



Independent Auditor's Report

To the Members of **M/S JHANDEWALAS FOODS LIMITED**

Opinion

We have audited the financial statements of M/S JHANDEWALAS FOODS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Value of closing stock is adjusted/reduced by Rs 63305766.00 shown as prior period item as diminution in value of closing stock due to substandard quality, the figure is taken as per the certificate received from the outside expert.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making





judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control except "*Diminution of inventories amounting to Rs. 6,33,05,766/-*"
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.






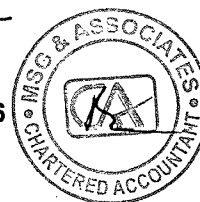
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed pending litigations and the impact on its financial position - refer note 26 to the Standalone Financial Statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/S MSG & ASSOCIATES
Chartered Accountants
FRN: 010254c

Place:-JAIPUR

Date: 03/09/2019

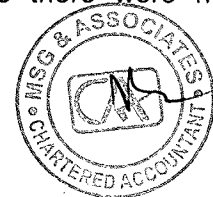

MAHENDRA BALANI
(PARTNER)
Membership No. 076396



**Annexure 'A'****The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and noticed the amount of Rs 6,33,05,766.00 on account of diminution in value of stock due to sub standard quality as on 31.03.2018 which is shown as prior period item in profit and loss account.
- iii. As informed, the company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), 3 (iii)(b) and 3 (iii)(c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. And we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii.
 - a. According to the records of the company, undisputed statutory dues including, Investor Education and Protection Fund, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities except TDS Employees' State Insurance, Provident Fund According to the information and explanations given to us there were no





six months from the date they became payable. The details of such are as follows.

Nature of Dues	Period	Amount Demand/ Due
ESIC	F.Y 2018-2019	1,79,801.00
PF	F.Y 2018-2019	3,93,327.00
INCOME TAX ACT 1961(TDS)	F.Y 2018-2019	9,06,659.70
INCOME TAX ACT 1961(TDS)	F.Y 2009 -2019	5,46,500.00

- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes. Except

S.No.	Nature of The Statue	Nature of Dues	Amount in laks	Period to which the Amount relates	Forum where dispute is pending
1	Rajasthan Value added tax act, 2003	VAT	93.72	F.Y 2009-10	Commercial taxes Officer, Special Circle-X , Jaipur-II
2.	Rajasthan Value added tax act, 2003	VAT	8.56	F.Y 2012-13	Commercial taxes officer, Special Circle-X , Jaipur-II
3	Central Sales Tax act, 1956	CST	0.15	F.Y 2012-13	Commercial taxes officer, Special Circle-X , Jaipur-II
4	Central Sales Tax act, 1956	CST	7.79	F.Y.2013-14	Commercial taxes officer, Special Circle-X , Jaipur-II
5	Central Sales Tax act, 1956	CST	4.63	F.Y2015-16	Commercial taxes officer, Special Circle-X , Jaipur-II
6	Rajasthan Value added tax act, 2003	VAT	48.47	F.Y 2015-16	Commercial taxes officer, Special





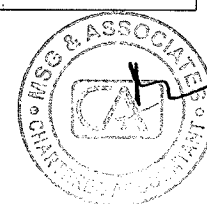
					Circle-X , Jaipur-II
7	Rajasthan Value added tax act, 2003	VAT	48.47	F.Y2016-17	Commercial taxes officer, Special Circle-X , Jaipur-II
8.	Central Sales Tax act, 1956	CST	0.64	F.Y2016-17	Commercial taxes officer, Special Circle-X , Jaipur-II

Income Tax

S.No.	Nature of The Statue	Nature of Dues	Amount in laks	Period to which the Amount relates	Forum where dispute is pending
1.	Income Tax Act 1961	IT	0.054	2012-13	Assesing Officer
2.	Income Tax Act 1961	IT	0.63	2014-2015	Assesing Officer
3.	Income Tax Act 1961	IT	3.41	2015-16	Assesing Officer
4.	Income Tax Act 1961	IT	5.03	2015-16	Assesing Officer
5.	Income Tax Act 1961	IT	2.77	2017-18	Assesing Officer

- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company. Except -

NAME OF BANK	Overdue Amount as at 31.03.2019
Kotak Mahindra Bank	Rs.53,87,849.00
SIDBI	Rs. 18,97,359.00



