

JONJUA OVERSEAS LIMITED
(Formerly Jonjua Overseas Private Limited)
CIN : U51909PB1993PLC013057

BALANCE SHEET AS ON 31.03.2019

S No.	Particulars	Note	Standalone as at 31.03.2019	Standalone as at 31.03.2018
A) ASSETS				
1	Non-Current assets			
	Gross block		898942	2751990
	Less : Depreciation		653398	1671797
(a)	Property, Plant & Equipment	1	245544	1080193
(b)	Other Intangible Assets	2	18001937	3779510
(c)	Financial assets			
	(i) Investments	3	34042930	31321703
(d)	Other non current assets	4	1501851	-
	Total non-current assets		53792262	36181406
2	Current assets			
(a)	Inventories			
(b)	Financial assets			
	(i) Trade receivables	5	4326588	5219888
	(ii) Cash & Cash Equivalents	6	7441612	3636437
	(iii) Other Bank Balances	7	15000	15000
	(iv) Loans	8	6141553	2242120
	(v) Other financial assets	9	11670000	-
(c)	Other current assets		-	-
	Total current assets		29594753	11113445
	Total assets		83387014	47294851

B) EQUITY AND LIABILITIES

1	Equity			
(a)	Equity Share Capital	10	47362532	13957761
(b)	Other Equity	11	34173210	32163815
	Total equity		81535742	46121576
2	Non current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings	11	310313	402543
(b)	Provisions		-	-
(c)	Deferred tax liabilities (Net)	13	98097	84043
	Total non-current liabilities		406410	486586
3	Current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings	14	1156354	475570
(ii)	Trade Payables	15	-	-
(iii)	Other financial liabilities	16	125364	141119
(b)	Provisions			
(c)	Current Tax Liabilities	17	163145	70000
(d)	Other current Liabilities		-	-
	Total current liabilities		1444863	686689
	TOTAL EQUITY AND LIABILITIES		83387015	47294851

Notes on Financial Statements & Significant Accounting Policies - '35'


AUDITORS REPORT

As per our separate report of even date.

For and on behalf of the board




HARJINDER SINGH JONJUA
(Managing Director)
Din No. : 00898324


MANINDER KAUR JONJUA
(WHOLE TIME DIRECTOR)
Din No. : 1570885


RANBIR KAUR JONJUA
(CHIEF FINANCIAL OFFICER)

DATE: 15.05.2019

Place : MOHALI

JONJUA OVERSEAS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note	Standalone as at 31.03.2019	Standalone as at 31.03.2018
Revenue from operations	18	7757329	6328190
Other Income	19	1294479	229164
Total Income		9051808	6557354
Expenses:			
Cost of materials consumed		-	-
Change in F.G, WIP, and Stock-in-Trade		-	-
Employee Benefit Expenses	20	2048115	2079248
Finance costs	21	132512	133081
Depreciation and amortization expense	1 & 2	3036977	886198
Other expenses	22	2986259	2949043
Total expenses		8203863	6047570
Profit before exceptional items and tax		847945	509784
Exceptional items		-	-
Profit before tax		847945	509784
Tax expense:			
(1) Current tax		163145	70000
(2) Deferred tax		12053	84043
Income tax of Previous Year		39808	36904
Profit after tax		632939	318837
Other comprehensive income			
(i) Items that will not be re-classified to profit or loss:			
-Changes in fair value of equity instruments through other comprehensive income		921227	981990

(ii) Items that may be re-classified to profit or loss:
 -Income tax relating to items that may be reclassified
 to profit or loss

Total other comprehensive income (net of tax)	921227	981990
Total comprehensive income	1554166	1300827

Earnings per equity share-basic /diluted:

-Before exceptional item	0	0
-After exceptional item	0	0
Nominal Value of each share	10	10

AUDITORS REPORT

As per our separate report of even date.



