MSKA
& Associates
Chartered Accountants

Floor 3, Enterprise Centre
Nehru Road, Near Domestic Airport
Vile Parle (E), Mumbai 400099, INDIA
Tel: +91 22 3358 9800

INDEPENDENT AUDITOR'S REPORT

To the Members of Jesons Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Jesons Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and Notes to the Standalone 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 standalone financial statements give the information required by the Companies Act, 2013("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 March 31, 2019, and profit, changes in equity 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Annexures thereof etc but does not include the standalone financial statements and our auditor's report thereon.

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Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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.

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Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

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 Act, we give in "Annexure B" 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

A Somani

Anita Somani
Partner
Membership No. 124118

MSKA & ASSOCIATES ★ Chartered Accountants ★

Place: Mumbai
Date: June 18, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JESONS INDUSTRIES LIMITED

Auditor's Responsibilities for the Audit of the 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.

- 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 Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements 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.

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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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

A Somani

MSKA & ASSOCIATES * Chartered Accountants *

Anita Somani
Partner
Membership No. 124118

Place: Mumbai
Date: June 18, 2019

MSKA

& Associates

Chartered Accountants

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JESONS INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2019

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) All the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investment made.

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2019 and the Company has not accepted any deposits during the year.

vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act is respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to Companies (Cost Records & Audit) Rules, 2013 as amended, prescribed by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed cost records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) There were no undisputed amounts payable in respect of provided fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues in arrears of as at March 31, 2019 for a period of more than six months from the date they become payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income tax, excise duty, service tax, customs duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1994, Cenvat Credit Rules, 2004, Finance Act 1994	Service tax credit on commission	13.81	Jan 2007 to October 2007	Additional Commissioner, Central Excise, Customs & Service tax
Customs Act, 1962	Customs duty	26.52	July 2009 to August 2009	Commissioner of customs, Nhava Sheva
Customs Act, 1962	Customs duty	3.44	January, 2014	Additional Director General (Adjudication), DRI, Mumbai
Income Tax Act, 1961	Income Tax	94.96	AY 2017-18	Assistant Commissioner of Income Tax, Mumbai

There were no outstanding dues of goods and service tax, cess and any other statutory dues on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution and banks. The Company has not issued any debentures.

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

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xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

A Somani

Anita Somani
Partner
Membership No. 124118

MSKA & ASSOCIATES * Chartered Accountants *

Place: Mumbai
Date: June 18, 2019

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JESONS INDUSTRIES LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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 with reference to standalone financial statements of Jesons Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 with reference to standalone financial statements 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 (ICAI) (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference

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to standalone financial statements 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, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

A Somani

Anita Somani
Partner
Membership No. 124118

MSKA & ASSOCIATES ★ Chartered Accountants ★

Place: Mumbai
Date: June 18, 2019

JESONS INDUSTRIES LIMITED
Standalone Financial Statements

BALANCE SHEET
as at 31st March 2019

₹ in lakhs

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	5,842	5,889
(b) Capital work in progress	2	5	19
(c) Intangible assets	3	27	13
(d) Financial assets			
(i) Investments in Associate	4	6	6
(ii) Loans	5	11	9
(iii) Bank balances other than cash and cash equivalents	11	1	1
(iv) Other financial assets	6	142	86
(e) Income tax assets (net)	12	38	35
(f) Other non-current assets	7	14	174
Total Non-current assets		6,086	6,232
(2) Current assets			
(a) Inventories	8	7,744	6,876
(b) Financial assets			
(i) Trade receivables	9	13,881	14,106
(ii) Cash and cash equivalents	10	3,018	103
(iii) Bank balances other than (ii) above	11	4	0
(iv) Loans	5	1	3
(v) Other financial assets	6	115	256
(c) Other current assets	7	1,062	1,420
Total Current assets		25,825	22,764
Total Assets		31,911	28,996
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	894	894
(b) Other equity	14	13,394	10,931
Total equity		14,288	11,825
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	24	565
(b) Deferred tax liabilities (Net)	30	332	394
Total non-current liabilities		356	959
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	3,027
(ii) Trade payables	16		
- Outstanding dues of micro and small enterprises		22	-
- Others		16,388	11,887
(iii) Other financial liabilities	17	525	781
(b) Other current liabilities	18	113	84
(c) Provisions	19	33	35
(d) Current tax liabilities (Net)	20	186	398
Total current liabilities		17,267	16,212
Total liabilities		17,623	17,171
Total equity and liabilities		31,911	28,996

₹ '0' indicates amount less than ₹50,000

The accompanying notes from 1 to 48 are an integral part of the Financial Statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Anita Somani
Partner
Membership No: 124118

Place: Mumbai
Date: 18 June 2019

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

Dhiresh Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Kushal Gala
Company Secretary
ACS No: 30833

MSKA & ASSOCIATES Chartered Accountants

JESONS INDUSTRIES LTD. MUMBAI

JESONS INDUSTRIES LIMITED
Standalone Financial Statements

STATEMENT OF PROFIT AND LOSS
for the period ended 31st March 2019

₹ in lakhs

Particulars	Notes	Period ended 31st March 2019	Year ended 31st March 2018
Revenue from operations	21	91,770	75,528
Other income	22	601	744
Total income		92,371	76,272
Expenses			
Cost of material consumed	23	70,388	54,013
Purchase of stock-in-trade	24	10,062	9,329
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(384)	60
Excise Duty		-	1,602
Employee benefit expense	26	2,644	2,431
Finance costs	27	953	886
Depreciation and amortisation expense	28	663	688
Other expenses	29	4,292	3,201
Total expenses		88,618	72,210
Profit before tax		3,753	4,062
Tax expense			
Current tax	30	1,317	1,541
Deferred Tax	30	(52)	97
Total tax expense		1,265	1,638
Profit for the year		2,488	2,424
Other comprehensive income (net of tax) ("OCI")			
A. Items that will not be reclassified to the Statement of Profit and Loss			
(a) Re-measurement gains/ (losses) on defined benefit plans [Refer Note 32.2(v)]		(9)	6
(b) Current tax relating to items that will not be reclassified to the Statement of Profit and Loss		3	(2)
B. Items that will be reclassified to the Statement of Profit and Loss		-	-
Total other comprehensive income for the year (net of tax) (A-B)		(6)	4
Total Comprehensive income for the year		2,482	2,428
Earnings per share (Basic and diluted)	31	278.46	271.34

The accompanying notes from 1 to 48 are an integral part of the Financial Statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Somani

Anita Somani
Partner
Membership No: 124118

MSKA & ASSOCIATES Chartered Accountants

Place: Mumbai
Date: 18 June 2019

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

JESONS INDUSTRIES LTD. MUMBAI

Dhiresh Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Kushal Gala
Company Secretary
ACS No: 30833

JESONS INDUSTRIES LIMITED
Standalone Financial Statements
STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March 2019

(A) Equity Share Capital (Issued and Subscribed) (Refer Note: 13)

₹ in lakhs

Particulars	Amount
Balance as at 31st March 2018	894
Balance as at 31st March 2019	894