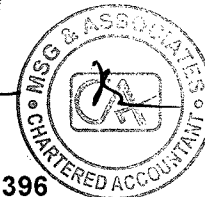


- ix. Based on our audit procedures and according to the information given by the management, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and term loans have been applied for the purpose for which they were obtained.
- x. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.. Therefore, paragraph 3(xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him during the year.
- xvi. According to the information and explanations given to us , the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place:-JAIPUR
Date: 03/09/2019

For M/S MSG & ASSOCIATES
Chartered Accountants
FRN: 010254c

Mahendra Balani
MAHENDRA BALANI
(PARTNER)
Membership No. 076396



**Annexure 'B'*****Report on Internal Financial Controls with reference to financial statements***

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

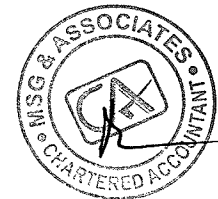
We have audited the internal financial controls over financial reporting of M/S JHANDEWALAS FOODS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls



M/S MSG & ASSOCIATES

Chartered Accountants



421-422, O.K. PLUS,, MALVIYA NAGAR,
MALVIYA INDUSTRIAL AREA,, JAIPUR
302017 9414048697

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/S MSG & ASSOCIATES
Chartered Accountants
FRN: 010254c

Place:-JAIPUR
Date: 03/09/2019

Mahendra Balani
MAHENDRA BALANI
(PARTNER)
Membership No. 076396



Balance Sheet as at 31st March 2019

	Note No.	As at March 31,2019	As at March 31,2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	102,603,580	102,603,580
(b) Reserves and Surplus	2	64,147,456	222,839,351
		166,751,036	325,442,931
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	81,128,360	100,680,904
(b) Deferred tax liabilities (Net)	4	2,262,271	2,293,754
(c) Other long term liabilities	5	-	-
(d) Long-term provisions	6	2,276,764	2,307,562
		85,667,395	105,282,220
(3) Current Liabilities			
(a) Short-term borrowings	7	435,364,668	348,460,287
(b) Trade Payables	8	107,480,476	58,889,078
(c) Other current liabilities	9	61,293,330	42,501,952
(d) Short-term provisions	10	153,516	20,794,683
		604,291,990	470,646,000
TOTAL		856,710,421	901,371,151
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets	11	44,488,888	37,981,814
(b) Non-current investment		-	-
(c) Long-term Loans and advances	12	2,301,815	2,243,525
(d) Other non-current assets	13	4,482,765	4,136,892
		51,273,468	44,362,231
(2) Current Assets			
(a) Inventories	14	249,830,717	358,206,036
(b) Trade receivables	15	506,538,129	461,172,059
(c) Cash and cash equivalents	16	18,073,031	15,266,623
(d) Short-term loans and advances	17	3,830,747	2,730,611
(e) Other current assets	18	27,164,329	19,633,591
		805,436,953	857,008,920
TOTAL		856,710,421	901,371,151

As per our report of even date attached
For M. S. G. & Associates
Chartered Accountant
FR No.010254C

Mahendra Balani
Mahendra Balani
(Partner)
Membership No.: 076396

Place :Jaipur
Date: 3rd September , 2019



For and on behalf of the Board of Directors

 Raakesh B Kulwal (Chairman & Managing Director) DIN:00615150 Pankaj Kumar Mathur Chief Financial Officer	 Jinko Devi Koolwal (Director) DIN:02531975 Annu Sharma Company Secretary
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Jhandewalas Foods Limited

Statement of Profit & Loss for the year ended March 31'2019

	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I. Revenue	19	1,548,893,562	1,778,778,766
II. Other Income	20	824,318	930,246
III. Total Revenue (I + II)		1,549,717,880	1,779,709,012
IV. Expenses			
(a) Cost of Materials Consumed	21	1,494,217,883	1,675,684,288
(b) Changes in inventories of finished goods and work-in-progress	22	58,233,081	(52,057,094)
(c) Employee benefits expense	23	21,531,425	18,344,960
(d) Other expenses	24	31,345,985	36,640,429
(e) Finance Costs	25	55,393,888	46,242,896
(f) Depreciation and amortisation expense		5,063,674	3,970,902
Total Expenses		1,665,785,936	1,728,826,381
V. Profit before prior period item and tax (III-IV)		(116,068,056)	50,882,631
Prior Period Item			
Diminution in value of Stock (Net)		63,305,766	-
VI. Profit before tax		(179,373,822)	50,882,631
VII. Tax Expenses			
Less: Current Tax		-	20,650,444
Less: Deferred Tax		(31,483)	(1,697,955)
Less: Tax adjustments		-	257,377
Add: Provision of Income Tax for earlier year written back		20,650,444	-
VIII. Profit for the year after tax (VI-VII)		(158,691,895)	31,672,765
VIII. Earning per share			
Basic		(15.47)	3.09
Diluted			

