



DIRECTORS' REPORT

To,
The Members,
Jonjua Overseas Limited.

Your Directors are pleased to present the 27th Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the Financial Year ended 31 March, 2019.

1. FINANCIAL HIGHLIGHTS

The Table below depicts the financial performance of your Company for the year ended 31 March, 2019.

| Particulars | 2018-19 | 2017-18 |
|---|---------|---------|
| Net Revenue from operations | 77.57 | 63.28 |
| Other Revenue | 12.94 | 2.29 |
| Total Revenue | 90.52 | 65.57 |
| Expenses | 50.34 | 50.28 |
| Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) | 40.17 | 15.29 |
| Finance Cost | 1.35 | 1.33 |
| Depreciation and Amortization Expense | 30.36 | 8.86 |
| Profit Before Tax | 8.47 | 5.09 |
| Tax Expense | 2.15 | 1.90 |
| Profit After Tax | 6.32 | 3.18 |

2. STATE OF COMPANY'S FINANCIAL AFFAIRS

During the year under review, the Company has recorded total revenue of Rs. 90.52 lakhs as compared to the previous year amount of Rs. 60.48 lakhs. The Expenditure incurred including Depreciation during the year was Rs. 80.04 lakhs as against the amount of Rs. 60.48 lakhs during the previous year. The Company has earned a Profit After Tax of Rs. 6.32 lakhs as compared to the previous year amount of Rs. 3.18 lakhs. The Company is looking forward to



increase its numbers in the coming financial years with the support of all the Stakeholders of the Company.

3. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR TILL THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year and the date of this report.

4. INITIAL PUBLIC OFFER (IPO)

During the Financial Year under review, the Company took approvals of the Board and Members of the Company for the Initial Public Offer on the BSE SME and submitted Draft Prospectus and Prospectus with Registrar of Companies and BSE Limited and made allotment to the investors. The Equity shares of the Company were listed on the SME platform of BSE Limited. The Scrip was listed on 25th February, 2019 and the Scrip Code is **JONJUA**.

5. FUTURE OUTLOOK

Your Company is doing well in its segment and is capable of tapping the export thrust prevailing today in India. The Company is looking to expand its activities in Africa and the North American markets. Your Company is also looking for new opportunities in Service Exports so that it can use its experience and goodwill to penetrate deeper in the segment.

6. NATURE OF BUSINESS

Your Company is into the Service Exports and Corporate Consultancy sectors along with Printed Books. The products of the Company are commanding



premium value due to their uniqueness.

7. DEMATERIALISATION OF EQUITY SHARES

Equity Shares of the Company are in Dematerialized Form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is INE793Z01027.

8. TRANSFER TO RESERVES

The Company has transferred Rs. 6,32,939 amount to Other Equity from Profit and Loss Account for the Financial Year ended 31 March, 2019.

9. SHARE CAPITAL

On 25-05-2018, there was allotment of 22,88,341 equity shares of Re. 1 each. On 20-06-2018, there was a Bonus Issue of 54,15,368 equity shares of Re. 1 each. On 25-06-2018, there was allotment of 41,10,429 Sweat equity shares of Re. 1 each. On 26-07-2018, there was Bonus Issue of 85,90,633 equity shares of Re. 1 each. There was a consolidation of equity shares from Re. 1 to Rs. 10 each during the period. During the year under report, the Company has come out with an Initial Public Offer of 13,00,000 equity shares of Rs. 10/- each and the Shares of the Company were listed on the SME Platform of BSE on 25 February, 2019. The Authorized Share Capital of the Company is Rs. 5,00,00,000. The Subscribed and Paid up Capital of the Company is Rs. 4,73,62,532.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

| S. No. | Designation | Name |
|--------|---------------------|--|
| 1 | Managing Director | MAJOR HARJINDER SINGH JONJUA, RETD. |
| 2 | Whole Time Director | MANINDER KAUR JONJUA |



| | | |
|---|-------------------------|-----------------------------------|
| 3 | Director | HARMANPREET SINGH JONJUA |
| 4 | Independent Director | BRIG. SATWINDER SINGH GILL, RETD. |
| 5 | Independent Director | VINOD KUMAR KALIA |
| 6 | Independent Director | NARINDER PAL SINGH |
| 7 | Chief Financial Officer | RANBIR KAUR JONJUA |