(B) Other equity

₹ in lakhs

Particulars	Reserves and Surplus			Total
	General Reserve	Retained earnings	Capital Contribution	
Balance as at 1st April 2017	**54**	**8,385**	**109**	**8,548**
Profit for the year	-	2,424		2,424
Other comprehensive income	-	4		4
Adjusted during the year			(45)	(45)
Total comprehensive income for the year	**-**	**2,428**	**(45)**	**2,383**
Balance as at 31st March 2018	**54**	**10,813**	**64**	**10,931**
Profit for the year	-	2,488	-	2,488
Other comprehensive income	-	(6)	-	(6)
Adjusted during the year	-	-	(19)	(19)
Total comprehensive income for the year	**-**	**2,482**	**(19)**	**2,463**
Balance as at 31st March 2019	**54**	**13,295**	**45**	**13,395**

Description of the nature and purpose of other equity:

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Capital Contribution: Under Indian GAAP, interest free borrowing obtained from related party are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be initially recognized at fair value. Accordingly the Company has fair valued these interest free loans under Ind AS initially. Difference between the fair value and transaction value of the loan amount has been recognized as capital contribution given that the amount is borrowed from the shareholder.

The accompanying notes from 1 to 48 are an integral part of the Financial Statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

JESONS INDUSTRIES LTD. MUMBAI

MSKA & ASSOCIATES Chartered Accountants

Anita Somani
Partner
Membership No: 124118

Dhiresh Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Kushal Gala
Company Secretary
ACS No: 30833

Place: Mumbai
Date: 18 June 2019

JESONS INDUSTRIES LIMITED
Standalone Financial Statements
STATEMENT OF CASH FLOW
for the year ended 31st March 2019

₹ in lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A. Cash flow from operating activities		
Profit before tax	3,753	4,062
Adjustments for:		
Depreciation and amortisation expense	663	688
Interest income on financial assets	(54)	(40)
Finance costs	953	886
Unrealised exchange gain	(361)	(160)
Provision for doubtful debts & advances	3	6
Rent expense	2	20
Loss/(Profit) on sale of property, plant and equipment (Net)	2	(0)
Operating profit before working capital changes	4,961	5,462
Changes in working capital		
Increase/ (decrease) in trade payables	4,893	443
Increase/ (decrease) in other current financial liabilities	168	(148)
Increase/ (decrease) in provisions and other current liabilities	19	(219)
(Increase)/ decrease in inventories	(868)	(872)
(Increase)/ decrease in trade receivables	199	(1,525)
(Increase)/ decrease in financial assets	143	243
(Increase)/ decrease in other assets	356	520
Cash generated from operations	9,871	3,905
Income tax paid	(1,529)	(1,477)
Net cash generated from operating activities (A)	8,342	2,428
B. Cash flow from investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(643)	(500)
(Payment) / Adjustment for Capital Advances	159	(167)
Purchase of investments	-	(6)
Proceeds from sale/ disposal of property, plant and equipment	23	7
Net proceeds / (application) of fixed deposits	(3)	12
Net proceeds / (application) from other non-current assets	(55)	-
Interest received	54	10
Net cash used in investing activities (B)	(465)	(644)
C. Cash flow from Financing activities		
Repayment of long term borrowings	(1,017)	(700)
Proceeds from long term borrowings	35	-
Repayment of short-term borrowings (Net)	(3,027)	(244)
Finance Costs	(953)	(825)
Net cash used in financing activities (C)	(4,962)	(1,769)
Net increase in cash and cash equivalents (A+B+C)	2,915	15
Effect of exchange differences on cash & cash equivalents held in foreign currency	(0)	(1)
Cash and cash equivalents at the beginning of the year	103	89
Cash and cash equivalents at the end of the year	3,018	103
Cash and cash equivalents comprise (Refer Note 10)		
Balances with banks		
On current accounts	137	100
Fixed Deposits with original maturity less than 3 months	2,880	1
Cash on hand	1	2
Total cash and bank balances at end of the year	3,018	103

₹ '0' indicates amount less than ₹50,000

Footnote: Reconciliation of borrowings

₹ in lakhs

Particulars	Non-current borrowings	Current borrowings
Net debts as at March 31, 2017	1,642	3,196
Cash Flow	(630)	(199)
Non cash adjustment - Accrual of interest	12	30
Net debts as at March 31, 2018	1,024	3,027
Cash Flow	(982)	(3,027)
Non cash adjustment - Accrual of interest	29	-
Net debts as at March 31, 2019	71	-

The accompanying notes from 1 to 48 are an integral part of the Financial Statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

A Somani

Anita Somani
Partner
Membership No: 124118

Place: Mumbai
Date: 18 June 2019

MSKA & ASSOCIATES ★ Chartered Accountants ★

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

JESONS INDUSTRIES LTD. MUMBAI ★

Dhiresh Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Kushal Gala

Kushal Gala
Company Secretary
ACS No: 30833

1 (A) Corporate Information

Jesons Industries Limited ("the Company") is an unlisted Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The address of its registered office is located at 904, Peninsula Tower No. 1, Lower Parel (West), Mumbai - 400013, Maharashtra. The company is principally engaged in manufacturing and selling of industrial adhesives and emulsions.

(B) Significant accounting policies

(i) Basis of compliance

These Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements up to and for the year ended 31st March 2017 were prepared in accordance with the Standards as per Companies (Accounting Standard) Rules, 2006 notified under the section 133 of the Act and other relevant provisions of the Act, which was the previous GAAP ("IGAAP").

(ii) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

The financial statements are presented in Indian Rupee (INR) and all values are recorded to the nearest lakhs (INR'00,000), except otherwise indicated.

Classification into current and non-current:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

(iii) Recent accounting pronouncement which are not yet effective:

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116- Leases

Ind AS 116 Leases : The Company is required to adopt Ind AS 116, Leases from April 1, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The Company in in the process of completing its detailed assessment and the quantitative impact of adoption of Ind AS 116 on the Financial Statements in the period of initial application is not reasonably estimable as at present.

Leases in which the Company is a lessee : The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.
Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

The Company is currently evaluating the impact of this standard on it's financial statements.

(b) In addition to the above, the following amendments to existing standards have been issued, are not yet effective:

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Amendments to Ind AS 109: Financial Instruments: The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Amendments to Ind AS 12 - Income Taxes (Appendix C - Uncertainty over Income Tax Treatments): This interpretation specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

(1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.

(2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.

(3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

Amendment to Ind AS 19, Employee Benefits: The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions - i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

Amendments to Ind AS 23, Borrowing Costs: This amendment clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

The Company does not expect these amendments to have any material impact on its Financial Statements.

(iv) Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires the Management to make estimate, assumptions and judgements that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period end. Although these estimates and assumptions are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates, if any, are recognized in the period in which the estimates are revised, if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Useful lives of property, plant and equipment (PPE) and intangible assets

As described in the significant accounting policies, the Management reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(b) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

(c) Employee benefit obligations

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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(v) The principal accounting policies are set out below:

1.1 Property, plant and equipment

Property, plant and equipment, other than Freehold Land, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Machinery spares that meet the definition of property, plant and equipment are capitalised and depreciated over the useful life of the principal item of an asset. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Projects under commissioning and other CWIP/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably.