As per our report of even date attached

For M. S. G. & Associates

Chartered Accountant

FR No.010254C

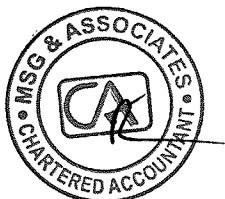
Mahendra Balani
Mahendra Balani

(Partner)

Membership No.: 076396

Place Jaipur

Date: 3rd September , 2019



For and on behalf of the Board of Directors

Raakesh B Kulwal
Raakesh B Kulwal
(Chairman & Managing Director)
DIN:00615150

Pankaj Mathur
Pankaj Kumar Mathur
Chief Financial Officer

Jinko Devi Koolwal
Jinko Devi Koolwal
(Director)
DIN:02531975

Annu Sharma
Annu Sharma
Company Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2019

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. Cash Flow from Operating Activities		
Net Profit before tax	(179,373,822)	50,882,631
Adjustments for :		
Interest Received	(724,621)	(765,179)
Depreciation	5,063,674	3,970,902
Interest Expense	55,393,888	46,242,896
Provision for Gratuity	(21,521)	325,312
Operating profit before working capital changes	(119,662,402)	100,656,562
Adjustment for :		
(Increase)/Decrease in Inventories	108,375,319	(112,853,525)
(Increase)/Decrease in Trade Receivables	(45,366,070)	(153,363,922)
(Increase)/Decrease in Short Term loans and advances	(1,100,136)	(803,806)
(Increase)/Decrease in Other Current Assets	(7,530,738)	(11,545,831)
Increase/(Decrease) in Trade payables	48,591,398	(20,572,486)
Increase/(Decrease) in Other current liabilities	18,791,378	12,526,902
	121,761,151	(286,612,668)
Cash Generated from / (used in) Operations	2,098,749	(185,956,106)
Income Tax (paid)/refund	-	(14,580,672)
Net cash Generated from/(used in) Operating Activities - (A)	2,098,749	(200,536,778)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(11,570,748)	(3,364,279)
Interest Received	724,621	765,179
(Increase)/Decrease in other Non Current Assets	(345,873)	(318,723)
(Increase)/Decrease in long term loan and advances	(58,290)	(1,960,110)
Proceeds from Other Long Term Liabilities	-	(11,407,567)
Net Cash (used in) Investing Activities - (B)	(11,250,290)	(16,285,500)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital	-	71,325,460
Proceeds from Premium on issue of shares	-	88,724,540
Increase/(Decrease) in Short Term Borrowings	86,904,381	60,401,799
Proceeds from Loan/Repayment of Long Term Borrowings	(19,552,544)	53,976,934
Interest Expense	(55,393,888)	(46,242,896)
Net Cash (used in) / from Financing Activities - (C)	11,957,949	228,185,837
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	2,806,408	11,363,559
Cash and Cash Equivalents at the beginning of the year	15,266,623	3,903,064
Cash and Cash Equivalents at the end of the year	18,073,031	15,266,623

As per our report of even date attached

For M. S. G. & Associates

Chartered Accountant

FR No.010254C

Mahendra Balani
Mahendra Balani
Partner)

Membership No.: 076396

Place Jaipur

Date: 3rd September , 2019



For and on behalf of the Board of Directors

Raakesh B Kulwal *जिनको देवी कुलवाल*

Raakesh B Kulwal
(Chairman & Managing Director)

DIN:00615150

Pankaj Kumar Mathur
Pankaj Kumar Mathur
Chief Financial Officer

Jinko Devi Koolwal
(Director)