11. Meetings of the Board

During the Financial Year 2018-19, total of 31 Board Meetings were held. The maximum time-gap between any two consecutive meetings did not exceed 120 days. The details of the Board Meetings are:

| BOARD OF DIRECTORS MEETING | | | | | |
|-----------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|
| Date | No. of Directors Present | Date | No. of Directors Present | Date | No. of Directors Present |
| 12 April 2018 | 3 | 25 June 2018 | 3 | 25 September 2018 | 3 |
| 01 May 2018 | 3 | 26 June 2018 | 3 | 28 September 2018 | 3 |
| 02 May 2018 | 3 | 26 July 2018 | 3 | 17 October 2018 | 3 |
| 11 May 2018 | 3 | 02 August 2018 | 3 | 19 October 2018 | 3 |
| 24 May 2018 | 3 | 10 August 2018 | 3 | 17 November 2018 | 4 |
| 25 May 2018 | 3 | 13 August 2018 | 3 | 13 December 2018 | 4 |
| 28 May 2018 | 3 | 21 August 2018 | 3 | 01 January 2019 | 4 |
| 01 June 2018 | 3 | 05 September 2018 | 3 | 09 January 2019 | 4 |
| 12 June 2018 | 3 | 12 September 2018 | 3 | 12 February 2019 | 4 |
| 20 June 2018 | 3 | 21 September 2018 | 3 | 13 February 2019 | 4 |
| | | | | 01 March 2019 | 4 |

Committees:

The Company has constituted an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee.

Audit Committee:



The Company has a duly constituted Audit Committee. The Board of Directors has accepted all the recommendations given by the Audit Committee during the FY 2018-19. During the year, two Audit Committee meetings took place on 17 November, 2018 and 01 March, 2019. The Regulations of the Companies Act, 2013 regarding Audit Committee were not applicable before listing.

Stakeholders Relationship Committee:

The Board has constituted a Stakeholders Relationship Committee as required under Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“**the Regulations**”). The Board of Directors has accepted all the recommendations given by the Stakeholders Relationship Committee during the FY 2018-19. The Stakeholders Relationship Committee had two meetings during the FY 2018-19 which took place on 17 November, 2018 and 01 March, 2019. The Regulations of the Companies Act, 2013 regarding the Stakeholders Relationship Committee were not applicable before listing.

Nomination and Remuneration Committee:

The Board has constituted a Nomination and Remuneration Committee as required under Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“**the Regulations**”). The Board of Directors has accepted all the recommendations given by the Nomination and Remuneration Committee during the FY 2018-19. The Nomination and Remuneration Committee had two meetings during the FY 2018-19 which took place on 17 November, 2018 and 01 March, 2019. The Regulations of the Companies Act, 2013 regarding the Stakeholders Relationship Committee



were not applicable before listing.

12. Utilisation of IPO Funds

As the Company came out with the IPO in the Financial Year 2018-19, up to the date of Board's Report, the Company has utilized the funds in:

- a) Rs. 1,00,00,000 (Working Capital),
- b) Rs. 20,00,000 (Issue Expenses), and
- c) Rs. 10,00,000 (General Corporate Purposes)

as stated in the Prospectus.

13. Board Evaluation

The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 mandates that the Board carry out an annual evaluation of its own performance, the Board Committees and the individual Directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information flow, frequency of meetings, and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings. The Managing Director was also evaluated on the key aspects of his role. In a separate meeting of Independent Directors, held on performance of Non-Independent Directors, performance of the Board as a whole and performance of the Managing Director was evaluated, taking into account the views of Executive Directors



and Non-Executive Directors.

14. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the premises and always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. During the year ended 31 March, 2019, the Company has not received any complaint pertaining to sexual harassment.