Advances given to acquire property, plant and equipment is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a written down value basis. Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The Company uses written down value ('WDV') method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Property, plant and equipment	Useful Lives
Leasehold land	Lease period
Factory Building	30 years
Office Building	60 years
Plant & Machinery	25 years
Furniture and	10 years
Office Equipment	5 years
Motor Vehicle	12 years

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

1.2 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a written down value ('WDV') basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in statement of Profit & Loss account.

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses written down value ('WDV') method and has used following useful lives to provide amortisation of different class of intangible assets.

Intangible assets	Useful life
Computer Software	5 years

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1.3 Research and Development Cost

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

1.4 Investments in Associate

Investments in associate are measured at cost less accumulated impairment, if any.

1.5 Leases

<u>As a lessee</u>

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. A leased asset is depreciated over the useful life of the asset.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern of the user's benefit.

1.6 Inventories

Inventories which comprises raw materials, work in progress, finished goods, stock in trade and stores and spares are carried at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Cost of inventories comprises of cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining cost, FIFO method is used.

The net realizable value of work in progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed the net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

1.7 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks, cash on hand and short-term deposits, if any, with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown in current liabilities in the balance sheet.

1.8 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

1.9 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

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1.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities respectively. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Classification and subsequent measurement

1.11 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On subsequent measurement financial assets are measured at:
a) Amortized cost; or
b) Fair value through Other Comprehensive Income (FVOCI); or
c) Fair value through Profit or Loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, dividend income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Net gains and losses, including interest income from these financial assets is included in other income.

Investment in Equity Instruments

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI or FVTPL. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Dividend income received on such equity investments are recognised in profit or loss.

1.12 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

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Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest rate method.

1.13 Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

1.14 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when Company:

(a) has transferred the rights to receive cash flows from the financial assets; or

(b) retains the contractual rights to receive the cash flows from financial assets, but assumes a contractual obligation to pay the cashflows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

1.15 Derecognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

1.16 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payment of principal and interest.

Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risk of the host and are measured at fair value through profit or loss. Embedded derivative closely related to host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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1.17 Derivative contracts

The Company uses derivative financial instruments such as foreign exchange forward contracts to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.18 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when, and only when, the company currently has a legally enforceable right to offset the recognized amounts and it intends either to settle them on a net basis or realize the asset and settle the liability simultaneously.

1.19 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date.
Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability also reflects its non-performance risk.
The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

- Level 3 – Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

1.20 Revenue Recognition

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated.
The adoption of the standard did not have any material impact on the financial statements of the Company.

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

JESONS INDUSTRIES LTD. MUMBAI

MSKA & ASSOCIATES Chartered Accountants

Revenue from Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Export benefits

Export benefits are recognised where there is reasonable assurance that such benefits will be received and all attached conditions will be complied with. Export benefits are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which such benefits are intended to compensate.

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue. Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

1.21 Other Income

a) Interest

Interest Income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable, which the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's on net carrying amount on initial recognition.
For all debt instruments measured either at amortised cost or at FVTOCI.

1.22 Employee Benefits

Short-term obligations

A liability is recognised for benefits accruing to employees in respect of wages and salaries, leaves in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plan

The Company's contribution to Employee Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and charged as an expense in the Statement of Profit and Loss on an accrual basis.

Defined benefit plans

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

Long term compensated absences

The employees of the Company are entitled to compensated absences for which the Company records the liability based on actuarial valuation computed using Projected Unit Credit method. These benefits are unfunded. Leaves under defined benefit plan can be encashed only on discontinuation of service by employee.

1.23 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

JESONS INDUSTRIES LTD. MUMBAI

MSKA & ASSOCIATES Chartered Accountants

1.24 Borrowing Cost

Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:
a) Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.

b) Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

1.25 Taxes on income

Taxes on income comprises current tax and deferred tax

(a) Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

1.26 Functional currency and Foreign Currency Transactions

(a) Functional and presentation currency

The financial statements are presented in Indian rupee (INR/₹), which is the Company's functional and presentation currency. Foreign currency transactions are recorded and presented in the functional currency by applying the exchange rate between the functional currency and the foreign currency prevailing at the dates of the transactions.

(b) Translations

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

All monetary items in foreign currencies are restated at the end of each reporting period at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign exchange differences arising between the transaction date and the settlement/reporting date are recognised in the Statement of Profit and Loss.

1.27 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.28 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

JESONS INDUSTRIES LTD. MUMBAI

MSKA & ASSOCIATES Chartered Accountants

2 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Office Equipment	Motor Vehicles	Furniture & Fixtures	Total
Gross block								
As at 31st March 2017	109	398	1,981	3,770	46	207	103	6,614
Additions/ Adjustments during 2017-18	-	-	69	358	13	32	14	486
Deduction/ Adjustments during 2017-18	-	-	-	(6)	(0)	(3)	(0)	(9)
As at 31st March 2018	109	398	2,050	4,122	59	236	117	7,091
Additions/ Adjustments during 2018-19	-	-	48	494	11	61	23	637
Deduction/ Adjustments during 2018-19	-	-	-	(23)	(1)	(3)	-	(28)
As at 31st March 2019	109	398	2,098	4,592	69	294	140	7,700
Depreciation								
Accumulated depreciation as at 31st March 2017	-	4	151	302	17	24	26	524
For the year 2017-18	-	4	167	413	15	58	23	680
Deductions during 2017-18	-	-	-	(1)	(0)	(1)	(0)	(2)
Accumulated depreciation as at 31st March 2018	-	8	318	714	32	81	49	1,202
For the year 2018-19	-	4	157	408	14	54	21	658
Deductions during 2018-19	-	-	-	(0)	(1)	(1)	-	(2)
Accumulated depreciation as at 31st March 2019	-	12	475	1,121	45	134	70	1,858
Net block								
As at 31st March 2018	109	390	1,732	3,408	27	155	68	5,889
As at 31st March 2019	109	386	1,623	3,471	24	160	70	5,842

₹ '0' indicates amount less than ₹50,000

₹ in lakhs

Particulars	Capital work-in-progress
As at 31st March 2017	5
Additions/ Adjustments during 2017-18	14
Deduction/ Adjustments during 2017-18	-
As at 31st March 2018	19
Additions/ Adjustments during 2018-19	5
Deduction/ Adjustments during 2018-19	(19)
As at 31st March 2019	5

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JESONS INDUSTRIES LTD. MUMBAI *

Notes:

2.1 Additions for the year includes assets used for research and development amounting to ₹ 21 lakhs (2017 -18 ₹ 16 lakhs). (Refer Note 48 for details).

2.2 Term loan from DBS Bank Ltd. was secured by first pari passu charge created by mortgage of immovable fixed assets and hypothecation of present and future movable assets of the Company located at SIPCOT Industrial Park, Tamil Nadu and the charge on the above assets have been released

2.3 Working capital from the consortium of banks is secured by second pari passu charge by mortgage of immoveable properties of the Company.