DIN:02531975

Annu Sharma
Annu Sharma
Company Secretary

SHARE CAPITAL		
Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Capital		
2000000 (March 31, 2018: 12000000 shares) equity shares of Rs- 10/- each	120,000,000	120,000,000
Issued, subscribed and fully paid up shares		
22260358 (March 31, 2018: 10260358 shares) equity shares of Rs-10/- each fully paid up	102,603,580	102,603,580
total	102,603,580	102,603,580

Shareholders holding more than 5 % Shares in the Company is set out below

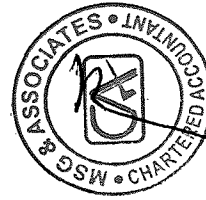
Name of shareholder	As at March 31, 2019			As at March 31, 2018		
	No of Equity shares held	Percentage		No of Equity shares held	Percentage	
Shankesh B Kulwal	698,288	6.81		698,288	6.81	
Anko Devi Koolwal	4,677,118	45.58		4,677,118	45.58	
Manu Koolwal	574,808	5.60		574,808	5.60	
Arinarayan Gyarsilal	1,396,619	13.61		1,396,619	13.61	
Total	7,346,833	71.60		7,346,833	71.60	

Reconciliation of numbers of Shares

Name of shareholder	As at March 31, 2019			As at March 31, 2018		
	Number	Amount		Number	Amount	
At the beginning of the year		102,603,580			31,278,120	
Issued during the year		-			71,325,460	
At the end of the year	10,260,358	102,603,580		10,260,358	102,603,580	

RESERVE & SURPLUS

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium Account		
Opening balance	132,253,440	43,528,900
(-) Securities premium credited on share issue	-	130,950,000
(-) Securities premium debited on bonus share issue	-	42,225,460
Closing balance	132,253,440	132,253,440
Surplus		
Opening balance	90,585,911	58,913,146
(-) Net profit for the current year	(158,691,895)	31,672,765
Closing balance	(68,105,984)	90,585,911
total	64,147,456	222,839,351



LONG TERM BORROWINGS		As at March 31, 2019	As at March 31, 2018
Secured	Particulars		
A) Term loans			
i) Indian rupee loan from a bank (Refer note (a))		57,178,825	65,861,408
Less Current maturities of long term debt		16,163,602	11,899,115
		41,015,223	53,962,293
ii) Indian rupee loan from Financial institutions (Refer note (b))		22,860,000	24,750,000
Less Current Maturities of long term debt		8,268,000	2,520,000
		14,592,000	22,230,000
iii) From non banking financial institution (Refer no (c))		701,984	2,023,852
Less Current maturities of long term debt		662,168	1,451,396
		39,816	572,456
B) Hire Purchase loans			
Less: Current maturities of long term debt		5,383,774	-
		1,459,854	-
Total (A+B)		3,923,920	-
		59,570,959	76,764,749
Unsecured			
C) Indian rupee loan from a bank			
Less Current maturities of long term debt		5,179,795	9,243,818
		4,766,679	8,019,443
		413,116	1,224,375
D) From non banking financial institution			
Less Current maturities of long term debt		39,901,955	35,788,973
		18,757,670	13,097,193
		21,144,285	22,691,780
Total (C+D)		21,557,401	23,916,155
Total of secured and unsecured loans (A+ B+C+D)		81,128,360	100,680,904

1. Indian rupee loan from a bank of Rs. 5,71,78,825/- (March 31, 2018 Rs.58,61,408/-) carries interest @ 9.50% The loans are repayable in 60 monthly installments starting from November 2017 and January 2018 along with interest the loan is secured against :

First and exclusive charge on immovable property being industrial converted land located at Khasra No.145,146,173,149,150/2,148/1083,village-siyao,Dhoblaai Distt-Jaipur, measuring 29016Sq Mtr valued at Rs.899 lakhs.

2. Commercial property situated at Shop Cum Godown No.KA-02,Krishi Upaj Mandi,Surajpole,Jaipur,Rajasthan measuring 362.45 Sq Mtr valued at Rs.250 lakhs.

3. Commercial Property situated at Shop no.35,Johri Bazar,Jaipur,Rajasthan,measuring 302.71 sq.feetvalued at Rs.300 lakhs.

