

NOTE NO. 23: SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Conventions :

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India except AS-15 "Employee Benefits" relating to provision for leave encashment and bonus which are accounted as per Note No. 23(g) below. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

b) Use of Estimates :

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/ actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

c) Property Plant and Equipments :

Property Plant and Equipments are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Property Plant and Equipments comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use

d) Intangible Assets :

The Intangible Assets of Accounting Software has been recognised at their cost of acquisition. On the basis of the availability of this asset for its intended use, relevant contractual agreements and technological changes that may affect the usefulness of these assets, the useful lives of these assets have been assumed to be of five years from the date of their acquisition.

e) Depreciation :

The Depreciation on Tangible Fixed Assets is provided on written down value method (WDV) for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013.

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

f) Inventories :

The company trades in fruits, vegetables and other perishable items which are purchased from the market as well as farmers. At times the trading inventories are stored/located at various locations including with farmers, traders, warehouse, cold storage etc. The fruits, vegetables and other perishable items due their nature, storage facilities and other affecting factors are subject to environmental and other effects and hence the quality and quantity of such items may change from time to time. The valuation of inventories of fruits, vegetables and other perishable items have been carried out by the management of the company keeping view all such factors and after physically verifying the stock located at various locations have valued inventories at cost or market value whichever is lower based on the assessment of physical conditions of various items by the management as to their quality and quantity. The items of packing materials have been valued at cost or market value whichever is lower.

g) Retirement Benefit :

The Company's contribution to Provident Fund and ESIC etc. is charged to the Statement of Profit & Loss. The company has not made provision for gratuity in respect of employee as it is charged to Profit and Loss account on cash basis. No provisions for leave encashment, bonus and other terminal employee benefits as may be applicable to the company have been made and are/ will be accounted for as and when paid.

h) Provisions, Contingent Liabilities and Contingent Assets :

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognised.

i) Revenue Recognition :

All income and expenses are accounted on accrual basis. The Company recognised sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Income from service charges of manpower supply services, handling charges, packing services, storage and warehousing and other services are accounted on completion of services for the respective client as evidenced by the issue of invoices for the respective service

to that client and are accounted as per the date on invoice. Income from investments, where appropriate, is taken into revenue in full on declaration or accrual and tax deducted at source thereon is treated as advance tax.

j) Investments :

All investments are classified as long term investments as they are intended to be held for more than one year from the date when they were acquired. All investments are, initially recognised at cost The investments are carried at cost of acquisition.

k) Borrowing Costs :

The borrowing costs are debited to the Statement of Profit and Loss of the current year as they are incurred.

l) Taxes on Income :

Tax expense comprises of current tax and deferred tax. Provision for current tax is made on the estimated taxable income and at the rate applicable to the relevant assessment year under the Income tax Act, 1961. Deferred income taxes are recognized for future consequences attributable to timing differences between financial determination of income and determination as of income as per applicable tax laws.

m) The computation of earning per share as per AS-20 "Earning Per Share" is as under:

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Net Profit After Tax for the period (A)	1,26,23,640	1,00,04,972
Weighted Average Number of Shares (B)	34,93,000	34,93,000
Face Value per Equity Shares	Rs. 10	Rs. 10
Basic and Diluted Earnings per Share (C) = (A/B)	3.61	2.86

n) Related Party Disclosures :

As per AS-18 "Related Party Disclosures" issued by the ICAI, the disclosure of transactions with relate parties as defined in the accounting standard has been given as under:

A. List of Related Parties

Key Management Personnel	Relatives of Key Management Personnel
Jinen Ghelani	Chadrakant Ghelani
Hiren Ghelani	Hardik Ghelani
Neha Ghelani	Ameesha Karia
Sameer Rajguru	

B. Transaction with Related Parties (Other than Relating to Share Call Money Received/Share Capital/Share Premium Amount Received and Credited to Share Call Money/Share Capital/Share Premium Accounts)

