RONI HOUSEHOLDS LIMITED (Formerly known as Roni Households Private Limited)

Notes to Financial Statements for the year ended on 31st March, 2019.

Note No 1. COMPANY OVERVIEW

The Roni Households Limited (The company) had been incorporated as private Limited Company dated 09 th October 2017 and the Company got certificate of conversion From Roni Households Private limited (Private Limited Company) to Roni Households Limited (Public Limited Company) dated 1 st March 2018.

The Company currently trades in plastic granules and plastic household products which includes tub, buckets,office furniture, ghamela etc. Further, they intend to further expand our business by manufacturing plastic products for household use. They have taken a land on lease in MIDC Jalgaon for the proposed manufacturing unit. A part of our proposed manufacturing unit has been set up on the leased land. Trial manufacturing process for small part of our proposed capacity has recently commenced.

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Note No 2. SIGNIFICANT ACCOUNTING POLICIES

A. **Basis of Preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

B. **Use of Estimates**

	The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.		
C.	**Cash flow statement**		
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.		
D.	**Cash and cash equivalents (for purposes of Cash Flow Statement)**		
	Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.		
E	**Property, Plant & Equipment and intangible assets**		
	i)	Tangible Fixed Assets are stated at cost of acquisition or construction (net of GST) less accumulated depreciation and impairment losses. The cost of assets comprises of its purchase price and any directly attributable cost of bringing the assets to their location and working condition upto the date of its intended use.	
	ii)	Intangible assets are stated at cost less accumulated amortization. Cost includes directly attributable expenditure for making the assets for its intended use.	

	iii	Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition / construction of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.
F.	**Component Accounting**	
	Due to application of Schedule II to the Companies Act, 2013, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.	
G.	**Depreciation and Amortization**	
	Depreciation on Tangible Fixed Assets is provided on prorate basis for the period of use, on written down method at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.	
H.	**Impairment**	
	The carrying amounts of Tangible Fixed Assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of Tangible Fixed Assets exceeds its recoverable amount which represents greater of the “net selling price” and “value in use” of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.	

I.	**Leases**	
	Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss as per terms of lease agreement.	
J.	**Revenue Recognition**	
	a. **Sale of goods**:	
	Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:	
	Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects GST on behalf of the government and, therefore , these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the years.	
	Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.	
	b. Rendering of services:	
	Revenue from sale of services are recognized when the services are rendered.	
	C. Other Income	
	Dividend income on investments is recognised when the right to receive dividend is established.	

	Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.											
K.	**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 related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset											
L.	**Investments**											
	i)	Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.										
	ii)	On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.										

	iii	Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary in nature.
M.	**Inventories**	
	Inventories of traded goods are valued at cost or net realizable value whichever is lower.	
	Net Realizable Value is the estimated selling price in the ordinary course less the estimated cost of completion and the estimated costs necessary to make the sale.	
N.	**Borrowing Cost**	
	Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalized until the time all substantial activities necessary to prepare the qualifying assets for their use are complete. A qualifying asset is the one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.	
O.	**Taxation**	
	Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorites in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.	

	Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differances for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.	
	Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is resonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deffered tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.	
	Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period , i. e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as ''MAT Credit Entitlement.'' The company reviews the ''MAT credit entitlement'' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.	
P	**Foreign Currency Transactions and Derivatives**	

Foreign Currency Transactions and balances:

(i) Initial recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
2. All other exchange differences are recognised as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. None of the foreign exchange contracts are taken for trading or speculation purpose.

QO.	**Contingent Liabilities**	
	A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.	
R	**Provisions**	
	A provision is recognised when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.	
S	**Earning Per Share**	
	Basic Earning Per Share (EPS) is computed 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 year. Diluted EPS is computed 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 year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.	

RONI HOUSEHOLDS LIMITED

	For Raju & Prasad Chartered Accoutants	**For and on behalf of Board of Directors**		
	Chartered Accountants			
	FRN No: 003475S			
		Harish Sirwani	Nidhi Sirwani	
	(CA Roshni Advani-Partner) Director Director	Director	Director	
	M. No. 116727	Din No. 07844075	Din No. 07941219	
	Place : Jalgaon			
	Date: 30/05/2019			

Note 22 Earning Per Share:

Particulars	For the year Ended 31 March 2019	For the Period Ended 31 March 2018
Earning Per Share:		
- Profit/(Loss) Before Taxation	2762178	1050184
- Less: Provision for Taxation	-549704	270422
- Net Profit/(Loss) for EPS	3311881	779762
- Weighted avg number of Equity Shares outstanding (Incl. partly paid-up shares)	4335946	510000
- Basic & Diluted EPS (`)	0.76	1.53
Note: There is no potential equity shares outstanding during the year under review. Hence Basic EPS & Diluted EPS remains same.		