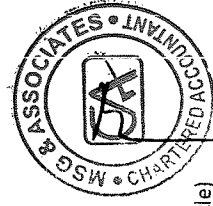
4. Personal Guarantee of Mr. Rakesh B. Kulwal ,Mrs.Jinko Devi Koolwal and Mr.Bhanwar Lal Koolwal.

5. Indian rupee loan from financial institutions of Rs- 2,28,60,000/- (March 31, 2018 Rs- 2,47,50,000/- carries interest @ 14.35- 15.25%. The loan is repayable in 48 Monthly installments along with interest starting from March 2016 and March 2019.

The loan is secured by second pari passu charge on all the moveable assets (including current assets) and personal Guarantee of Mr.Rakesh B.Kulwal ,Mrs.Jinko Devi Koolwal and Mrs. Renu Koolwal.

The loan from non banking financial company is secured against mortgage of Vehicle.

Hire Purchase loans from non banking financial company Rs.53,83,774/- (March 31, 2018 - nil) are secured by specific assets financed (Vehicle)



The major components of deferred tax liability / asset as recongised in the financial statement is as follows.

Particulars	As at March 31,2019	As at March 31,2018
Deferred Tax Liability		
Deferred Tax Liability other	4,265,740	4,504,675
Deferred Tax Asset		
Deffered Tax Asset	2,003,469	2,210,921
Net Deferred Tax Liability	2,262,271	2,293,754
Opening deferred tax liability (net)	2,293,754	3,991,709
Deferred tax charge / (credit) for the year	(31,483)	(1,697,955)

5 OTHER LONG - TERM LIABILITIES		
Particulars	As at March 31,2019	As at March 31,2018
Long Term Sundry Creditors	-	-
Total	-	-

6 LONG TERM PROVISIONS		
Particulars	As at March 31,2019	As at March 31,2018
Provision for employee benefits		
Provision for Gratuity	2,276,764	2,307,562
	2,276,764	2,307,562

7 SHORT TERM BORROWINGS		
Particulars	As at March 31,2019	As at March 31,2018
Secured		
Loans repayable on demand		
Cash credit from State Bank of India	334,374,726	300,490,172
Overdraft from Kotak Mahindra Bank	50,989,942	47,970,115
Sub-Total	385,364,668	348,460,287
Unsecured		
Short Term Loan from Axis Bank Ltd.	50,000,000	-
Total	435,364,668	348,460,287

Cash credit from State Bank of India is secured by first pari pasu charge on all current assets of the company and first pari pasu charge on fixed assets of the company, personal guarantee of promoter Directors and their relative and Collateral security. The cash credit is repayable on demand and carries interest @ 9.60% p.a .

Details of Collateral Security

-Factory land and building situated at F- 551B,road no. 6 VKI Area, Jaipur (Land area 631.00 Sq. mtr.).

-Residential land and building situated at plot No. 143, Kailashpuri, Durgapura,jaipur (Land area 223.05 Sq.mtr.).

-Industrial Land (16300 sqm) situated at khasra No. 1572/366, 1573/367, 1576/367, Patwar Halka- Dhoblai,gram-syau,Govindgarh,jaipur.

-Commercial shop no. 350 saraogi Mansion,M.I. Road,Jaipur.admeasuring 215 sq.ft

-Commercial shop no. 351 saraogi Mansion,M.I. Road,Jaipur.admeasuring 202 sq.ft

-Commercial shop no. 352 saraogi Mansion,M.I. Road,Jaipur.admeasuring 202 sq.ft

-STDR'S

-Industrial converted land situated at Khasra No. 1,2,3,4,16,18,22/1 Gram patwar Halka- Tapiplia, Tehsil-shrimadhpor,sikar (Rajasthan) (41330 sq.mtrs.)

-Entire fixed assets of the company including plant & machinery and miscellaneous fixed assets (except vehicles)

Owner

Jhandewalas Foods Ltd

Mr. Rakesh Koolwal

Mrs. Renu koolwal

Mrs. Renu koolwal

Mrs. Renu koolwal

Mrs. Renu koolwal
Jhandewalas Foods Ltd

M/s Jhanvi Jhandewalas real Estate
Developers

Jhandewalas Foods Ltd

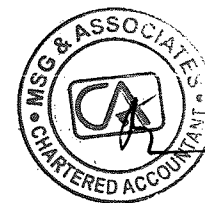
Ovrdraft from Kotak Mahindra Bank - For security refer para (A) of Point No.3.