15. DETAILS OF REMUNERATION TO DIRECTORS

The remuneration paid to the Directors is in accordance with the provisions of the Companies Act, 2013 and any other re-enactment(s) for the time being in force. The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employees remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 and the Rules made thereunder read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

| Major Harjinder Singh Jonjua (Retd.) | |
|--------------------------------------|-------|
| Salary (Rs.) | Ratio |
| 7,15,000 | 1:3.5 |



| | |
|----------------------|-------|
| Maninder Kaur Jonjua | |
| Salary (Rs.) | Ratio |
| 5,65,000 | 1:2.7 |

II. The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary:

No revision in remuneration pursuant to applicability of section 197 of the Companies Act, 2013.

III. The percentage increase in the median remuneration of employees in the Financial Year:

Nil (The figure is calculated by comparing median remuneration of FY 2017-18 with median remuneration of 2018-19).

IV. The number of permanent employees on the rolls of Company:

The total number of employees including Whole-Time Director and Managing Director as on 31 March, 2019 is 10.

V. The Company was Private Limited in part of Financial Year 2017-18 and it got converted into Limited in FY 2017-18 and got listed on 25th February, 2019, therefore, comparison with earlier period is not considered.

VI. The Company has formulated a remuneration policy as per provisions of Companies Act, 2013 during the Financial Year and henceforth the remuneration will be in accordance with such policy.

16. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section



177(10) of the Companies Act, 2013. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

17. RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy and a Risk Management Committee for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate Internal Control Systems and procedures to combat the Risk. The Risk Management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

18. POLICY ON PRESERVATION OF THE DOCUMENTS

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting mutilated or destroyed, while at the same time avoiding superfluous inventory of Documents.

19. POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS



The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all the Related Party Transactions were in the ordinary course of the business and at arm’s length basis and, therefore, the provisions of Section 188 are not applicable. Those transactions were placed before the Audit Committee of Directors for prior approval in the form of Omnibus Approval.

Related Party Transactions under Accounting:

Material Related Party Transactions are disclosed in Annexure-1 in Form AOC-2 pursuant to clause (h) of subsection (3) of Section 134 read with Rule 8(2) of Companies (Accounts) rules, 2014.

21. AUDITORS’ AND AUDITORS’ REPORT

Statutory Auditors:

The Company has appointed M/s. Jain and Associates, Chartered Accountants, as Statutory Auditors of the Company. The Companies Amendment Act, 2017 has done away with the ratification of Auditor’s appointment at every Annual General Meeting and they have confirmed that they are not disqualified from continuing as Auditors of the Company. The Notes on Financial Statement



referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Internal Audit Controls and their Adequacy:

The Company had appointed Internal Auditor in accordance with provisions of Companies Act, 2013. During the year, the Company continued to implement their suggestion and recommendations to improve the control environment. Their scope of work includes review of process for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed ACS Neelam Beniwal and Associates, a Practicing Company Secretary bearing Membership No. A29494 and C.P. No.: 14039 to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out is annexed herewith as Annexure-2 as Secretarial Audit Report. The Report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

22. PARTICULARS OF EMPLOYEES

Your Directors place on record their deep appreciation for the contribution



made by the employees of the Company at all levels. The information on employees particulars as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), is forming part of this Directors' Report. There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. CORPORATE GOVERNANCE

As per Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is not applicable to the Company listed on the SME platform (BSE). Hence the Company is not required to disclose information as covered under Para (C), (D) and (E) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Para (F) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company does not have and is not required to have the Demat Suspense Account neither Unclaimed Suspense Account.

24. PUBLIC DEPOSITS

During the Financial Year 2018-19, the Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

There is no technology absorption required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules,



2014. However, the details forming part of Conservation of Energy, Foreign exchange earnings and outgo is annexed herewith as “**Annexure 3.**”

26. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future.

28. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

29. EMPLOYEES RELATIONS

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

30. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period



of seven years. Therefore, there are no funds which are required to be transferred to Investor Education and Protection Fund (IEPF).

31. CONSOLIDATION OF ACCOUNTS - ASSOCIATES/JOINT VENTURES

As on the reporting day, your Company does not have any Associate or Joint Venture hence Consolidation of Accounts is not required.

32. INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Fair Disclosure (“**Code**”), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any Insider Trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Jonjua Overseas Limited at the time when there is unpublished price sensitive information.

33. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Report on the Management Discussion and Analysis is provided as a separate “**Annexure-4**” in the Annual Report.

34. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014



in the prescribed Form MGT-9 is appended as “Annexure-5” to the Board’s Report.

35. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company:

- a) In preparation of the Annual Accounts for the Financial Year ended 31 March 2019, the applicable Accounting Standards have been followed along with proper explanation to material departures;
- b) The Directors have selected Accounting Policies, in consultation with the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of the financial year and of the profit or loss of the Company, for that period;
- c) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts of the company on a going concern basis;
- e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



36. POLICIES

The Companies Act 2013 along with the SEBI (LODR) Regulations, 2015 and mandate to formulations of certain policies for all listed Companies. Accordingly, the Company has formulated the Policies for the same as the Company believed to retain and encourage high level of ethical standard in business transactions.

37. ACKNOWLEDGEMENT

Your Directors' place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, our consistent growth was made possible by their hard work, solidarity, cooperation and support.

Date: 04/09/2019.

Place: Mohali.

**For and on behalf of
Jonjua Overseas Limited**

**Harjinder Singh Jonjua
Managing Director
DIN: 00898324**



Annexure-1

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

I. There are no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.

II. Material Contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis are as follows :

| Party | Nature of Relationship | Nature | FY 2018-19 |
|---------------------------------------|------------------------|-----------------------|-----------------|
| Jonjua Global Sources Private Limited | Group Entity | Contractual Services | Rs. 300,000/- |
| | | Purchases | Rs. 15,00,000/- |
| HS Jonjua & Sons HUF | Promoter | Contractual Services | Rs. 18,00,000/- |
| | | Sale of Printed Books | Rs. 65,05,000/- |
| Ranbir Kaur Jonjua | CFO | Loan to Related Party | Rs. 11,21,465/- |
| | | Salary | Rs. 4,71,400/- |
| | | Non-Compete Fees | Rs. 30,000/- |
| | | Commission | Rs. 5,000/- |
| Harjinder Singh Jonjua | Managing Director | Professional Fees | Rs. 30,000/- |
| | | Loan to Director | Rs. 35,44,138/- |
| | | Rent Expense | Rs. 1,77,500/- |
| | | Non-Compete Fees | Rs. 30,000/- |



| | | | |
|--------------------------|---------------------|------------------|-----------------|
| | | | |
| Maninder Kaur Jonjua | Whole Time Director | Loan to Director | Rs. 14,75,590/- |
| | | | |
| Harmanpreet Singh Jonjua | Director | Rent Expense | Rs. 1,77,500/- |



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2019

To:

The Board of Directors

Jonjua Overseas Limited

Regd. Office: HM-228, Phase-2, SAS Nagar, Mohali-160055 Punjab.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jonjua Overseas Limited** (hereinafter called the ‘**Company**’). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliance and expressing my opinion thereon. Based on my verification of the books, papers, minute books, forms and returns filed by Jonjua Overseas Limited and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on 31-March-2019 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Jonjua Overseas Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘**SCRA**’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable - as there was no such event in the Company);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable - as there was no such event in the Company);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable - as the company is not registered as RTA);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable - as there was no such event in the Company); and

(h) The Securities and Exchange Board of India (Buyback of Securities Regulations), 1998 (Not Applicable - as there was no such event in the Company);



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has made public issue of 13,00,000 shares of Rs. 10/- each at BSE – SME Platform.

Date: 02-September-2019.
Place: Chandigarh.

(Neelam Beniwal, ACS)
Practising Company Secretary
Membership No. A29494
C.P. No.: 14039



Annexure 'A'

To:

The Board of Directors

Jonjua Overseas Limited

Regd. Office: HM-228, Phase-2, SAS Nagar, Mohali-160055 Punjab.

Our Secretarial Audit Report of even date, for the Financial Year 2018-19 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditors Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliance.

3. We believe that audit evidence and information obtained from the Company's management is adequate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.



6. We have not yet verified the correctness and appropriateness of financial records and books of accounts of the Company.

Date: 02-September-2019.

Place: Chandigarh.