2.4 Deductions for the current year in the gross block under Plant & Machinery includes Government Grant received during the current year amounting to ₹ 21 lakhs (2017-2018 - ₹ Nil). The treatment is in accordance with Ind AS 20, Accounting for Government Grants.

3 INTANGIBLE ASSETS

₹ in lakhs

Particulars	Computer Software
Gross block	
As at 31st March 2017	**35**
Additions/ Adjustments during 2017-18	-
Deduction/ Adjustments during 2017-18	-
As at 31st March 2018	35
Additions/ Adjustments during 2018-19	19
Deduction/ Adjustments during 2018-19	-
As at 31st March 2019	**54**
Amortization	
Accumulated amortization as at 31st March 2017	**14**
For the year 2017-18	8
Deductions during 2017-18	-
Accumulated amortization as at 31st March 2018	**22**
For the year 2018-19	5
Deductions during 2018-19	-
Accumulated amortization as at 31st March 2019	**27**
Net block	
As at 31st March 2018	13
As at 31st March 2019	**27**

Notes:

3.1 The amortization expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

MSKA & ASSOCIATES Chartered Accountants

JESONS INDUSTRIES LTD. MUMBAI

JESONS INDUSTRIES LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

4 INVESTMENTS IN ASSOCIATE

₹ in lakhs

Particulars	31st March 2019	31st March 2018
At cost:		
Unquoted equity shares (Non-trade)		
Investment in Dura Jesons LLC	6	6
[Membership interest units aggregating to 49% (2018: 49%) of Dura Jesons LLC]		
	6	6
Current	-	-
Non- Current	6	6
	6	6
Aggregate book value of:		
Quoted investments	-	-
Unquoted investments	6	6
Aggregate market value of:		
Quoted investments	-	-
Unquoted investments	6	6
Aggregate amount of impairment in value of Investments	-	-

5 LOANS

₹ in lakhs

Particulars	31st March 2019		31st March 2018	
	Non-current	Current	Non-current	Current
Financial assets at amortised cost :				
Unsecured considered good				
Loan to employees	11	1	9	3
Total	**11**	**1**	**9**	**3**

5.1 Loans given to employees as per the Company's policy are not considered for the purpose of disclosure under section 186(4) of the Companies Act, 2013.

6 OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	31st March 2019		31st March 2018	
	Non-current	Current	Non-current	Current
Financial assets at amortised cost :				
Security deposits	142	24	86	41
Other Advances	-	91	-	193
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss:				
Derivative Financial Asset	-	-	-	22
Total	**142**	**115**	**86**	**256**

7 OTHERS ASSETS (NON FINANCIAL)

₹ in lakhs

Particulars	31st March 2019		31st March 2018	
	Non-current	Current	Non-current	Current
Capital Advances	14	-	172	-
Advances other than capital advances				
Balance with Government authorities	-	926	-	1,292
Export incentives receivable	-	2	-	10
Prepaid Expenses	-	92	2	33
Other Advances Considered Good	-	42	-	85
Total	**14**	**1,062**	**174**	**1,420**

7.1 Other advances mainly include Advances to suppliers, etc.

JESONS INDUSTRIES LTD. MUMBAI

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8 INVENTORIES *(Valued at lower of cost and net realizable value)*

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Raw materials and Packing material	6,188	5,698
Finished goods	1,151	937
Work-in-progress	345	207
Stock-in-trade	40	7
Stores and Spares	2	8
Others	18	19
Total	**7,744**	**6,876**

8.1 The company availed bank facilities which are secured by hypothecation of Inventories, Trade Receivables and other current assets.

8.2 The mode of valuation of inventories is stated in Sub-note 1.6 of Note 1.

9 TRADE RECEIVABLES

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Secured, considered good	1,292	1,463
Unsecured		
-considered good	12,646	12,654
-which have significant increase in Credit Risk	-	-
-credit impaired	-	43
	13,938	**14,160**
Less : Allowance for expected credit loss	(57)	(54)
Total	**13,881**	**14,106**

9.1 The Company has appropriate level of control procedures for new customers, which ensures the potential customers' credit quality. Credit limits attributed to customers are reviewed periodically by the management.

9.2 No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Balances with banks		
On current accounts	137	100
Fixed Deposits with original maturity less than 3 months	2,880	1
Cash on hand	1	2
Total	**3,018**	**103**

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

₹ in lakhs

Particulars	31st March 2019		31st March 2018	
	Non-current	Current	Non-current	Current
Fixed deposit	1	4	1	0
Total	**1**	**4**	**1**	**0**

₹ '0' indicates amount less than ₹50,000

11.1 The current fixed deposit includes interest accrued but not due upto reporting date.

12 INCOME TAX ASSETS (NET)

₹ in lakhs

NON-CURRENT TAX ASSETS (NET)	31st March 2019	31st March 2018
Non-current tax assets [Net of provision for tax ₹ 1,104 (2017-18: ₹ 832)]	38	35
Total	**38**	**35**

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JESONS INDUSTRIES LTD. MUMBAI ★

13 EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Authorized :		
15,00,000 (2018: 15,00,000) equity shares of ₹100/- each	1,500	1,500
	1,500	1,500
Issued, Subscribed and Paid-up :		
8,93,520 (2018: 8,93,520) equity shares of ₹100/- each fully paid-up	894	894
Total	894	894

13.1 Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

₹ in lakhs

Particulars	31st March 2019		31st March 2018	
	Number of shares	Amount	Number of shares	Amount
Issued and subscribed :				
Outstanding at the beginning of the year	8,93,520	894	8,93,520	894
Outstanding at the end of the year	8,93,520	894	8,93,520	894

13.2 Rights, Preferences and Restrictions attached to Equity Shares :

The Company has only one class of equity shares having par value of ₹ 100 per share. The Equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend. Dividend, if any, declared is payable in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of the interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.3 Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Particulars	31st March 2019		31st March 2018	
Name of the shareholder	Number of shares	% of share holding	Number of shares	% of share holding
Dhiresh Gosalia	7,98,020	89.31%	7,98,020	89.31%
Madhavi Gosalia	70,100	7.85%	70,100	7.85%

As per the records of the company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

14 OTHER EQUITY

14.1 Surplus/(deficit) in the Statement of Profit and Loss

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Opening balance	10,813	8,385
Add: Net profit for the current year	2,488	2,424
Add: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	(6)	4
Closing balance	13,295	10,813

14.2 General Reserve

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Opening balance	54	54
Closing balance	54	54

14.3 Capital Contribution

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Opening balance	64	109
Less: Adjusted during the year	(19)	(45)
Closing balance	45	64

Total other equity	13,394	10,931

JESONS INDUSTRIES LTD. MUMBAI

MSKA & ASSOCIATES Chartered Accountants

15 BORROWINGS

₹ in lakhs

Particulars	Notes	31st March 2019		31st March 2018	
		Non-current	Current	Non-current	Current
Carried at amortised cost :					
Secured borrowings from banks :					
Term loan	15.1	-	-	412	-
Vehicle loan	15.2	24	-	35	-
Loans repayable on demand	15.4	-	-	-	566
Other current borrowings	15.4	-	-	-	2,461
Total Secured Borrowings		**24**	**-**	**447**	**3,027**
Unsecured :					
Loans from related party	15.3	-	-	118	-
Total Unsecured Borrowings		**-**	**-**	**118**	**-**
Total	**(I)**	**24**	**-**	**565**	**3,027**

15.1 Term Loan from Bank (As at March 31, 2018):
Secured by first exclusive charge created by mortgage of immovable fixed assets and hypothecation of present and future movable assets of the Company located at SIPCOT Industrial Park, Tamil Nadu and personal guarantees of Managing Director and relatives. The loan originally was repayable by way of quarterly instalments until March 2020, however it has been early repaid during the current year and the charge on the above assets have been released.

