\$	2019 HK\$
Auditor's remuneration	27,000	27,000
Under-provision of auditor's remuneration	24,000	-
Exchange loss	5,802	-
Employee benefit expenses (including compensation of key management personnel (Note 5))	-	-
	-	-

5. Compensation of key management personnel and the sole director's emoluments

Pursuant to Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of the Sole Director) Regulation, the sole director and/or key management personnel did not receive any remuneration in respect of their services to the company for the year (2019: HK\$Nil).

6. Income tax

No provision for Hong Kong Profits Tax has been made as, in the opinion of sole director, the company's income neither arises in nor is derived from Hong Kong (2019: Nil).

A reconciliation of the tax expense applicable to loss before tax at the statutory rate in which the company is domiciled to the tax expense at the effective tax rate is as follows:-

	2020 HK\$	2019 HK\$
Loss before tax	(123,963)	(49,400)
Tax at Hong Kong profits tax rate at 16.5% (2019: 16.5%)	(20,454)	(8,151)
Income not subject to tax	(110)	(206,287)
Expenses not deductible to tax	20,564	214,438
	-	-
Tax expense at effective rate	-	-

No provision for deferred tax has been recognised in these financial statements as there are no temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Notes to the Financial Statements (Continued)

31 March 2020

7. Cash and cash equivalents

	2020 HK\$	2019 HK\$
Savings accounts	<u>221,062</u>	<u>408,192</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

8. Change in equity

	Share capital HK\$	Retained profits HK\$	Total HK\$
31 March 2018	1	367,514	367,515
Loss for the year	-	(49,400)	(49,400)
31 March 2019	1	318,114	318,115
Loss for the year	-	(123,963)	(123,963)
31 March 2020	<u>1</u>	<u>194,151</u>	<u>194,152</u>

9. Share capital

	2020 HK\$	2019 HK\$
Issued and fully paid:- 1 ordinary share	<u>1</u>	<u>1</u>

In accordance with Section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the company do not have a par value.

10. Due to immediate holding company

The amount due to immediate holding company is unsecured, interest-free and repayment on demand.

Notes to the Financial Statements (Continued)

31 March 2020

11. *Related party transactions*

- (a) In addition to the transactions detailed elsewhere in these financial statements, the company had the following transactions with related parties during the year:-

	2020	2019
	HK\$	HK\$
Purchases from immediate holding company	-	1,123,176
Marketing and consultancy fee paid to a fellow subsidiary	-	92,798

The above transactions were made at prices and terms in the normal course of business as agreed between the parties.

- (b) Outstanding balance with a related party:-

Details of the company's amount due to the immediate holding company at the end of the reporting period is included in Note 10 to the financial statements.

12. *Immediate holding company and ultimate controlling party*

The company is a wholly-owned subsidiary of Jash Engineering Limited, a company incorporated in India.

In the opinion of the sole director, Jash Engineering Limited is also the ultimate holding company of the company.

13. *Approval of the financial statements*

These financial statements were approved and authorised for issue by the sole director on