Particulars		As at March 31,2019	As at March 31,2018
Trade payables			
Due to micro and small enterprises		24,080,874	-
Others		83,399,602	58,889,078
Total		107,480,476	58,889,078

9 OTHER CURRENT LIABILITIES			
Particulars		As at March 31,2019	As at March 31,2018
Current maturities of long term borrowings [refer note no 3]		48,618,120	36,987,147
Current maturities of hire purchase loans [Refer note 3]		1,459,854	-
Interest accrued but not due on borrowings		190,217	216,647
Interest accrued and due on borrowings		3,078,338	-
Employee benefits payable		1,515,544	1,264,763
Advance from customers		3,324,735	3,163,920
Statutory dues payable		3,004,522	869,475
Other Current Liabilities		102,000	-
Total		61,293,330	42,501,952

10 SHORT TERM PROVISIONS			
Particulars		As at March 31,2019	As at March 31,2018
Provision for employee benefits:			
Provision for gratuity		153,516	144,239
Others :			
Provision for income tax		-	20,650,444
		153,516	20,794,683



Particulars	As at March 31,2019	As at March 31,2018
Unsecured , Considered good, unless stated otherwise		
Deposits	2,301,815	2,243,525
Total	2,301,815	2,243,525

13 OTHER NON CURRENT ASSETS			
Particulars		As at March 31,2019	As at March 31,2018
Fixed deposits (original maturity for more than 12 months)		3,126,500	3,126,500
Interest accrued on fixed deposits		1,356,265	1,010,392
		4,482,765	4,136,892

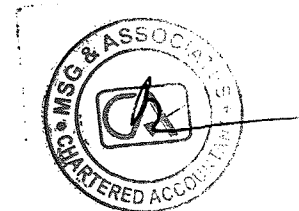
14 INVENTORIES			
(Valued at cost or net realisable value, whichever is less)			
Particulars		As at March 31,2019	As at March 31,2018
Raw materials		189,009,153	175,845,625
Finished goods		70,055,230	113,795,911
Work in Process		54,072,100	68,564,500
Sub - Total		313,136,483	358,206,036
Less : Diminution in Value of Inventory (Net)			
Raw materials		63,305,766	-
Total		249,830,717	358,206,036

15 TRADE RECEIVABLES			
Particulars		As at March 31,2019	As at March 31,2018
Outstanding for a period exceeding six months		146,492,890	22,573,769
Considered good (unsecured)		362,197,416	438,598,290
Sub-Total		508,690,306	461,172,059
Less: Provision for Doubtful Debtors		2,152,177	-
Total		506,538,129	461,172,059

16 CASH AND BANK BALANCES			
Particulars		As at March 31,2019	As at March 31,2018
Cash and cash Equivalents			
Cash on hand		11,018,621	6,341,227
Balance with banks			
- In current accounts		2,135,580	4,272,506
- In deposits with original maturity of less than 3 months		4,918,830	4,652,890
Total		18,073,031	15,266,623

17 SHORT TERM LOANS AND ADVANCES			
Particulars		As at March 31,2019	As at March 31,2018
Unsecured , considered goods unless otherwise stated			
Advance recoverable in cash or in kind		3,830,747	2,730,611
Total		3,830,747	2,730,611

18 OTHER CURRENT ASSETS			
Particulars		As at March 31,2019	As at March 31,2018
Unsecured considered good, unless stated otherwise			
Advance to suppliers		14,272,282	3,107,538
Balance with statutory / government authorities		7,151,329	11,316,703
Other Current Assets		5,740,718	5,209,350
Total		27,164,329	19,633,591



Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Sale of products		1,553,412,868	1,781,866,253
less: Sales Return		4,519,306	3,087,487
Total		1,548,893,562	1,778,778,766

20 OTHER INCOME			
Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Interest income on			
-Bank deposits		684,794	526,261
-Others		39,827	238,918
Sale of scrap		99,697	165,067
Total		824,318	930,246

21 COST OF MATERIAL CONSUMED			
Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Raw material consumed			
Inventory at the beginning of the period		175,845,625	115,049,194
add: Purchases		1,507,381,411	1,736,480,719
Less: Inventory at the end of the period		189,009,153	175,845,625
Total		1,494,217,883	1,675,684,288