Note 23 - Segment Reporting

The Compnay is engaged in the business of trading of Plastics Products. All other activity of the Company revolve around the main business. Therefore there are no Segments

Note 24- Details of loans given, Investments made and Guarantees given covered u/s 186(4) of the Companies Act,2013

i) No Investments made by the Company;

ii) No Loans are given by the Company to Body Corporate or Person; and

iii) No Guarantees are given by the Company.

Note 25

Previous Years figures have been recasted/ restated, wherever necessary to confirm current year classification.

Note 26

Company does not have, nor does it require under any statue to have, any short / long term Defined Contribution Plan or any Defined Benefit Plan for Employees. There is also no other short / Long Term Employee benefits which become due during or post employment period of Employee. In the absence of aforesaid Employee benefits, the requirement to comply with AS 15 does not arise.

Note 27:- Major Components of Deferred Tax:-

Particulars	For the year Ended 31 March 2019	For the Period Ended 31 March 2018
Deferred Tax Liablities	(82,870)	0
Deferred Tax Assets		
Depreciation Difference & Write off of	12,29,629	3,350
Preliminary Expenses	21,555	(86,220)
Deferred Tax (Assets)/Liablities (Net)*	(13,34,053)	(82,870)

Note 28: Micro, Small and Medium Enterprises

The Management has establish the process of identifying enterprises, which have provided goods, and services to the Company and which qualify under the definition of medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. Hence, the disclosure in respect of the amounts payable to such micro, small and medium enterprises as at 31st March, 2018 has not been made in the financial statements.

Note 29:- Related Party Disclosure:-

Related Party Disclosures as per Accounting Standard (AS 18), 'Related Party Disclosure' is enumerated hereunder:

Name of related parties and nature of relationship with which transactions have taken place during the year(as certified by the management and relied upon by the auditors)

Enterprises owned or significantly influenced by key managerial personnel or their relatives:- RV Gems Private Limited

Key Managerial Personnel and relatives of Key Managerial Personnel

Harish Manohar Sirwani

Nidhi Harish Sirwani

Transactions during the year with related parties:-

Particulars	**For the year Ended 31 March 2019** (Amount in Rs.)		**For the Period Ended 31 March 2018** (Amount in Rs.)	
Nature of transaction (Excluding Reimbursements)	**Enterprises owned or significantly influenced by key managerial personnel or their relatives:-**	**Key Managerial Personnel**	**Enterprises owned or significantly influenced by key managerial personnel or their relatives:-**	**Key Managerial Personnel**
Share Application Money received		-		
Share Application Money repaid		-		
Issuance of Equity Shares		2,18,20,000		51,00,000
Consideration in form of shares for Takeover of Proprietory Firm		14,39,460		
Loan Taken		2,77,57,210		92,70,758
Loan Repayment		2,79,58,000		-
Professional Fees		-		4,00,000
Balance as at 31st March 2019	-	80,07,968	-	1,47,70,758

Loan taken during the year includes:

Particulars	For the year Ended 31 March 2019		For the Period Ended 31 March 2018	
	Harish Manohar Sirwani	**Nidhi Manohar Sirwani**	**Harish Manohar Sirwani**	**Nidhi Manohar Sirwani**
Opening Balance	69,37,698	23,33,060		
Loan Taken During The year	2,02,73,710	74,83,500	69,37,698	23,33,060
Loan repaid During The year	1,99,64,000	90,56,000	-	-
Closing Balance as at 31st March 2019	72,47,408	7,60,560	69,37,698	23,33,060

Note 30:- Auditor Remuneration:-

Particulars	For the year Ended 31 March 2019	For the Period Ended 31 March 2018
As Auditors	75000	75000
Total[1]	**75000**	**75000**

[1] Excluding GST

As per our report of even date attached

For Raju & Prasad Chartered Accoutants	**For and on behalf of Board of Directors**
Chartered Accountants	
FRN No: 003475S	

(CA Roshni Advani-Partner)	Director	Director
M. No. 116727	DIN: 07844075	DIN:07941219
Place : Jalgaon		
Date: 30/05/2019		