15.2 Vehicle Loan From Banks:
Secured against Hypothecation of motor vehicles of the company for which the loans have been availed.
The vehicle loan outstanding in the current year is repayable until December 2021.

15.3 The non-interest bearing term loan was from the Managing Director of the Company in pursuance of bank stipulation and it is repaid in line with term loan.

15.4 The current borrowings are secured by first pari passu charge created by hypothecation of current assets (both present and future) and second pari passu charge by mortgage of immovable properties of the Company and personal guarantees of Managing director and relatives.

16 TRADE PAYABLES

₹ in lakhs

Particulars	Notes	31st March 2019	31st March 2018
Carried at amortised cost:			
Trade payable - Micro and small enterprises	16.1	22	-
Trade payable - Others		16,388	11,887
Total trade payables	**(II)**	**16,410**	**11,887**

16.1 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

₹ in lakhs

Particulars	31st March 2019	31st March 2018
1. (a) Principal amount remaining unpaid to any supplier	22	-
(b) Interest on 1(a) above	0	-
2. (a) The amount of principal paid beyond the appointed date	86	-
(b) The amount of interest paid beyond the appointed date	-	-
3. Interest due and payable on delayed payments	1	-
4. Interest accrued and remaining unpaid as at year end	1	-
5. Interest due and payable even in the succeeding year	-	-

17 OTHER FINANCIAL LIABILITIES

₹ in lakhs

Particulars	Notes	31st March 2019	31st March 2018
Carried at amortised cost:			
Current Maturity of Long term loans	15.1 to 15.3	47	458
Salary and Wages		273	212
Other Payables		124	111
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss			
Derivative Financial Liability		81	-
Total other financial liabilities	**(III)**	**525**	**781**
Total financial liabilities	**(I+II+III)**	**16,958**	**16,260**

JESONS INDUSTRIES LTD. MUMBAI

ASSOCIATES Chartered Accountants

18 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Statutory dues payable	61	53
Contribution to Provident Fund	-	-
Contract Liability (Advance from Customers)	52	31
Total other current liabilities	113	84

19 PROVISIONS

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Provision for Employee Benefits		
Provision for Leave Encashment	12	10
Gratuity (funded)	21	25
Provision for Expenses	-	-
Total Provisions	33	35

20 CURRENT TAX LIABILITIES (NET)

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Current tax Provision [Net of advance tax ₹ 1,104 (2017-18: ₹ 832)]	186	398
Total current tax liabilities	186	398

JESONS INDUSTRIES LTD. MUMBAI *

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21 REVENUE FROM OPERATIONS ₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Sale of Goods - Domestic	72,817	62,071
[including Excise Duty of ₹ Nil (2017-18: ₹1,602 Lakhs)]		
Sale of Goods - Export	18,307	13,032
Inter unit sales	-	-
Other operating revenue		
Government Grant and Incentives (including export incentives)	588	300
Income from Job Work	39	108
Scrap sales	19	17
Total revenue from operations	**91,770**	**75,528**

22 OTHER INCOME ₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Interest income on financial assets at amortised cost	54	40
Foreign exchange gain/(loss) - (Net)	535	661
Profit / (Loss) on sale of Property, Plant and Equipment (Net)	(2)	0
Other miscellaneous income	14	43
Total other income	**601**	**744**

23 COST OF MATERIAL CONSUMED ₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Raw materials and Packing materials		
At the beginning	5,706	4,776
Add: Purchase and expenses	70,873	54,943
Add: Inter unit purchases	-	-
Less: At the end	(6,191)	(5,706)
Cost of raw material consumed	**70,388**	**54,013**

24 PURCHASE OF STOCK-IN-TRADE ₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Purchase of Stock-in-trade	10,062	9,329
Total Purchase of Stock-in-trade	**10,062**	**9,329**

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS ₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Opening stock of:		
-Finished goods	937	737
-Work-in-progress	207	474
-Stock in trade	7	0
	1,151	**1,211**
Less: Closing stock of:		
-Finished goods	1,151	937
-Work-in-progress	345	207
-Stock in trade	40	7
	1,535	**1,151**
Net (increase) / decrease in inventory	**(384)**	**60**

₹ '0' indicates amount less than ₹50,000

26 EMPLOYEE BENEFITS EXPENSE ₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Salaries,Wages & Bonus	1,837	1,612
Director Remuneration	673	670
Contribution to Provident and other Funds	81	87
Workmen and staff welfare expenses	53	62
Total employee benefits expense	**2,644**	**2,431**

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27 FINANCE COSTS

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Interest expense for financial liabilities at amortised cost	370	455
Other Borrowing Costs	583	431
Total finance costs	**953**	**886**

28 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Depreciation on Property, Plant and Equipment	658	680
Amortisation of Intangible Assets	5	8
Total depreciation and amortisation expense	**663**	**688**

29 OTHER EXPENSES

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Outward freight, handling and warehousing charges	1,684	1,163
Power & Fuel	413	339
Legal and Professional Fees	396	320
Bad debts written off	305	-
Commission on Sales	283	257
Repairs and maintenance	227	225
Travelling and Conveyance expenses	227	197
Rent	98	123
Insurance Charges	97	64
Water Charges	93	76
Communication expenses	58	53
CSR Contribution	61	39
Rates and taxes	49	35
Exhibition, Sponsorship and other sales promotion expenses	33	103
Consumption of stores, spares & consumables	30	31
Audit fees (Refer note below)	25	13
Security Charges	24	25
Printing and stationery	22	21
Directors Sitting Fees	1	0
Net impairment losses on financial assets	3	6
Donations	0	0
Allocation of common head office expenses	-	-
Miscellaneous expenses	163	111
Total other expenses	**4,292**	**3,201**

₹ '0' indicates amount less than ₹50,000

29.1 The Company has spent ₹ 61 Lakhs (2017-18: ₹ 39 Lakhs) towards various activities of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
a) Gross amount required to be spent by the Company during the year	59	40
b) Amounts spent during the year on :		
- Promotion of Education	37	28
- Prime Minister National Relief Fund	16	7
- Others	8	3
- Swachh Bharat Mission	-	1
Total	**61**	**39**

29.2 The following is the break-up of Auditors remuneration (exclusive of applicable taxes)

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
As auditor:		
Statutory audit	13	13
In other capacity:		
Tax audit	-	-
Other matters	12	0
Total	**25**	**13**

₹ '0' indicates amount less than ₹50,000

29.3 Research and Development expenses for the year amount to ₹ 299 Lakhs (2017-18 ₹ 313 Lakhs) debited to the Statement of Profit & Loss. (Refer Note 47 for details).