Membership No. 513236
 DATE: 15.05.2019
 Place : MOHALI

HARJINDER SINGH JONJUA
 (Managing Director)
 Din No. : 00898324

MANINDER KAUR JONJUA
 (WHOLE TIME DIRECTOR)
 Din No. : 1570885

RANBIR KAUR JONJUA
 (CHIEF FINANCIAL OFFICER)

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2019

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES:		
PROFIT AFTER TAX	6,32,939	3,18,837
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
INCOME TAX CHARGED IN PROFIT AND LOSS A/C	2,15,006	1,90,947
DEPRECIATION AND AMORTIZATION	30,36,977	8,86,198
FINANCE COSTS	1,32,512	1,33,081
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	-	(2,040)
INTEREST INCOME RECEIVED	(9,48,109)	(1,87,124)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	30,71,325	13,39,899
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
TRADE RECEIVABLES	8,93,300	(27,40,723)
OTHER RECEIVABLES	(155,69,433)	(10,22,120)
INVENTORY	-	-
PROVISIONS	-	-
SHORT TERM BORROWINGS	6,80,784	1,14,907
TRADE AND OTHER PAYABLES	(15,755)	(38,177)
CASH GENERATED FROM OPERATIONS	(109,39,778)	(23,46,214)
INCOME TAX Paid (NET)	1,09,808	36,904
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(110,49,586)	(23,83,118)
CASH FLOW FROM INVESTING ACTIVITIES:		
NET PURCHASE OF FIXED ASSETS	(164,25,000)	(34,38,351)
CHANGI IN INVESTMENTS	(18,00,000)	-
INTEREST INCOME RECEIVED	9,46,109	1,87,124
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(172,78,891)	(32,51,227)
CASH FLOW FROM FINANCING ACTIVITIES:		
NET PROCEEDS FROM ISSUE OF EQUITY SHARES	323,58,149	77,45,120
PROCEEDS/(REPAYMENT) FROM LONG-TERM BORROWINGS	(92,230)	(1,07,391)
FINANCE COST	(1,32,512)	(1,33,081)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	321,33,407	75,04,648
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	38,05,175	18,70,303
OPENING CASH AND CASH EQUIVALENTS	36,51,437	17,81,135
CLOSING CASH AND CASH EQUIVALENTS	74,56,612	36,51,437

- Reconciliation of cash and cash equivalents as per the Cash flow statement

	(Amt. in Rs.) 2018-19	(Amt. in Rs.) 2017-18
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	74,56,612	36,51,437
Less : Earmarked balances	-	-
Balances as per statement of cash flows:	74,56,612	36,51,437

Notes:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard-7 on Statement of Cash Flow
- 2) Additions of fixed assets include movement of Capital work-in-progress during the year.
- 3) Proceeds/(repayment) of Short-term borrowings have been shown on net basis.
- 4) Figure in brackets represents cash outflow from respective activities .

AUDITORS REPORT

As per our separate report of even date.



DATE: 15.05.2019
PLACE : MOHALI

For and on behalf of the board

HARJINDER SINGH JONJUA
(Managing Director)
Din No. : 00898324

M K Jonjua

MANINDER KAUR JONJUA
(WHOLE TIME DIRECTOR)
Din No. : 1570885

RANBIR KAUR JONJUA
(CHIEF FINANCIAL OFFICER)

NOTE-1 PROPERTY PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				WDV	
	As on 01.04.2018	Additions	Disposals	As on 31.03.2019	As on 01.04.2018	Depriciation charged for the year	Depreciation Written Back	As on 31.03.2019	As at March 31, 2019	As at March 31,2018
Furniture	216	-	216	-	128	-	128	-	-	88
Electronic Typewriter	392	-	392	-	233	-	233	-	-	159
Vehicles	775000	-	-	775000	484787	90646	-	575433	199567	290213
Electrical Equipment	98942	25000	-	123942	58672	19293	-	77965	45977	40270
Total	874550	25000	608	898942	543820	109939	361	653398	245544	330730