22 CHANGE IN INVENTORY			
Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Inventories at the beginning of the year			
Finished goods		113,795,911	83,883,517
Work in progress		68,564,500	46,419,800
		182,360,411	130,303,317
Inventories at the end of the year			
Finished goods		70,055,230	113,795,911
Work in progress		54,072,100	68,564,500
		124,127,330	182,360,411
(Increase)/ Decrease in inventory		58,233,081	(52,057,094)

23 EMPLOYEE BENEFIT EXPENSES			
Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries & wages		20,900,550	17,521,932
Gratuity		(21,521)	325,312
Staff welfare expenses		652,396	497,716
Total		21,531,425	18,344,960



Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Cartage & freight		2,676,290	2,306,594
Power and Fuel		834,994	603,703
Rent rates & taxes		2,234,156	1,490,480
Bank charges & Processing charges		2,621,012	3,484,698
Insurance		637,474	302,957
Repair and maintenance			
-Plant and machinery		443,597	688,356
-Building		1,150,566	1,901,161
-others		880,735	1,003,460
Factory expenses		1,845,474	961,163
Travelling & conveyance		4,125,093	3,638,730
Telephone and Postage		650,718	650,847
Printing and Stationery		365,318	336,918
Legal & Professional fees		1,713,732	3,304,041
Auditors remuneration		100,000	58,750
Sales promotion expenses		5,227,158	4,716,505
Brokerage and commission		217,597	148,013
Donations		613,977	8,000
Conference Exp		276,099	455,210
Consultancy Charges		107,122	93,023
Office Exp		847,806	419,020
Rebate & Discount		615,746	905,517
Staff Placement Exp		136,179	107,591
IPO Expenses		-	7,006,120
ROC Expenses		14,624	945,983
Website Building charges		116,888	58,180
Preliminary Expenses W/off.		-	138,624
Balance Written off		174,157	415,957
Miscellaneous expenses		567,296	490,828
Provision for Doubtful Debts		2,152,177	-
Total		31,345,985	36,640,429

25 FINANCE COST			
Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Interest expenses			
- term loans from Bank		6,158,851	2,364,415
- working capital loans		35,637,145	31,772,495
- term loan others		13,230,630	11,833,782
- Others		367,262	272,204
Total		55,393,888	46,242,896

26 CONTINGENT LIABILITIES			
Particulars		As at March 31,2019	As at March 31,2018
a. Letter of Credit		-	28,264,992
b. sales tax matter under litigation in respect of company		21,243,963	25,515,080
c. Income Tax / TDS matter under litigation		1,736,474	-
		22,980,437	53,780,072



SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

Note No. : 27

Corporate information

Jhandewalas is FSSAI approved & ISO 22000:2005 certified company committed to International standards of product quality. The product portfolio includes Desi Ghee, poha, mangodi, papad, kesar under brand name Naman's and Cow Ghee under brand name Godhenu. Porridge, nachos & pasta under brand name Yumm Yoo. Refined groundnut oil under brand name Polki.

A. Significant Accounting Policies**1. Basis of accounting:-**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition: -

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- **Sale of Goods**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards ownership to the buyer which is normally on dispatch of goods.

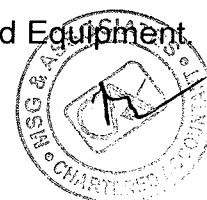
- **Interest Income**

Interest income is recognized on time proportion basis

4. Property, Plant & Equipment :-

Property, Plant & Equipment are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.



5. Depreciation :-

Depreciation on cost of Fixed asset is provided on straight line method at estimated useful life, with the estimated useful life as specified in schedule of the companies Act, 2013.

6. Inventories :-

1. Inventories are valued as under:-

- Inventories : Lower of cost(FIFO/specific cost/Weighted avg) or net realizable value
- Scrap : At net realizable value.

7. Prior Period item comprises:

Rs.6,33,05,766.00 on account of diminution in value of stock due to sub standard quality as at 31.03.2018, as verified and certified by Management of the company.

8. Retirement Benefits:-

The retirement benefits are accounted for as and when liability become due for payment, except leave encashment accounted as cash basis.

9. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

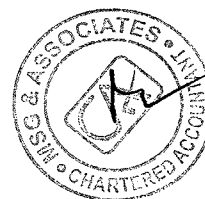
10. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.