JESONS INDUSTRIES LTD. MUMBAI

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30 INCOME TAX

30.1 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

Particulars	Expenses allowed on payment basis (Net)	On fair value of financial instruments	On property, plant and equipment	On loan from Related Party	Deferred tax (asset) / liability, Net
As at 31st March 2017	**0**	**(20)**	**300**	**41**	**320**
Charge/ (credit) to Profit and Loss	(3)	20	86	(6)	97
Charge/ (credit) to Capital Contribution	-	-	-	(24)	(24)
As at 31st March 2018	**(3)**	**0**	**386**	**11**	**394**
Charge/ (credit) to Profit and Loss	4	(20)	(35)	(1)	(52)
Charge/ (credit) to Capital Contribution	-	-	-	(10)	(10)
As at 31st March 2019	**1**	**(20)**	**351**	**-**	**332**

₹ '0' indicates amount less than ₹50,000

30.2 INCOME TAX RECOGNISED IN PROFIT OR LOSS

₹ in lakhs

Particulars	2019	2018
Current tax		
In respect of current year	1,294	1,228
In respect of prior years	23	313
Deferred Tax	(52)	97
Total income tax expense	**1,265**	**1,638**

30.3 INCOME TAX RECOGNISED/(CREDITED) IN OTHER COMPREHENSIVE INCOME

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Current tax		
In respect of current year	(3)	2
Total	(3)	2

30.4 THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT OR LOSS IS AS FOLLOWS:

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Profit before tax	3,753	4,062
Applicable Income tax rate	34.94%	34.61%
Expected income tax expense	1,311	1,406
Tax effect of adjustments to reconcile expected income tax expense to reported		
Effect of expenses/provision not deductible in determining taxable profit	(41)	(142)
Impact on account of Prior Years Taxation	23	313
Refund of current tax for AY 2017-18	-	35
Interest expense u/s 234C	16	29
Impact on account indexed cost of acquisition under Income Tax Act	(2)	(2)
Other	(43)	(0)
Income tax expense	**1,265**	**1,638**
Effective tax rate	**34%**	**40%**

31 EARNING PER SHARE (EPS)

₹ in lakhs

Particulars	2019	2018
Profits attributable to equity holders	2,488	2,424
Weighted average number of Ordinary (Equity) Shares for basic / diluted EPS	8,93,520	8,93,520
Basic and Diluted earnings per share of face value ₹ 100	278.46	271.34

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32 EMPLOYEE BENEFITS

32.1 Defined Contribution Plans

The Company makes contributions towards Provident Fund and Employee's State Insurance Corporation (ESIC) for qualifying employees. During the year, the Company has recognized the following amounts included in Employee benefit expenses in the Statement of Profit and Loss:

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Contribution to Provident and other Funds	62	56

32.2 Defined benefit plans

a) Gratuity plan

Gratuity is payable to all eligible employees of the Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962. The Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

i) Actuarial assumptions

Particulars	Gratuity fund	
	31st March 2019	31st March 2018
Discount rate	7.79%	7.85%
Attrition rate	For service 4 years and below 10% p.a. & thereafter 2%	
Average salary escalation rate	5.50%	5.50%
Expected Return on Plan Assets	7.79%	7.85%
Mortality rate during employment	Indian assured lives mortality (2006-08)	
Expected average future service (years)	17	17

The estimate of future salary escalation, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii) Changes in the present value of defined benefit obligation

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Present value of defined benefit obligation at the beginning of the year	**173**	**146**
Interest cost	14	11
Past service cost	-	12
Current service cost	17	17
Benefits paid	(5)	(7)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1	(9)
Actuarial (Gains)/Losses on Obligations - Due to Experience	6	3
Present value of defined benefit obligation at the end of the year*	**206**	**173**

*Included in provision for employee benefits (Refer Note 26)

iii) Changes in the fair value of plan assets

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Fair Value of plan assets at the beginning of the period	148	116
Interest income	12	9
Contributions by the employer	25	30
Benefits paid	(5)	(7)
Return on plan assets (excluding interest income)	(2)	(0)
Fair value of plan assets at the end of the period	**178**	**148**

₹ '0' indicates amount less than ₹50,000

iv) Expense recognized in the Statement of Profit and Loss

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Current service cost	17	17
Past service cost	-	12
Interest cost	2	2
Total expenses recognized in the Statement Profit and Loss	**19**	**31**

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v) **Expense recognized in the Other comprehensive income (OCI)**

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Actuarial (gains)/losses on obligation	7	(6)
Return on plan assets (excluding interest income)	2	0
Net (income)/expense recognised in OCI	**9**	**(6)**

₹ '0' indicates amount less than ₹50,000

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and Loss account. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

vi) **Net assets / (liabilities) recognized in the Balance Sheet**

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Present value of benefit obligation as at the end of the year	(206)	(173)
Fair Value of Plan Assets at the end of the period	178	148
Funded status (surplus/(deficit))	(28)	(25)
Net asset /(liability) recognized in the Balance Sheet	**(28)**	**(25)**

vii) **Expected contribution to the fund in the next year**

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Gratuity	47	42

viii) **Major Category of Plan Assets as a % of the Total Plan Assets**

Particulars	31st March 2019	31st March 2018
Insurer managed funds*	100%	100%

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

ix) **A quantitative sensitivity analysis for significant assumption is as shown below:**

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity Plan Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Plan Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Impact on defined benefit obligation		
Rate of discounting		
1% increase	(19)	(17)
1% decrease	23	20
Rate of increase in salary		
1% increase	19	17
1% decrease	(17)	(14)
Rate of Attrition		
1% increase	5	4
1% decrease	(6)	(5)

x) **Maturity profile of defined benefit obligation**

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Apr 2018- Mar 2019	-	5
Apr 2019- Mar 2020	8	6
Apr 2020- Mar 2021	7	7
Apr 2021- Mar 2022	25	24
Apr 2022- Mar 2023	25	22
Apr 2023 onwards	522	452

JESONS INDUSTRIES LTD MUMBAI

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xi) Qualitative disclosures

Characteristics of defined benefit plan

The company's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund. The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:-

i) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

iii) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

iv) Asset Liability Matching risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

v) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

vi) Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

33 Leases

Operating leases where Company is a lessee:

The Company's significant leasing arrangements are in respect of operating leases for building premises (residential, offices, godowns etc.). The aggregate lease rentals payable are charged as 'Rent' in the statement of Profit and Loss. With regard to non-cancellable operating leases, the future minimum rentals are as follows:

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Within one year	111	35
After one year but not more than five years	432	41
More than five years	585	-

34 CONTINGENT LIABILITY AND COMMITMENTS ₹ in lakhs

Particulars	31st March 2019	31st March 2018
Contingent Liabilities not provided for in respect of -		
Claims against the Company not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc:		
i. Service Tax credit on commission	14	14
ii. Custom Duty	30	30
iii. Income Tax	95	-
Capital Commitments -		
Estimated value of contracts for property, plant and equipment remaining to be executed and not provided for (net of capital advances)	59	97
Total	**198**	**141**

In respect of (i), (ii) & (iii) above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

The management has considered above as contingent liabilities as these matters are sub-judice before competent authorities.