NOTE 2 : OTHER INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				AMORTISATION				WDV	
	As on 01.04.2018	Additions	Disposals	As on 31.03.2019	As on 01.04.2018	Depriciation charged for the year	Depreciation Written Back	As on 31.03.2019	As at March 31, 2019	As at March 31,2018
KNOW - HOW	4335800	14900000	-	19235800	556290	2081717	-	2638006	16597794	3779510
Website & Server	1877440	1500000	-	3377440	1127976	845321	-	1973297	1404143	749464
TOTAL	6213240	16400000	-	22613240	1684266	2927038	-	4611303	18001937	4528974

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTE	3	NON CURRENT INVESTMENTS	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	1)	<u>Investment in Equity Instruments</u>		
		(At Fair Value Through Other Comprehensive Income)		
		UNQUOTED		
		AMERICANBLUE.COM	4552800	4422720
		(5% Common Stock)		
		Thrifty Pagesua.Com Inc. (USA)	5836690	5669927
		32705 common stock at no par value		
		Peservicelink.com Inc (USA)	1821120	1769088
		.025% common stock		
		STT Ent. Inc (USA)	9105600	8845440
		1% Common Stock		
		IKON Intl. Inc. (USA)	1821120	1769088
		1% Common Stock		
		Lugano AAG Trust Inc. (Nevis)	9105600	8845440
		2% Common Stock		
		Jonjua Air Private Limited	1800000	-
		(Formerly Jonjua Global Sources Pvt. Ltd.)		
		(327273 Equity Shares at Rs. 5.50 per Share)		
			34042930	31321703

NOTE	4	Other Non Current Assets	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Unamortised Public Issue Expenses	1501851	-
		TOTAL	1501851	-

NOTE	5	TRADE RECEIVABLES	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Unsecured But Considered Good		
		Related Parties	3106700	4000000
		Others	1219888	1219888
		TOTAL	4326588	5219888

NOTE	6	CASH & CASH EQUIVALENTS	Standalone as at 31.03.2019	Standalone as at 31.03.2018
(a)		Cash & Cash Equivalents		
		-Cash in Hand	789939	1683983
		- Cheques in Hand	6518142	1900000
(b)		Balance with Banks		
		-in Current Accounts	133531	52454
		TOTAL	7441612	3636437

NOTE	7	Other Bank Balances	Standalone as at 31.03.2019	Standalone as at 31.03.2018
(a)		Fixed Deposits		
		Maturing within 12 Months	15000	15000
(b)		Interest Accrued on FDR	-	-
		TOTAL	15000	15000

NOTE	8	LOANS (CURRENT)	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Loan to Employees - Unsecured but Considered Good (includes loan to Managing Director/ Whole Time Director)	6141553	2242120
		TOTAL	6141553	2242120

NOTE	9	OTHER FINANCIAL ASSETS (CURRENT)	Standalone as at 31.03.2019	Standalone as at 31.03.2018	
		Other debts considered good			Diff b/w Oth
		Advance to Suppliers	11620000	-	
		Security Deposits	50000	-	
		TOTAL	11670000	-	

NOTE	10	EQUITY SHARE CAPITAL	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	A)	AUTHORISED		
		50,00,000 Equity shares of Rs. 10/-each (PY 2,15,00,000 Equity shares of Rs. 1/-each)	50000000	21500000
		B) ISSUED SUBSCRIBED & PAID UP (47,36,253 Equity shares of Rs. 10/-each) (PY 1,39,57,761 Equity shares of Rs. 1/-each)	47362532	13957761
			47362532	13957761

B) RIGHT OF SHAREHOLDERS

- i) Each Shareholder is entitled to one vote per share.
- ii) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.
- iii) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

C) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

	As at 31.03.2019	As at 31.03.2018
	No. of Shares held (Rs. 10 each)	No. of Shares held (Re. 1 each)
1. Harjinder Singh Jonjua	1407913	4566021
2. Harmanpreet Singh Jonjua	241031	1217263
3. Maninder Kaur Jonjua	333384	1624217
4. HUF – HS Jonjua & Sons	494688	3740556
5. Jonjua Air Private Limited (Formerly Jonjua Global Sources Pvt. Ltd.)	422900	-

D) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Subscribed and fully paid up Equity Shares:	Numbers	Amount
As at April 1, 2018	13957761	13957761
Add: Shares issued during 01-04-2018 To 30.08.2018	20404771	20404771
Less : Shares Consolidated 30.08.2018	(309,26,279)	-
Add : Shares Issued After 30.08.2018	1300000	13000000
As at March 31, 2019	4736253	47362532

NOTE	11 OTHER EQUITY	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	A) SECURITY PREMIUM	1058497	603268
	B) OTHER COMPREHENSIVE INCOME		
	Investment in Equity Instruments through OCI	32108070	31186843
	C) PROFIT & LOSS ACCOUNT		
	As Per Last Balance Sheet	373704	229084
	Net Profit during the year	632939	318837
	Less : Bonus Shares	-	174217
	Closing balance	<u>1006643</u>	<u>373704</u>
	TOTAL OTHER EQUITY (A+B+C+D)	34173210	32163815

NOTE	12 LONG TERM BORROWINGS (AT AMORTIZED COST)	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	I. Secured		
	i. Term Loan from Bank	310313	402543
	(Term Loan from Banks for and on hypothecation of Vehicles repayable in 5-7 years)	<u>310313</u>	<u>402543</u>

NOTE	13 DEFERRED TAX LIABILITY (NET)	Standalone as at 31.03.2019	Standalone as at 31.03.2018
A.	Deferred Tax Liability		
	On Account of Timing Difference due to Depreciation	698637	91663
B.	Deferred Tax Asset		
	On Account of Disallowance under section 43B of Income Tax Act.	325432	7620
C.	MAT CREDIT ENTITLEMENT	277109	-
	Net Deferred Tax Liability (A-B-C)	96097	84043

NOTE	14 SHORT TERM BORROWINGS (AT AMORTIZED COST)	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	SECURED		
A)	From Banks		
	i. Karnataka Bank PSOD (Secured Against Account Receivables)	479064	395570
	UNSECURED		
B)	From Related Parties	677290	80000
		1156354	475570

NOTE	15 TRADE PAYABLES	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	Sundry Creditors		
i)	Total outstanding dues of Micro and Small Scale Industrial Enterprises	-	-
ii)	Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises	-	-
		-	-

NOTE	16	OTHER FINANCIAL LIABILITIES	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Expenses Payable	21379	33729
		Current Maturities of Long Term Debts.	103985	107391
		TOTAL	125364	141119

NOTE	17	CURRENT TAX LIABILITY	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Income Tax Provision	163145	70000
		Less Tax Paid during the year	-	-
		TOTAL	163145	70000

NOTE	18	DETAIL OF REVENUE FROM OPERATIONS	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Sale of Products	6505000	4000000
		Sale of Services (Overseas)	1252329	2328190
		Sale of Services (Domestic)	-	-
		TOTAL	7757329	6328190

NOTE	19	OTHER INCOME	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Interest Income	946109	187124
		Other non-operative Income		
		Miscellaneous Income	348370	40000
		Profit on Sale of Fixed Asset	-	2040
		Total	1294479	229164

NOTE	20	EMPLOYEE BENEFIT EXPENSES	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Salaries	768115	625848
		Remuneration to Directors	1280000	1453400
		Contribution to Provident Fund & Other Funds	-	-

Staff Welfare

-

-

TOTAL : - 2048115 2079248

NOTE	21	FINANCE COST	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Interest Expense	127190	109024
		Other Borrowing Cost		
		Bank Charges	5322	24057
		TOTAL : -	<u>132512</u>	<u>133081</u>