General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

(B) Notes on Financial Statements

1. As per information received from MSME, 7 creditors are registered as per MSME act out of which 5 parties amounting Rs.3,12,171/- is due more than 45 days.
2. Salaries includes directors remuneration on account of salary Rs 1200000 to Shri Raakesh B Kulwal (Managing Director). /- (Previous Year Rs. 1200000/-)
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

4. Payments to Auditors:

Auditors Remuneration	2018-2019	2017-2018
Audit Fees	100000	58750
Company Law Matters	NIL	NIL
Total	100000	58750

5. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
6. No provision for Leave Encashment has been made. The impact of the same on Profit & Loss is not determined
7. Advance to others includes advances to concerns in which directors are interested:

Name of Concern	Current Year Closing Balance	Previous Year Closing Balance
Jhanvi Jhandewalas Real Estate Developers	10,50,000.00	10,50,000.00
Total	10,50,000.00	10,50,000.00

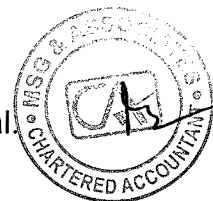
8. Related Party Disclosure:

I) Key Management Personnel

1. Raakesh B kulwal
2. Jinko Devi Koolwal

II) Relative of Key Management Personnel and Directors

1. Bhanwarlal Koolwal proprietor of Harinarain Gyarsilal.
2. Renu Koolwal proprietor of Himanshi Foods.



(II) Enterprises owned or significantly influenced by Key Management personnel or their relatives

1. Jhanvi Jhandewalas Real estate Developers
2. Jhanvi Jhandewalas Real estate Developers Pvt Ltd.
3. Himanshi Foods (prop. Renu Koolwal)
4. Harinarain Gyarsilal (prop. Bhanwarlal Koolwal)

Transactions with Related parties

(Figure in Rs.)

NAME OF PARTIES	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION VALURE	BALANCE 31.03.2019	BALANCE 31.03.2018
Rakkesh B koolwal	Director	Salary	12,00,000/-	-	-
Harinarain Gyarsilal (Prop. Bhanwarlal Koolwal)	Relative of Director and Shareholder	Purchases	43,38,23,680/-	20,96,69,051/-	8,70,05,953/-
		Sales	12,81,59,757/-		
Himanshi Foods (Prop. Renu Koolwal)	Relative of Director	Purchases	71,10,718/-	5,18,03,903/-	5,58,59,164/-
		Sales	4,68,750/-		
Jhanvi Jhandewalas Real Estate Developers	Group Entity	-	-	10,50,000/-	10,50,000/-
Jhanvi Jhandewalas Real Estate Developers Pvt. Ltd	Group Entity	-	-	93,324/-	-

9. Provision of Income Tax of Rs.2,06,50,444/- (F.Y 2017-18) added back during the year, since there is no taxable income in F.Y. 2017-18. Provision for tax has not been made for current year due to losses.

10. Company has Sales Tax Matter under litigation in respect of company amounting Rs 2,12,43,963.00, Income Tax under litigation in respect of company amounting Rs. 11,89,924.00 , TDS Demand amounting Rs. 5,46,550.00 .

The same has been shown under contingent liability Note no.26.

11. % of imported & indigenous raw material & consumables

Particulars	2019		2018	
	%	Amount	%	Amount
Imported	0.00	0.00	0.00	0.00
Indigenous	100.00	1494217883.00	100.00	1675684287.94



12. Value of Imports

Raw Material	Nil	Nil
Finished Goods	Nil	Nil

13. Expenditure in Foreign Currency Nil Nil

14. Earning in Foreign Exchange Nil Nil

15. Previous year figures have been regrouped/rearranged wherever necessary.

Signature to notes 1 to 27

In terms of Our Separate Audit Report of Even Date Attached.

For M/S MSG & ASSOCIATES

For M/S JHANDEWALAS FOODS
LIMITED

Chartered Accountants

Sd/- *Mahendra Balani*

(MAHENDRA BALANI)
PARTNER

Membership No. 076396

Registration No. 010254c

Place:- JAIPUR

Date: - 03/09/2019

RAAKESH B



Raakesh B
Kulwal
Director
DIN : 00615150

जिनको देवी कुलवाल

Jinko Devi Koolwal
Director

DIN : 02531975