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

35 Related Party Disclosures

35.1 Names of related parties and description of relationship as identified and certified by the Company:

Name of Related Party	Nature of Relationship
Directors and Key Management Personnel (KMP)	
Dhiresh Gosalia	Chairman and Managing Director
Madhavi Gosalia	Executive Director (w.e.f. 18 Jan 2019)
Raju Vinod Palvia	Whole time Director
Other Independent Directors	
Shreyas Mahendra Patel	Independent Director
Alyza Nihar Sanghai	Independent Director
Jyoti Himanshu Doshi	Independent Director
Relatives of Key Management Personnel (KMP)	
Madhavi Gosalia	Spouse of Managing Director
Jhelum Gosalia	Daughter of Managing Director
Ravina Gosalia	Daughter of Managing Director
Entities over which significant influence is exercised	
Dura Jesons LLC	Associate
Enterprise over which KMP exercises significant influence	
Jesons Industries Limited Employees Group Gratuity Assurance Scheme	Gratuity Trust

35.2 **Details of transactions with related party in the ordinary course of business for the year ended:** ₹ in lakhs

Sr. No.	Nature of Transactions	Directors, Key Management Personnel and their relatives		Entities over which significant influence is exercised		Enterprise over which KMP exercises significant influence	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	**Revenue from Operations**						
	Dura Jesons LLC			21	-		
2	**Director Remuneration**						
	Dhiresh Gosalia	600	600				
	Raju Vinod Palvia	73	70				
3	**Salary Expense**						
	Jhelum Gosalia	13	13				
	Ravina Gosalia	13	13				
4	**Rent Expense**						
	Madhavi Gosalia	-	21				
5	**Interest income on security deposit**						
	Madhavi Gosalia	-	22				
6	**Interest Expense**						
	Dhiresh Gosalia	(3)	16				
7	**Loan (Net)**						
	Dhiresh Gosalia	(115)	148				
8	**Investments in equity shares**						
	Dura Jesons LLC			-	6		
9	**Contributions for Gratuity**						
	Jesons Industries Limited Employees Group Gratuity Assurance Scheme					28	25
10	**Director Sitting Fees**						
	Shreyas Mahendra Patel	0	0				
	Alyza Nihar Sanghai	0	0				
	Jyoti Himanshu Doshi	0	0				

₹ '0' indicates amount less than ₹50,000

35.3 **Amount due to/from related party:**

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Unsecured Loan		
Dhiresh Gosalia	-	118
Security Deposit		
Madhavi Gosalia	-	-
Prepaid Rent		
Madhavi Gosalia	-	-
Investments in equity shares		
Dura Jesons LLC	6	6
Trade Receivables		
Dura Jesons LLC	21	-
Contributions for Gratuity		
Jesons Industries Limited Employees Group Gratuity Assurance Scheme	21	25

35.4 All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

35.5 The non-interest bearing term loan was from the Managing Director of the Company in pursuance of bank stipulation and it is repaid in line with term loan.

36 Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. industrial adhesives and emulsions.

Revenue from Type of Product and Services

There is only one operating segment of the company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Information about Reportable Statement for the year ended 31st March 2019 and 31st March 2018 ₹ in lakhs

Particular	India		Overseas		Total	
	Year ended 31st March		Year ended 31st March		Year ended 31st March	
	2019	2018	2019	2018	2019	2018
Revenue from external customers	72,856	62,179	18,307	13,032	91,163	75,211
Non-current assets*	6,086	6,232	-	-	6,086	6,232

* Includes property plant and equipments, intangible assets, capital working in progress and other non-financial non current assets.

Information about major customers

During the year ended 31st March 2019 & 31st March 2018, revenue from transaction with a single external customer did not amount to 10% or more of the companies revenue from external customer.

37 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in lakhs

Particulars	As at 31st March	
	2019	2018
A) Financial assets		
a) Measured at amortised cost		
Non-Current		
i) Loans to employee	11	9
ii) Security Deposits	142	86
iii) Bank balances other than cash and cash equivalents	1	1
Sub-Total	**154**	**96**
Current		
i) Trade receivables	13,881	14,106
ii) Cash and Cash equivalents	3,018	103
iii) Bank balances other than Cash and cash equivalent	4	0
iv) Loans to employee	1	3
v) Other current advances	91	193
vi) Security deposits	24	41
Sub-Total	**17,019**	**14,446**
b) Derivatives measured at fair value through Profit & Loss		
Current		
i) Derivatives financial asset	-	22
Sub-Total	-	**22**
c) At cost		
Non-Current		
i) Investment in Associate	6	6
Sub-Total	**6**	**6**
Total Financial Assets	**17,179**	**14,570**

₹ '0' indicates amount less than ₹50,000

₹ in lakhs

Particulars	As at 31st March	
	2019	2018
B) Financial liabilities		
a) Measured at amortised cost		
Non-Current		
i) Borrowings	24	565
Sub-Total	**24**	**565**
Current		
i) Borrowings	-	3,027
ii) Trade Payables	16,410	11,887
iii) Other current financial liabilities	443	781
Sub-Total	**16,853**	**15,695**
b) Derivatives measured at fair value through Profit & Loss		
Current		
i) Derivatives financial liabilities	81	-
Sub-Total	**81**	-
Total Financial Liabilities	**16,958**	**16,261**

38 FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between the levels during the year.

The following tables provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required.

Financial Instruments regularly measured using Fair Value - recurring Items:

₹ in lakhs

Particulars	Fair Value				Valuation technique(s)
			As at 31st March		
	Financial assets/financial liabilities	Category	2019	2018	
Derivatives - foreign exchange forward contracts	Financial assets	Financial instruments measured at FVTPL	-	22	**Fair value hierarchy - Level 2.** The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs.
	Financial liabilities		81	-	

39 FINANCIAL INSTRUMENTS MEASURED USING AMORTIZED COST

₹ in lakhs

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets held at amortised cost				
Non-Current				
- Loans to employee	11	10	9	9
Total	**11**	**10**	**9**	**9**
Financial liabilities held at amortised cost				
Non-Current				
- Borrowings	24	24	565	505
Total	**24**	**24**	**565**	**505**

39.1 Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

39.2 Non-current borrowing comprises term loans from banks and loans from related party. The impact of fair value on such portion was not material.

39.3 The non-interest bearing term loan from related party, was in pursuance of bank stipulation and it is repaid in line with term loan.

40 FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's activities expose it to a variety of financial risks: Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

(i) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carries interest at fixed rates. The management is responsible for the monitoring of the Companies interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for Working Capital Loans. The following table demonstrates the sensitivity interest rate on that portion of borrowings which are not hedged, with all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in lakhs

Particulars	Year ended 31st March	
	2019	2018
Increase in basis points	+50 bps	+50 bps
Impact on profit before tax	- *	(15)

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

* The Company has fixed rate of borrowings. Hence, it is not exposed to interest rate sensitivity for the financial year ended 31 March 2019.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the exchange rate risks as a significant portion of our revenue and expenditures are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is in US dollar. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of rupee against US dollar would decrease/increase the rupee value of debtors/creditors, respectively. To a certain extent the Company uses foreign exchange forward contracts to minimise the risk.

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Foreign currency exposure

The carrying amount of the companies foreign currency exposure at the end of the reporting period are as follows:

₹ in lakhs

Particulars	US Dollar	₹	Euro	₹	Total
As at 31st March 2019					
Borrowings	-	-	-	-	-
Trade Payables & Other financial liabilities	(159)	(11,007)	-	-	(11,007)
Other current liabilities	(0)	(20)	(0)	(15)	(35)
Trade Receivables & Other financial assets	33	2,257	0	33	2,290
Total	**(126)**	**(8,770)**	**0**	**18**	**(8,752)**
As at 31st March 2018					
Borrowings	(38)	(2,471)	-	-	(2,471)
Trade Payables & Other financial liabilities	(121)	(7,834)	-	-	(7,834)
Other current liabilities	-	-	-	-	-
Trade Receivables & Other financial assets	36	2,302	0	11	2,313
Total	**(123)**	**(8,003)**	**0**	**11**	**(7,992)**

₹ '0' indicates amount less than ₹50,000

Of the above foreign currency exposures, the unhedged exposure as at the end of the reporting date are as follows:

₹ in lakhs

Particulars	US Dollar	₹	Euro	₹	Total
As at 31st March 2019					
Borrowings	-	-	-	-	-
Trade Payables & Other financial liabilities	(89)	(6,192)	-	-	(6,192)
Other current liabilities	(0)	(20)	(0)	(15)	(35)
Trade Receivables & Other financial assets	33	2,257	0	33	2,290
Total	**(57)**	**(3,955)**	**0**	**18**	**(3,937)**
As at 31st March 2018					
Borrowings	-	-	-	-	-
Trade Payables & Other financial liabilities	(63)	(4,090)	-	-	(4,090)
Other current liabilities	-	-	-	-	-
Trade Receivables & Other financial assets	36	2,302	0	11	2,314
Total	**(27)**	**(1,788)**	**0**	**11**	**(1,776)**

₹ '0' indicates amount less than ₹50,000

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ in lakhs

Particulars	Currency	Change in rate (Positive)	Effect on profit before tax
Year ended 31st March 2019	USD	1%	(88)
	EUR	1%	0
Year ended 31st March 2018	USD	1%	(80)
	EUR	1%	0

₹ '0' indicates amount less than ₹50,000

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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(iii) Commodity Risk

The company is exposed to the price risk associated with purchasing of the raw materials. The company typically do not enter into formal long term arrangements with vendors. Therefore, fluctuations in the price and availability of raw materials may affect the companies business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the company. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

41 Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The companies exposures are continuously monitored and wherever necessary we take advances/Letter of Credits to minimise the risk.

42 TRADE RECEIVABLES AND ADVANCES

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macro-economic information) has been evaluated and incorporated into the determination of expected credit losses. The company reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of loss allowance for Trade Receivables ₹ in lakhs

Particulars	Trade Receivable Year ended 31st March	
	2019	**2018**
Balance as at beginning of the year	54	48
Additions/(write-back) during the year	3	6
Balance at end of the year	**57**	**54**

Reconciliation of loss allowance for Advances ₹ in lakhs

Particulars	Advances Year ended 31st March	
	2019	**2018**
Balance as at beginning of the year	8	16
Additions/(write-back) during the year	(8)	(8)
Balance at end of the year	**-**	**8**

43 OTHER FINANCIAL ASSETS

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

44 LIQUIDITY RISK

44.1 Liquidity Risk Management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

44.2 Maturity profile of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

₹ in lakhs

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Carrying amount in balance sheet
31st March 2019				
Long-term borrowings	-	26	-	24
Trade payables	16,388	-	-	16,388
Other financial liabilities	529	-	-	525
Total	**16,917**	**26**	**-**	**16,936**
31st March 2018				
Long-term borrowings	-	597	-	565
Short term borrowings	3,027	-	-	3,027
Trade payables	11,887	-	-	11,887
Other financial liabilities	781	-	-	781
Total	15,695	597	-	16,260

MSKA & ASSOCIATES ★ Chartered Accountants ★

JESONS INDUSTRIES LTD. MUMBAI ★

45 OFFSETTING OF BALANCES

The Company has not offset financial assets and financial liabilities.

46 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain confidence of investors, customers, creditors and other stakeholders.

The management and the Board of Directors monitors the return on capital to shareholders. The Company has not distributed and dividend to its shareholders.

The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

₹ in lakhs

Particulars	31st March 2019	31st March 2018
Short-term debt (including current maturities of long term debt)	47	3,486
Long-term debt	24	565
Total	71	**4,051**
Total equity	14,288	11,825
Long term debt to equity	0.00	0.05
Total debt to equity	0.00	0.34

47 Expenditure related to Research & Development

₹ in lakhs

Nature of Expenditures	31st March 2019	1st March 2018
Cost of material consumed	4	6
Employee Benefit Expense		
Salaries, Wages & Bonus	235	243
Staff Welfare	3	2
Contribution to Provident Fund, Superannuation and other Funds	5	4
Total Employee Benefit Expense	**243**	**249**
Other Expenses		
Advertisement & Sales Promotion	-	0
Communication expenses	2	1
Insurance Charges	0	0
Miscellaneous Expense	7	8
Power & Fuel	7	6
Printing & stationery	1	1
Processing, Packing & Testing expenses	-	0
Professional fees	4	5
Rates and taxes	0	1
Rent	24	27
Repairs and Maintenance	4	3
Travelling & Conveyance expenses	3	6
Total Other Expenses	**52**	**58**
Total R&D Expenses	**299**	**313**

₹ '0' indicates amount less than ₹50,000

MSKA & ASSOCIATES Chartered Accountants

JESONS INDUSTRIES LTD. MUMBAI

48 Assets used for Research & Development

₹ in lakhs

Property, plant and equipment	Furniture & Fixtures	Office Equipment	Plant & Machinery	Total
Gross block				
As at 1st April 2017	46	1	81	128
Additions/ Adjustments during 2017-18	4	0	12	16
As at 31st March 2018	50	1	93	144
Additions/ Adjustments during 2018-19	12	9	-	21
As at 31st March 2019	62	10	93	165
Depreciation				
Accumulated depreciation as at 1st April 2017	13	0	22	35
For the year 2017-18	10	0	17	27
Accumulated depreciation as at 31st March 2018	23	0	39	62
For the year 2018-19	9	1	15	25
Accumulated depreciation as at 31st March 2019	32	1	54	87
Net block				
As at 31st March 2018	27	1	54	82
As at 31st March 2019	30	9	39	78

₹ '0' indicates amount less than ₹50,000

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

JESONS INDUSTRIES LTD. MUMBAI

ASomani

Anita Somani
Partner
Membership No: 124118

Dhiresh Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Kushal Gala

Kushal Gala
Company Secretary
ACS No: 30833

Place: Mumbai
Date: 18 June 2019

MSKA & ASSOCIATES Chartered Accountants