NOTE	22	OTHER EXPENSES	Standalone as at 31.03.2019	Standalone as at 31.03.2018
		Operating Expenses		
		Electricity & Water Charges	84000	53400
		Total A	<u>84000</u>	<u>53400</u>
		Selling Expenses		
		Advertising & Promotion Expenses	26250	-
		Commission	15000	-
		Total B	<u>41250</u>	<u>-</u>
		Administrative & Other Expenses		
		Rent	355000	355000
		IPO Expenditure Written off	375462	-
		Insurance	18854	18518
		Contractual Services	802360	1750000
		Rate, Fee & taxes	299960	94605
		Office Expenses	238900	90132
		Money Transfer Expenses	91162	79520
		Newspaper & Periodicals	287	1545
		Professional Charges	472010	289070
		Postage & Courier expenses	1155	3210
		Internet & Telephone Expenses	60000	36000
		Payments to Auditor		
		- Audit Fee	15000	14160
		Directors' Fees	60000	30000
		Printing, Stationery & publishing	3635	16791
		Travelling & Conveyance	137747	15893
		Repair & Maintenance		
		- Vehicle	53772	64760

- Computer		-	6303
- Others		75458	30136
Loss on Disposal of Fixed Assets		247	-
Grand Total (A+B+C)	Total C	2861009	2895643
		2986259	2949043

NOTE	23	CONTINGENT LIABILITIES	Standalone as at 31.03.2019	Standalone as at 31.03.2018
a)		In respect of unassessed cases of Income Tax, Sales Tax, Excise Duty & Service Tax	NIL	NIL
b)		Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

NOTE	24	REMUNRATION PAID TO DIRECTORS			
		NAME	DESIGNATION	As at 31.03.2019	As at 31.03.2018
		HARJINDER SINGH JONJUA	MANAGING DIRECTOR	7,15,000	809200
		MANINDER KAUR JONJUA	WHOLE TIME DIRECTOR	5,65,000	659200
				12,80,000	1468400

NOTE	25	PAYABLES & RECEIVABLES
		Balance of certain sundry debtors, loans & advances (including capital advances), creditors and other liabilities are in process of confirmation/reconciliation. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not be material.

NOTE	26	ADVANCES RECOVERABLE
		In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for known liabilities is adequate and not in excess of amount reasonably necessary.

NOTE	27	DISCLOSURE AS PER IND AS - 36 IMPAIRMENT OF ASSETS
		In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

NOTE	28 DISCLOSURE AS PER IND AS-33 EARNING PER SHARE	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	Profit During the Year (In Rs.)	632939	318837
	Weighed average number of equity shares	3375479	2170809
	Face Value (In Rs.)	10	10
	Basic/Diluted Earning Per Shares (In Rs)	0.19	0.15

NOTE	29 Income Tax Expense	Standalone as at 31.03.2019	Standalone as at 31.03.2018
A	Income Tax Expense		
	Current Tax		
	Current Tax on Profits for the Year	202953	70000
	Adjustments for current tax of prior year	-39808	-36904
	Total Current Tax Expense	163145	106904
	Deferred Tax		
	Deferred Tax Charge/(Income)	12053	84043
	Total Tax Expense	175198	190947
B	Reconciliation of tax expense and the accounting profit		
	Profit Before Tax	847945	509784
	Income Tax (Calculated at 26.00%)	220466	171440
	Tax Effect of :		
	- Income Exempt from Tax		
	- Brought Forward Tax Losses		
	- Expense not allowed as per Income Tax Act	64	
	- Others	-45333	19507
	Income Tax Expense	175197	190947

NOTE 30 DISCLOSURE AS PER INDAS-108 SEGMENT REPORTING

The Company Operates in a single segment, therefore Requirements of IND AS 108, are not applicable on the company