(Neelam Beniwal, ACS)

Practising Company Secretary

Membership No. A29494

C.P. No.: 14039



Annexure-3

Foreign Exchange Transactions

| FOREIGN EXCHANGE TRANSACTIONS | Standalone as at 31.03.2019 |
|---|--------------------------------|
| (a) Value of imports calculated on CIF basis by the company during the financial year in respect of : | |
| | |
| 1. Raw Materials | - |
| 2. Components and Spare Parts | - |
| 3. Capital Goods | - |
| | |
| (b) Expenditure in Foreign Currency | Rs. 76,800/- |
| (c) Earning in Foreign Currency | Rs. 12,52,329/- |



Management Discussion and Analysis

A. Industry Outlook

India is the world's largest sourcing destination for the Information Technology (IT) industry, accounting for approximately 67 per cent of the US\$124-130 billion market. The IT industry has more than 16,000 firms; of which 1,000+ are large firms with around 50 delivery locations in India. The US\$167 billion Indian IT industry employs nearly four million people. India ranks third among global start-up ecosystems with more than 5,300 start-ups. Indian IT and BPM industry is expected to grow to US\$ 350 billion by 2025. BPM segment had around 19.2 per cent share in Indian IT sector revenues in FY18. (Source: Nasscom).

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centers in India.

Government Initiatives

The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.

Government has made publishing of books a Nil rated item in GST and placed exports under Zero rated item. Further, publication of brochures and similar



material has been placed at 5%. Company will have huge leverage with the lower rates of GST.

The Ministry of Commerce and Industry, Government of India has eased the approval mechanism for foreign direct investment (FDI) proposals by doing away with the approval of Department of Revenue and mandating clearance of all proposals requiring approval within 10 weeks after the receipt of application.

B. Opportunities & Threats, Risks & Concern

Currency movement can have significant impact on the operations of the Company. Further, growth of US market and trade tensions may lead to change in benefits of service export to North American markets. On domestic front growth changes in tax structure and growth of Indian economy will impact the operations of the Company.

C. Performance

There has been increase in total revenues of the Company year on year on account of better performance.

D. Outlook

With export thrust of the present government along with political stability the outlook of the Industry as a whole seems to be positive and your company is well placed to tap this opportunity going forward.

E. Internal Control Systems and their Adequacy

The Company's Internal Financial Control framework is commensurate with the size and the nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization



and ensuring compliance of corporate policies. The Company has laid down procedures and policies to guide the operations of the business. The operating management assessed the effectiveness of the Company's internal controls over financial reporting as of 31 March, 2019. **M/s. Jain and Associates**, the Statutory Auditors of the Company audited the Financial Statements included in this Annual Report and issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013). The Company has appointed a reputed Internal Auditor to carry out Internal Audit. The Audit is based on focused and risk based Internal Audit plan, which is reviewed each year after consulting the Audit Committee. In line with international practice, the conduct of Internal Audit is oriented towards the review of internal controls and risks in the operations of its business. The internal audit function endeavors to make meaningful contributions to the organization's overall governance, risk management and internal controls.

The Audit Committee reviews reports submitted by Internal Auditor. Suggestions to improve any process are considered by the management and the Audit Committee follows up on corrective actions taken by the management. The Audit Committee also meets the Company's Statutory Auditor to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically. Based on its evaluation (as provided under Section 177 of the Companies Act, 2013 and Clause 18 of SEBI Listing Regulations), the Audit Committee has concluded that as of 31 March 2019, the Internal Financial Controls were adequate and operating effectively.



F. Financial and Operational Performance

The total revenue of the Company has increased to Rs. 90.52 lakhs from Rs. 65.57 lakhs. The EBIDTA of the Company is Rs. 40.17 lakhs up from Rs. 27.22 lakhs. The Company is looking forward to increase its profits in the coming Financial Years with the support of all the stakeholders of the Company.

G. Significant Changes in Financial Ratios

The total income of the Company has increased by 35% during the year and the EBIDTA has increased by 32.23%.

During the year, the Company raised money through IPO and proceeds were utilized towards working capital utilization, thereby improving company's financial.