Nature of Transaction	Name of the Party	For the period ended 31.03.2019 (Rs.)	For the period ended 31.03.2018 (Rs.)
Managerial Remuneration	Jinen Ghelani	3,60,000	3,60,000
	Neha Ghelani	3,60,000	3,60,000
	Hiren Ghelani	8,90,400	8,90,400
	Sameer Rajguru	-	1,92,800
Payment Towards Expenses	Ameesha Karia -Salary	3,52,000	-
	Hiren Ghelani-Rent	1,78,980	1,78,980
Loan from Director (Net)	Hiren Ghelani	21,84,960	25,00,000
	Jinen Ghelani	15,00,318	-
Outstanding Balances	Jinen Ghelani	15,29,618 (Cr.)	28,800 (Cr.)
	Neha Ghelani	29,300 (Cr.)	28,800 (Cr.)
	Hiren Ghelani	47,58,460(Cr.)	25,04,960(Cr.)
	Sameer Rajguru	-	-
	Ameesha Karia	34,500(Cr.)	-

o) Foreign Currency Transactions :

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions.

q) Impairment of Assets :

The management of the company has as at 31st March, 2019 has assessed the recoverable value of its fixed assets and is of the view that the plant along with other fixed assets were available for production and business purposes and the entire fixed assets have recoverable value on overall basis which is greater than their carrying amount as at the balance sheet date and hence no provision for impairment of assets was required to be made for the year ended 31st March, 2019.

NOTE NO. 24:

All the monies amounting to Rs.2.70 lacs received pursuant to the SME-IPO of the company which was listed on BSE-SME Platform on 31.03.2017, has been utilized for the purposes it was raised for and had been duly reported in the last audited financial statement and to BSE.

NOTE NO. 25: ADDITIONAL INFORMATION

1. As informed by the management, the company has initiated the process of obtaining confirmations from suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). In absence of the relevant information as to the status of the suppliers, the balance due to Micro, Small and Medium Enterprises and interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be disclosed or provided.
2. In the opinion of the Board of Directors, Current assets, loans and advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the balance sheet.
3. The classification of all items of asset and liabilities into non-current and current has been made by the management of the company based on conditions, terms of transactions and other relevant factors at the relevant time as envisaged by the management. In view of the management of the company all assets that are ordinarily realizable in the ordinary course of business have been classified as current assets though there may not have been any realization from such items during the year and may have been outstanding since long. Likewise, all liabilities that are to be settled within one year or in the normal course of business are classified as current liabilities though they may not have been settled during the year since last year.
4. The balances of debtors, creditors, advances to farmers, loans and advances and other assets and liabilities are subject to confirmation and subsequent reconciliations.
5. The books of account have been audited on the basis of such records and documentary evidences as were available with the management and produced before the auditors. Where such documentary evidences have not been made available to the auditors, the auditors have relied upon the entries as authenticated by the management of the company and information and explanations provided to the auditors by the management.
6. Foreign Currency Transactions :
VALUE OF IMPORTS ON C.I.F. BASIS: NIL (Previous Year: NIL)
EXPENDITURE IN FOREIGN CURRENCY: NIL (Previous Year: NIL)
VALUE OF EXPORTS ON F.O.B. BASIS: NIL (Previous Year: ` 17,40,657)
7. The company trades in various items of fruits and vegetables and other perishables purchased from the market in bulk and make the sales as per the requirement of the customers. In the opinion of the management of the company due to the perishable nature of items and number of items involved it is not feasible for the company to maintain quantitative records of goods traded by the company during the year.
8. Paise are rounded up to the nearest of rupee. The previous year groupings have been regrouped and rearranged by the company.

As per our report of even date

For, O. P. Bhandari & Co.
Chartered Accountants
Firm Regn. No.112633W

O.P. Bhandari
Partner
M.No. 34409

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board of Directors

Jinen Ghelani
Managing Director & CFO
DIN : 01872929

Hiren Ghelani
Director
DIN : 02212587

Riya Doshi
Company Secretary