NOTE 31 DISCLOSURE AS PER IND AS-24 RELATED PARTY

A. Details of Related Parties		Nature of Relationship		
i.	Jonjua Global Sources Pvt. Ltd.	Entity with substantial Control		
ii.	HS Jonjua & Sons HUF	HUF of Directors		
iii.	Ranbir Kaur Jonjua	CFO		
iv.	Harjinder Singh Jonjua	Managing Director		
v.	Maninder Kaur Jonjua	Whole Time Director		
vi.	Harmanpreet Singh Jonjua	Director		
B. Transactions with Related Parties				
Party	Nature	FY 2018-19	FY 2017-18	
i.	Jonjua Global Sources Pvt. Ltd.	Contractual Services	300000	400000
		Purchase	1500000	1500000
ii.	HS Jonjua & Sons HUF	Contractual Services	1800000	1350000
		Sale of Printed Books	6505000	4000000
iii.	Ranbir Kaur Jonjua	Loan to Related Party	449195	672270
		Salary	471400	-
		Non compete	30000	-
		Commission	5000	-
iv.	Harjinder Singh Jonjua	Professional Fees	30000	30000
		Loan to Director	3473788	70350
		Rent Expense	177500	177500
		Non-Compete Fees	30000	30000
v.	Maninder Kaur Jonjua	Loan to Director	1196090	279500
vi.	Harmanpreet Singh Jonjua	Professional Fees	-	30000
		Non-compete Fees	-	30000
		Rent Expense	177500	177500
C Balance with Related Parties		Balance as on 31.03.2019	Balance as on 31.03.2018	
	HS Jonjua & Sons HUF		3106700	4000000

* Refer note 24 for Disclosure relating to Remuneration to Directors

NOTE	32 FOREIGN EXCHANGE TRANSACTION	Standalone as at 31.03.2019	Standalone as at 31.03.2018
	(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 Travelling	76800	-
	(c) Earning in Foreign Currency	1252329	2328190

NOTE 33 MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The company has not received intimation from suppliers regarding the status under Micro Small and Medium Enterprises Act 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with Development interest paid/payable as required under the said Act have not been given.

NOTE 34 REGROUPING OF FIGURES

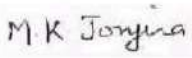
The previous year figures have been recast/ regrouped whenever considered necessary to facilitate comparison with revised Schedule III Division II.

For and on behalf of the board



DATE: 15.05.2019
Place : MOHALI


HARJINDER SINGH JONJUA
(Managing Director)
Din No. : 00898324


MANINDER KAUR JONJUA
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Din No. : 1570885


RANBIR KAUR JONJUA
(CHIEF FINANCIAL OFFICER)

Note 35 - Significant accounting policies

A. BASIS OF PRESENTATION:

The accompanying financial statements have been presented for the year ended 31st March, 2019 along with comparative information for the year ended 31st March, 2018. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

B. USE OF ESTIMATES:

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates.

Difference between actual results and estimates are recognised in the period in which the results are known or materialise and if material, their effects are disclosed in the notes to the financial statements.

C. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar and distillery units on a reasonable basis.

D. DEPRECIATION:

Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Fixed assets are depreciated over the revised remaining useful lives.

E. INVESTMENTS:

Non-Current Investments are valued at Fair Value through other Comprehensive Income.

F. INVENTORIES:

Inventories are valued as follows:

Raw materials, stores and spares, Material in transit and packing materials

Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO Basis.

Finished goods

Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

Work-in-process

Valued at lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

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

By-products

By-products are valued at Net realisable value.

G. REVENUE RECOGNITION:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns.

Based on Ind AS 18, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/Goods and Services Tax(GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Income against claims of the company, viz., export incentives, insurance claims, etc., is recognised on accrual/right to receive basis.

H. EMPLOYEE BENEFITS:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund and employee state insurance corporation, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The Company recognises such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes provision for gratuity on the basis of valuation by a Qualified actuary.

I. INCOME TAX:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

J. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event