H. Material Developments in Human Resources/Industrial Relations Front and Number of People Employed

The manpower strength of the Company as on 31 March, 2019 was 10. The Company maintained harmonious industrial relations during the Financial Year 2018-19.

I. Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, Government regulations, taxation, and natural calamities over which the Company does not



have any direct control.

Date: 04/09/2019.

Place: Mohali.

**For and on behalf of
Jonjua Overseas Limited**

**Harjinder Singh Jonjua
Managing Director
DIN: 00898324**



Annexure-5

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2019)

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN: U51909PB1993PLC013057.

ii) Registration Date: 16/02/1993.

iii) Name of the Company: Jonjua Overseas Limited.

iv) Category / Sub-Category of the Company: Company Limited by Shares.

v) Address of the Registered office and contact details:

HM228, Phase-2, Mohali, 160055, Punjab
Cell: 9872172032.

vi) Whether listed company Yes / No: Yes.

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Zuari Finserv Limited.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| S. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|--------|---|----------------------------------|------------------------------------|
| 1 | Service Export | 63999 | 16 |
| 2 | Printing of Books | 18112 | 84 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:



| S. No. | NAME AND ADDRESS OF THE COMPANY | CIN/ GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|--------|---------------------------------|----------|--------------------------------|------------------|--------------------|
| 1 | -- | -- | -- | -- | -- |
| 2 | -- | -- | -- | -- | -- |

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

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|-------------|-------------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A.Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| g) Individual/ HUF | | 11,48,057 | 11,48,057 | 81 | 25,87,808 | | 25,87,808 | 54.64 | (26.36) |
| h) Central Govt | | | | | | | | | |
| i) State Govt (s) | | | | | | | | | |
| j) Bodies Corp. | | 18,26,666 | 18,26,666 | 13 | 4,22,900 | | 4,22,900 | 8.93 | (4.07) |
| k) Banks/FI | | | | | | | | | |
| l) Any Other. | | | | | | | | | |
| Sub-total | | 1,29,74,723 | 1,29,74,723 | 94 | 30,10,708 | | 30,10,708 | 63.57 | (30.43) |
| (A) (1): | | | | | | | | | |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | | | | | | | | | |
| b) Other - Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks / FI | | | | | | | | | |



| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|-------------|-------------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| e) Any Other.... Sub-total (A) (2): Total shareholding of Promoter (A) = (A)(1)+(A)(2) | | 1,29,74,723 | 1,29,74,723 | 94 | 30,10,708 | | 30,10,708 | 63.57 | (30.43) |
| B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks/FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1): 2. Non-Institutions a) Bodies Corp. i) Indian | | | | | | | | | |



| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|-------------|-------------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital up to Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify) Sub-total (B)(2): Total Public Shareholding (B) = (B)(1) + (B)(2) | | 9,83,038 | 9,83,038 | 6 | 13,00,000 | 4,25,545 | 17,25,545 | 36.43 | 30.43 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | | 1,39,57,761 | 1,39,57,761 | 100 | 43,10,708 | 425,545 | 47,36,253 | 100 | |

(ii) Shareholding of Promoters:



| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|--------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Harjinder Singh Jonjua | 45,66,021 | 33 | | 14,07,913 | 29.73 | | (3.27) |
| 2 | Harmanpreet Singh Jonjua | 12,17,263 | 9 | | 2,41,031 | 5.09 | | (3.91) |
| 3 | Maninder Kaur Jonjua | 16,24,217 | 12 | | 3,33,384 | 7.04 | | (4.96) |
| 4 | HS Jonjua & Sons HUF | 3740556 | 27 | | 4,94,688 | 10.44 | | (16.56) |
| 5 | Ranbir Kaur Jonjua | 5,62,332 | 4.02 | | 1,10,792 | 2.34 | | (1.68) |
| | Total | 1,17,10,389 | 85.02 | | 25,87,808 | 54.64 | | (30.38) |

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

| S. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year* | 11,71,039 | 85.02 | 11,71,039 | 85.02 |
| | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): | | | 14,16,769 | (30.38) |
| | At the End of the year | | | 25,87,808 | 54.64 |

*Shares were consolidated from Re. 1/- to Rs. 10/- during the year. Adjustment in total number at start of year is done to reflect consolidation of shares.



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

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Jonjua Global Sources Private Limited | 1,82,667 | 13 | 4,22,900 | 8.93 |
| 2 | Brig. Rajendra Singh (Retd.) | NIL | NIL | 46,878 | 0.98977 |
| 3 | Col. Yogender Pal Singh Grewal (Retd.) | NIL | NIL | 40,100 | 0.846661 |
| 4 | Lt. Col. Ratan Singh (Retd.) | NIL | NIL | 20,000 | 0.422275 |
| 5 | KULAGA COMMODITIES PRIVATE LIMITED . | NIL | NIL | 1,40,000 | 2.955923 |
| 6 | YOGOMAYA DEALERS PRIVATE LIMITED . | NIL | NIL | 1,80,000 | 3.800473 |
| 7 | STANLEY SUPPLIERS PRIVATE LIMITED . | NIL | NIL | 70,000 | 1.477962 |
| 8 | Santa Ghosh | NIL | NIL | 1,10,000 | 2.322511 |
| 9 | NIKUNJ STOCK BROKERS LIMITED | NIL | NIL | 80,000 | 1.689099 |
| 10 | Hayaanpratap Singh | 8,863 | 0.63 | 19,999 | 0.422254 |

d) Shareholding of Directors and Key Managerial Personnel:

| S. No. | For Each of the Directors | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---------------------------|---|--------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the | No. of shares | % of total shares of the company |



| S. No. | and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|---------|---|---------|
| | | | company | | |
| | At the beginning of the year* | 7,96,983 | 58.02 | 7,96,983 | 58.02 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.) | | | 13,26,801 | (12.93) |
| | At the End of the year | | | 21,23,784 | 45.09 |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | 7,98,113 | 80,000 | | 8,78,113 |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the financial year | (-)8,736 | 5,97,290 | | 5,88,564 |



| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| • Addition • Reduction | | | | |
| Net Change | (-)8,736 | 5,97,290 | | 5,88,564 |
| Indebtedness at the end of the financial year | 7,89,377 | 6,77,290 | | 14,66,667 |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 7,89,377 | 6,77,290 | | 14,66,667 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|--------|--|---|-------------------------|-----------------|
| | | Major Harjinder Singh Jonjua (Retd.) | Maninder Kaur Jonjua | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Rs. 7,15,000/- | Rs. 5,65,000/- | Rs. 12,80,000/- |
| 2. | Stock Option | | | |
| 3. | Sweat Equity | | | |
| 4. | Commission - as % of profit - others, specify | | | |



| | | | | |
|----|------------------------|----------------|----------------|-----------------|
| 5. | Others, please specify | | | |
| | Total (A) | Rs. 7,15,000/- | Rs. 5,65,000/- | Rs. 12,80,000/- |
| | Ceiling as per the Act | | | |
| | | | | |

B. Remuneration to other directors:

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|--------|--|-------------------|-----|-----|-----|--------------|
| | | ... | ... | ... | ... | |
| | | ... | ... | ... | ... | |
| | | ... | ... | ... | ... | |
| | 3. Independent Directors | | | | | |
| | • Fee for attending board committee meetings | | | | | |
| | • Commission | | | | | |
| | • Others, please specify | | | | | |
| | Total (1) | | | | | |
| | 4. Other Non-Executive Directors | | | | | |
| | • Fee for attending board committee meetings | | | | | |
| | • Commission | | | | | |
| | • Others, please specify | | | | | |
| | Total (2) | | | | | |
| | Total (B) = (1 + 2) | | | | | |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |
| | | | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|-----------------------------|--------------------------|-------------------|----------------|----------------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary | | | Rs. 4,80,000/- | Rs. 4,80,000/- |
| | a) Salary as per provisions | | | | |



| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|--------------------------|-------------------|---------------|---------------|
| | | CEO | Company Secretary | CFO | Total |
| | contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2. | Stock Option | | | | |
| 3. | Sweat Equity | | | | |
| 4. | Commission - as % of profit - others, specify | | | | |
| 5. | Others, please specify | | | | |
| | Total | | | Rs. 480,000/- | Rs. 480,000/- |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |