PRAG DISTILLERY (P) LTD

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN No: [U15512PN2005PTC133636]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 14th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

The revenue from operations, during the financial year 2018-19, of the Company stood at Rs. 10,601.08 lacs as compared to Rs. 1,664.68 lacs in the previous year. It has incurred total comprehensive loss of Rs. 1299.50 lacs during the financial year 2018-19 as compared to total comprehensive loss of Rs. 608.81 lacs in the previous year.

The National Company Law Tribunal ("NCLT") ordered for liquidation of the Company vide its Order no. MA 309/2018 in CP 1067/2017 dated July 26, 2018 as a going concern in the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016.

2. DIVIDEND

In view of the loss incurred by the Company during the year, no dividend has been recommended for the financial year ended March 31, 2019.

3. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

At the 13th Annual General Meeting of the Company held on July 25, 2018, Mrs. Shivani Amit Dahanukar, who retired by rotation in the said Annual General Meeting in accordance with the provisions of Section 152(6) of the Companies Act, 2013, was re-appointed as Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. closure of business hours of March 31, 2019. Dr. Ravindra Bapat and Mr. C.V. Bijlani were appointed as Independent Directors of the Company to hold office for a term of 5(Five) consecutive years commencing from September 27, 2014 and expiring on March 31, 2019, vide resolutions passed by the Members of the Company at the Annual General Meeting held on September 27, 2014 and they had not sought re-appointment for the second term. Accordingly, they have ceased to be Directors of the Company w.e.f. closure of business hours of March 31, 2019. The Company places on record its appreciation for the valuable advice and guidance rendered by them during their tenure as Directors of the Company.

5. NUMBER OF MEETINGS OF THE BOARD

No Meeting of the Board was held during the financial year 2018-19 due to suspension of the powers of the Board.

6. AUDIT COMMITTEE

The composition of the Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2019 was as follows:

Name of the Member	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman*
Dr. Keshab Nandy	Non-Executive Director	Member*
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member*

*ceased to be Directors of the Company w.e.f. closure of business hours of March 31, 2019

The terms of reference of the Committee are as follows:

a) to recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;

b) to review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) examination of the financial statement and the auditors' report thereon;

d) approval or any subsequent modification of transactions of the company with related parties;

e) scrutiny of inter-corporate loans and investments;

f) valuation of undertakings or assets of the company, wherever it is necessary;

g) evaluation of internal financial controls and risk management systems;

h) monitoring the end use of funds raised through public offers and related matters.

Powers of the abovementioned Committee are also suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

7. CSR COMMITTEE

The composition of the CSR Committee, constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014, as on March 31, 2019 was as follows:

Name of the Member	Category	Designation
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Chairperson
Dr. Keshab Nandy	Non-Executive Director	Member*
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member*

*ceased to be Directors of the Company w.e.f. closure of business hours of March 31, 2019

The terms of reference of the CSR Committee are as follows:

i. to formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate, inter-alia, the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;

ii. to recommend and obtain approval of the Board for the amount of expenditure that can be incurred on the activities referred to in clause(i);

iii. to ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company;

iv. to prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects/programs/activities being undertaken/proposed to be undertaken by the Company; and

v. to discharge such other functions as may be assigned by the Board from time to time.

Powers of the abovementioned Committee are also suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

In view of the losses incurred in the recent years, the Company was not required to spend any amount on CSR activities during the financial year 2018-19.

The Annual Report on CSR activities as required under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in Annexure 'A' to this Report.

8. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2019 was as follows:

Name of the Member	Category	Designation
Mr. Amit Dahanukar	Chairman	Member
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman*
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member*

*ceased to be Directors of the Company w.e.f. closure of business hours of March 31, 2019

The terms of reference of the Committee are as follows:

i. identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and to carry evaluation of every Director's performance;

ii. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Company has a Nomination, Remuneration and Evaluation Policy which lays down criteria for

i. determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;

ii. appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and

iv. evaluation of the performance of the Board and its constituents.

Further, the Policy states that Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for participation in meetings of the Board or Committee thereof and profit related commission, as per limits prescribed under the Companies Act, 2013 and approved by the Shareholders.

During the financial year 2018-19, no commission/sitting fees was paid to the Directors of the Company. There is no pecuniary or business relationship between the Independent Directors and the Company.

Powers of the abovementioned Committee are also suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

9. BOARD EVALUATION

The annual performance evaluation of the Independent Directors, Non-Independent Directors and Board as a whole (including its Committees), as required under Section 178(2) and Schedule IV of the Companies Act, 2013 read with Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, was not carried out during the year as the powers of the Board of Directors/Nomination and Remuneration Committee are suspended pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

10. KEY MANAGERIAL PERSONNEL

During the financial year 2018-19, there was no change in Key Managerial Personnel of the Company except resignation of Ms. Trishila Agrahari, Company Secretary w.e.f. November 19, 2018.

11. AUDITORS

Statutory Auditors and Statutory Audit Report

At the 12th Annual General Meeting ("AGM") held on September 25, 2017, M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) were appointed as Statutory Auditors of the Company from the conclusion of the 12th AGM till the conclusion of the 17th AGM, subject to ratification of their appointment by the Members at every AGM held after the 12th AGM.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, had omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) hold office until the conclusion of the 17th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

With reference to the Statutory Auditors' qualified opinion and observations in the Auditors' Report, the explanation/comments in accordance with the provisions of Section 134(3)(f) of the Companies Act, 2013 are set out in Annexure 'D' to this Report.

Internal Auditors and Internal Audit Report

The Company is having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors. The Audit Committee has not reviewed the Internal Audit Reports submitted by them due to suspension of its powers pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

12. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are set out in Annexure 'B' to this Report.

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure 'C' to this Report.

14. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In accordance with the provisions of Sections 134(3)(g) and 186(4) of the Companies Act, 2013, full particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient have been disclosed in the financial statements.

16. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The contracts or arrangements entered into by the Company with related parties requiring disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'E' to this Report.

18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal and Statutory Auditors and reviews performed by the Management, the Members may take note that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

19. VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has adopted a Whistle Blower Policy to provide a mechanism to its directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement, etc.

The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. RESIDUARY DISCLOSURES

i. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

ii. As required under the provisions of Section 134(3)(l) of the Companies Act, 2013 during the financial year 2018-19, Members may take note that there have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report except that the National Company Law Tribunal ("NCLT") ordered for liquidation of the Company vide its Order no. MA 309/2018 in CP 1067/2017 dated July 26, 2018 as a going concern in the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016;

iii. The key business risks, which may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

i. **Regulatory Risk**

The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. **Strategic Risk**

The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy has been formulated;

iv. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

v. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

vi. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, National Company Law Tribunal ("NCLT") ordered for liquidation of the Company vide its Order no. MA 309/2018 in CP 1067/2017 dated July 26, 2018 as a going concern in the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016;

viii. During the financial year 2018-19, the Company has not issued sweat equity shares to its employees. Hence, disclosure under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable; and

ix. During the financial year 2018-19, the Company has not received any complaint of sexual harassment pursuant to the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. ACKNOWLEDGEMENTS

The assistance and co-operation received from all the Members, Employees, Bankers and other stakeholders is hereby acknowledged and appreciated.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 14, 2019

Amit Dahanukar
Member of suspended Board of Directors*

Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

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1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

A brief outline of the Company's CSR Policy is as follows:

- This policy shall apply to all CSR initiatives and activities taken up in and around the area of operation i.e. registered office/manufacturing unit/corporate office etc., for the benefit of different segments of the society with focus on giving back to the community in which it operates while adding value to the society around it.
- Only CSR activities as specified in Schedule VII of the Companies Act, 2013, as amended from time to time, shall be allowed to be undertaken by the Company;
- For achieving the CSR objectives, the Company shall allocate every financial year an amount as per the CSR Budget approved by the Board of Directors subject to such amount not being less than 2% and not more than 5% of the average net profits calculated as per the provisions of the Companies Act, 2013;
- The Company shall spend minimum 2% of the average net profits every financial year on CSR activities. Committee shall be empowered to carry forward such percentage of the unspent/unutilized CSR allocation of a particular year to the following year(s) as it may deem fit and subject to applicable regulations in force in this regard. The surplus arising out of the CSR projects/programs/activities shall not form part of the business profits of the Company;
- The Company may undertake CSR activities through registered trusts/registered societies/companies meeting the eligibility criteria under the Companies Act, 2013 and can also collaborate with other companies for undertaking CSR activities;
- The Company shall ensure that CSR initiatives are undertaken as projects/programs/activities(either new or ongoing) in the identified thrust area more specified in the CSR Policy excluding activities undertaken in the normal course of business;
- CSR Committee shall be empowered to administer and monitor the Company's CSR activities and shall also be responsible for executing the CSR projects as per the CSR Policy within the approved CSR Budget;
- CSR Committee will monitor the effectiveness of the CSR programs/activities periodically and submit their report to the CSR Committee on a periodic basis; and
- In case of conflict in the provisions of the CSR Policy and applicable provisions of the Companies Act, 2013, the provisions of Companies Act, 2013 shall prevail.

2. The Composition of the CSR Committee:

The Composition of the CSR Committee as on March 31, 2019 was as follows:

Name of the Member	Category	Designation
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Chairperson
Dr. Keshab Nandy	Non-Executive Director	Member*
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member*

*ceased to be Directors of the Company w.e.f. closure of business hours of March 31, 2019

Powers of the abovementioned Committee have also been suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

3. Average net profit/(loss) of the Company for last three financial years: Rs. (345.43) lacs (rounded off)

a. Prescribed CSR Expenditure [Rounded Off] (two percent of the amount as in item 3 above): Nil

4. Details of CSR spent for the financial year:

b. Total amount spent for the financial year: Nil

c. Amount unspent, if any: Nil

d. Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Projects/ Activities identified	Sector in which the project is covered	Projects or Programs Local area or other	Amount Outlay (Budget) Project or Programs wise (Rs. in Lacs)	%	Amount spent on the projects or programs		Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency
			State and District where projects or programs was undertaken			Direct Expenditure on projects or programs	Over-heads		
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N.A.

5. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount**: Not Applicable

6. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company:**
   The CSR Committee confirms that the implementation and monitoring of the CSR Policy of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

Amit Dahanukar
Member of suspended Board of Directors*

Shivani Amit Dahanukar
Member of suspended CSR Committee*

Place: Mumbai
Date: June 14, 2019

Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

ANNEXURE 'B' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

Due to the current financial constraints of the Company, it had not made any investment for conservation of energy.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

Rising domestic energy prices and concerns about long term sustainability have once again brought alternate energy sources to the forefront. As a part of its commitment, the Company is making continuous use of its solar power plant as an alternate green power source.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2018-19, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption: Nil

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) Expenditure incurred on Research and Development:

During the financial year 2018-19, neither capital nor revenue expenditure has been incurred by the Company on Research and Development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the foreign exchange outgo was Rs. Nil (P.Y. Rs. Nil) and the Company has not earned any income in foreign exchange in the current year (P.Y. Rs. Nil).

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 14, 2019

Amit Dahanukar
Member of suspended Board of Directors *

Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017*

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART - A : List of top ten employees of the Company as on March 31, 2019

Sr No	Name	Designation	Remuneration (inclusive of contribution to PF)(Rs. In Lacs)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	K.Rajendra Prasad	Manager	5.5	Permanent	ITI	15	09.11.2015	46	First Employment	No
2	M.Suribabu	Worker	2.5	Permanent	9th	19	28.03.2000	37	First Employment	No
3	N.Laxmanudu	Worker	2.3	Permanent	9th	17	26.10.2002	41	First Employment	No
4	K Manga	Worker	2.2	Permanent	5th	19	14.03.2000	49	First Employment	No
5	Y.Srinivas	Worker	2.2	Permanent	4th	14	14.03.2005	36	First Employment	No
6	Brajesh Kumar Singh	Asst.Electrician	2.2	Permanent	ITI	22	07.09.2010	48	Shaw Wallace & Company Ltd.	No
7	N Purushothama Babu	Worker	2.2	Permanent	10th	8	01.10.2011	35	First Employment	No
8	P Venkataratnam	Worker	2.2	Permanent	5th	19	30.03.2000	34	First Employment	No
9	V Gopayamma	Worker	2.0	Permanent	5th	18	30.03.2000	50	First Employment	No
10	M Padmavathi	Worker	2.0	Permanent	6th	16	28.03.2000	42	First Employment	No

PART - B : List of employees in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Company during the financial year 2018-19 : Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date : June 14, 2019

Amit Dahanukar
Member of suspended Board of Directors*

*Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

ANNEXURE 'D' TO THE DIRECTORS' REPORT

RESPONSES TO THE QUALIFIED OPINION AND OBSERVATIONS IN THE STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 134(3)(f) of the Companies Act, 2013]

With reference to the Statutory Auditors' qualified opinion and observations in their Audit Report on the financial statements of the Company for the financial year ended March 31, 2019, explanations/comments are furnished as under:

i. Auditors' observations under paragraph 1 of 'Basis for Qualified Opinion' of the Auditors' Report to the financial statements:

The Company has incurred capital expenditure of Rs 9,916.75 lacs on expansion project of Prag Distillery (refer Note 38 to the financial statements) shown under the head capital work in progress in balance sheet as at March 31, 2019. The said project is not operational since many years which provide indications of impairment. The Company has not tested the said project for impairment loss as per Ind AS 36 - Impairment of Assets. Consequently, we were unable to determine the amount of impairment loss, if any, required to be recognized.

Response: The Company had applied for expansion of its bottling capacity in 2010-2011 before the appropriate authorities. In anticipation of the sanction, the Company had incurred Rs. 9,828.52 lacs on building up the required infrastructure for the same. The sanction was delayed and received during 2016-2017 requiring payment of license fees to give effect to the said capacity expansion. However, due to financial constraints, the Company was unable to pay the requisite fees. Accordingly the expansion project has been kept in abeyance pending infusion of funds. The Company is hopeful of arranging the required funds in the near future. In view of this, the management believes that there is no impairment in value of its unit and hence the recoverable amount of the unit is not required to be estimated.

ii. Auditors' observations under paragraph 'Material Uncertainty related to Going Concern' of the Auditors' Report to the financial statements:

We draw attention to Note 37 in the Ind AS financial statements that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code). Further the Company has incurred net loss during the year ended March 31, 2019 and as of that date the business has reduced significantly. These events indicate that a material uncertainty exist that may cast significant doubt on the subsidiary Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Response: The Company had been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016("the Code") and accordingly a Resolution Professional (RP) was appointed. As no resolution plan was received within the stipulated period of 180 days and the extended period of further 90 days. The National Company Law Tribunal ("NCLT") ordered for liquidation of the Company vide its order no. MA 309/2018 in CP 1067/2017 dated July 26, 2018, as going concern. The Official Liquidator has initiated the process of liquidation of the Company as a going concern

subsequent to balance sheet date. However, the accounts have been prepared on a going concern basis.

iii. Auditors' observations under paragraph 1(viii) of the Annexure-A to the Auditors' Report to the financial statements:

1. viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of principal amount of loans and interest to banks and financial institutions. There were no outstanding dues to Government or any debenture holders anytime during the year.

Response: Liquidity constraints owing to shortage of working capital are the main reasons for the above observations. The Company is making efforts to address these issues and improve its liquidity position to meet the requirement of funds.

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 14, 2019

Amit Dahanukar
Member of suspended Board of Directors*

****Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017***

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis **(Rs. in lacs)**

Name of related party	Nature of relationship	Duration of Contract	Date of approval by Board	Salient terms	Amount
Nature of Contract					
1. Brand Owners' Surplus(expense)					
PunjabExpo Breweries Private Limited	Fellow Subsidiary	2018-19	May 19, 2018	Manufacturing brands of IMFL of PunjabExpo Breweries Private Limited in the state of Andhra Pradesh.	2963.25

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 14, 2019

Amit Dahanukar
Member of suspended Board of Directors *

**Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017*

INDEPENDENT AUDITOR'S REPORT

To the Members of Prag Distillery (P) Ltd.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Prag Distillery (P) Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for qualified opinion* section of our report. The aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, itsl oss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has incurred capital expenditure of Rs.9,916.75 lacs on expansion project of Prag Distillery (refer Note 38 to the financial statements) shown under the head capital work in progress in balance sheet as at March 31, 2019. The said project is not operational since many years which provide indications of impairment. The Company has not tested the said project for impairment loss as per Ind AS 36 - Impairment of Assets. Consequently, we were unable to determine the amount of impairment loss, if any, required to be recognized.

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

Material Uncertainty related to Going Concern

We draw attention to Note 37 in the financial statements that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code). Further the Company has incurred net loss during the year ended March 31, 2019 and as of that date the business has reduced significantly. These events indicate that a material uncertainty exist that may cast significant doubt on the subsidiary Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Company's Suspended Board of Directors and Insolvency professional/ Liquidator (hereinafter referred to as Board of Directors) is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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, except for the possible effect of the matter described in the basis for Qualified opinion paragraph, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, except for the possible effect of the matter described in the basis for Qualified opinion paragraph, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The matter described in the Basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) 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.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year hence the provisions of section 197 of the Act is not applicable.

j) 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, as amended 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 financial statements. Refer note 27 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 required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : June 14, 2019

Annexure - A to the Auditors' Report
(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, the Company has not verified all the fixed assets during the last three years, hence we are unable to comment on the discrepancies if any.

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

ii. The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan and investments made.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Duty of Customs, Duty of Excise and Income tax outstanding on account of any dispute. According to the records of the Company, the dues of Value added tax outstanding on account of dispute are as follows.

Name of staute	Nature of Dues	Period to which it relates	Amount (Rs in lacs)	Forum where the dispute is pending
Sales Tax Laws	VAT	F.Y. 2011-2012	74.79	Deputy Commissioner (Appeals)
Sales Tax Laws	VAT	F.Y. 2010-2011	87.99	Deputy Commissioner (Appeals)

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders. The details of default of bank loans are given below

Name of lenders	Nature of Loan	Particulars	Amount of default as at Balance Sheet date (Rs. In lacs)	Period of default
Standard Chartered Bank	Term Loan	Interest	153.86	April 2017 to March 2019
Standard Chartered Bank	Term Loan	Principal	1429.77	April 2017 to March 2019
Development Credit Bank Ltd.	Term Loan	Interest	166.23	April 2017 to March 2019

ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year. According to the information and explanations given to us the term loans taken in the past have been defaulted as referred in point (viii) above.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanation given to us, the company has not paid any remuneration to its managerial personnel during the year hence the provisions of this clause is not applicable

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

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 standalone Financial Statements as required by the applicable Indian 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.

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 them. Hence, the provision of section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : June 14, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(h) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Prag Distillery (P) Ltd. ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : June 14, 2019

PRAG DISTILLERY (P) LTD.

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lacs)

		Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	1,186.83	1,291.31
	Capital Work-In-Progress		9,916.75	9,828.52
	Other Intangible Assets	2	0.52	0.52
	Financial Assets			
	Investments	3	0.30	0.30
	Other Financial Assets	4	266.41	678.79
	Other Non-Current Assets	5	92.30	37.73
	Deferred Tax Asset	25		
	Income Tax Asset (Net)	25.1	29.25	35.62
			11,492.36	**11,872.79**
	Current Assets			
	Inventories	6	461.39	36.12
	Financial Assets			
	Trade Receivables	7	2,632.66	605.59
	Cash and Cash Equivalents	8a	1,573.83	73.27
	Other Bank Balances	8b	51.36	28.40
	Other Financial Assets	4	-	-
	Other Current Assets	5	573.27	559.71
			5,292.51	**1,303.09**
	Total		**16,784.87**	**13,175.88**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	9	368.10	368.10
	Other Equity	10	405.35	1,704.85
			773.45	**2,072.95**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Borrowings	11	-	-
	Other Financial Liabilities	12	-	-
	Provisions	13	58.54	44.83
	Other Non-Current Liabilities	14	-	-
			58.54	**44.83**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	11	8,515.22	8,128.23
	Trade Payables	15		
	Total outstanding dues of micro enterprises and small enterprises		107.21	69.11
	Total outstanding dues of creditors other than micro enterprises and small enterprises		2,285.26	1,298.74
	Other Financial Liabilities	12	4,899.87	1,551.04
	Other Current Liabilities	14	13.72	8.76
	Provisions	13	131.59	2.21
	Deferred Tax Liabilty	25		
			15,952.87	**11,058.09**
	Total		**16,784.87**	**13,175.88**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-39		

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta	**Amit Dahanukar**	**Dipti Mehta**
Partner	*Member of Suspended Board of Directors*	*Insolvency Professional*
Membership No. 111749	(DIN:00305636)	IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : June 14, 2019

PRAG DISTILLERY (P) LTD.

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from Operations			
Sale of products (Gross)	16	10,236.08	1,334.07
Other Operating Income	16.1	365.00	330.61
Other Income	17	64.23	5.21
Total Income		**10,665.31**	**1,669.89**
EXPENSES			
Cost of Materials Consumed	18	3,295.64	269.72
(Increase) / Decrease in Stock	19	(254.66)	850.26
Excise duty		3,906.52	-
Employee Benefit Expense	20	174.06	202.11
Finance Cost	21	341.59	409.46
Depreciation	2	104.50	106.27
Other Expenses	22	4,392.65	445.63
Total Expenses		**11,960.29**	**2,283.44**
Profit / (Loss) before tax		**(1,294.98)**	**(613.56)**
Less : Tax expense			
1) Current Tax		-	**-**
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(1,294.98)**	**(613.56)**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans		4.52	(4.75)
Items that will be reclassified to Statement of Profit and Loss		-	-
Total Other Comprehensive Income		**4.52**	**(4.75)**
Total Comprehensive Income for the year		**(1,299.50)**	**(608.81)**
Earnings Per Share (₹) Basic & Diluted	35	(35.18)	(16.67)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-39		

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : June 14, 2019

PRAG DISTILLERY (P) LTD.

Statement of Cash Flow for the year ended March 31, 2018

(₹ in Lacs)

	2017-2018		2016-2017	
A) Cash flow from Operating activities				
Net profit before tax		**(1,294.98)**		**(613.56)**
Adjustment for:				
Depreciation	104.50		106.27	
Remeasurement of defined benefit plans	-		4.75	
Advances written off	875.14		-	
Sundry balance written back	(60.35)		-	
Dividend Income	(0.03)		(0.03)	
Interest expenses	341.59		409.46	
Interest income	(3.85)		(5.18)	
Operating Profit before working capital changes		1,257.00		515.27
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	4,370.24		(1,078.23)	
(Increase) / Decrease in loans and advances and other assets	(27.83)		86.96	
(Increase) / Decrease in inventories	(425.26)		993.23	
(Increase) / Decrease in trade receivables	(2,471.38)	1,445.77	3,631.60	3,633.56
Direct taxes refund / (paid)		6.32		(10.07)
Net Cash from Operating activities		**1,414.11**		**3,525.19**
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(15.75)		(10.83)	
(Increase) / Decrease in other bank balances	(22.97)		-	
Interest Received	3.85			
Net Cash from Investing Activities		**(34.87)**		**(10.83)**
C) Cash Flow from Financing activities				
Proceeds from borrowings including current maturities	400.15		32.58	
Repayment of borrowings including current maturities	(154.03)		(3,328.02)	
Dividend received	0.03		0.03	
Interest paid	(124.84)		(212.30)	
Interest received	-		4.13	
Net Cash from Financing Activities		**121.32**		**(3,503.57)**
Net increase in Cash & Cash equivalents		**1,500.56**		**10.79**
Opening cash & cash equivalents		73.27		62.48
Closing cash & cash equivalents		**1,573.83**		**73.27**

Notes :

(₹ in Lacs)

(a) Cash and cash equivalents comprises of	**As at March 31, 2019**	**As at March 31, 2018**
i) Balances with Banks		
In Current Accounts	1,573.00	73.25
ii) Cash on Hand	0.83	0.02
	1,573.83	**73.27**

(₹ in Lacs)

(b) Change in liability arising from financing activities	**As at March 31, 2018**	**Cash Flow (net)**	**Non-cash changes (net)**	**As at March 31, 2019**
Borrowings	8,128.23	387.00	(140.87)	8,374.35
Other Financial Liabilities	1,453.77	129.86	(129.86)	1,453.77

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

For and on behalf of the Suspended Board of Directors

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : June 14, 2019

PRAG DISTILLERY (P) LTD.

Statement of Changes in Equity for the year ended March 31, 2019

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**368.10**	**368.10**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**368.10**	**368.10**

(₹ in Lacs)

B) Other Equity

	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance as at April 01, 2017	**835.00**	**1,478.65**	**2,313.65**
Additions during the year :			
a) Profit / (Loss) for the year	-	(613.56)	**(613.56)**
b) Remeasurement of defined benefit plans	-	4.75	**4.75**
Balance as at March 31, 2018	**835.00**	**869.85**	**1,704.85**
Additions during the year :			
a) Profit / (Loss) for the year	-	(1,294.98)	**(1,294.98)**
b) Remeasurement of defined benefit plans	-	(4.52)	**(4.52)**
Balance as at March 31, 2019	**835.00**	**(429.65)**	**405.35**

As per our Report of even date annexed.

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

For and on behalf of the Suspended Board of Directors

Amit Dahanukar
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Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : June 14, 2019

1.1 General Information

Prag Distillery (P) Ltd. (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 1.3

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable 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 their net realisable values.

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

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. 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.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Company has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax/VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Ind AS 116 Leases

a) Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

PRAG DISTILLERY (P) LTD.

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

2 Property, Plant and Equipment *(₹ in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As on April 01, 2018	Additions	Deductions	As at March 31, 2019	As on April 01, 2018	Deductions	For the year	As at March 31, 2019	As At March 31, 2019	As At March 31,2018
TANGIBLE ASSETS										
Land	176.17	-	-	**176.17**	-	-	-	**-**	**176.17**	176.17
Buildings	715.63	-	-	**715.63**	263.95	-	22.26	**286.21**	**429.41**	451.67
Plant and Equipment	1,174.54	-	-	**1,174.54**	522.40	-	79.12	**601.52**	**573.02**	652.14
Furniture and Fixtures	4.53	-	-	**4.53**	4.16	-	0.04	**4.20**	**0.33**	0.36
Motor Vehicles	12.44	-	-	**12.44**	7.44	-	1.46	**8.90**	**3.54**	5.00
Office Equipment	4.98	-	-	**4.98**	4.46	-	0.27	**4.73**	**0.25**	0.51
Computers	25.92	-	-	**25.92**	20.75	-	1.35	**22.10**	**3.82**	5.17
Electrical Installations	5.87	-	-	**5.87**	5.58	-	-	**5.58**	**0.29**	0.29
Total Tangible Assets	**2,120.08**	**-**	**-**	**2,120.08**	**828.75**	**-**	**104.50**	**933.25**	**1,186.83**	**1,291.31**
INTANGIBLE ASSETS										
Software	10.40	-	-	**10.40**	9.88	-	-	**9.88**	**0.52**	0.52
Total Intangible Assets	**10.40**	**-**	**-**	**10.40**	**9.88**	**-**	**-**	**9.88**	**0.52**	**0.52**
Grand Total	**2,130.47**	**-**	**-**	**2,130.47**	**838.62**	**-**	**104.50**	**943.12**	**1,187.35**	**1,291.83**
Previous Year	**2,130.23**	**0.25**	**-**	**2,130.48**	**732.38**	**-**	**106.27**	**838.65**	**1,291.83**	**-**

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2017-2018] *(₹ in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As on April 01, 2017	Additions	Deductions	As at March 31, 2018	As on April 01, 2017	Deductions	For the year	As at March 31, 2018	As At March 31, 2018	As At March 31,2017
TANGIBLE ASSETS										
Land	176.17	-	-	**176.17**	-	-	-	**-**	**176.17**	176.17
Buildings	715.63	-	-	**715.63**	241.70	-	22.26	**263.96**	**451.67**	473.93
Plant and Equipment	1,174.29	0.25	-	**1,174.54**	443.28	-	79.12	**522.40**	**652.14**	731.01
Furniture and Fixtures	4.53	-	-	**4.53**	4.07	-	0.10	**4.17**	**0.36**	0.46
Motor Vehicles	12.44	-	-	**12.44**	5.98	-	1.46	**7.44**	**5.00**	6.46
Office Equipment	4.98	-	-	**4.98**	4.19	-	0.28	**4.47**	**0.51**	0.79
Computers	25.92	-	-	**25.92**	18.47	-	2.28	**20.75**	**5.17**	7.45
Electrical Installations	5.87	-	-	**5.87**	4.81	-	0.77	**5.58**	**0.29**	1.06
Total Tangible Assets	**2,119.83**	**0.25**	**-**	**2,120.08**	**722.50**	**-**	**106.27**	**828.77**	**1,291.31**	**1,397.33**
INTANGIBLE ASSETS										
Software	10.40	-	-	**10.40**	9.88	-	-	**9.88**	**0.52**	0.52
Total Intangible Assets	**10.40**	**-**	**-**	**10.40**	**9.88**	**-**	**-**	**9.88**	**0.52**	**0.52**

Grand Total	**2,130.23**	**0.25**	**-**	**2,130.48**	**732.38**	**-**	**106.27**	**838.65**	**1,291.83**	**1,397.85**

PRAG DISTILLERY (P) LTD.

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

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
3 Non-Current Investments		
Investments measured at Fair Value through other comprehensive income (FVOCI)		
Investment in Equity Instruments (Unquoted)		
Equity shares of ₹ 10/- each		
Shamrao Vithal Co-operative Bank Ltd.	0.30	0.30
	0.30	**0.30**
Aggregate of unquoted investments	**0.30**	**0.30**
Category wise Non-Current Investments		
Financial Investments measured at Fair Value through other comprehensive income (FVOCI)	**0.30**	**0.30**

PRAG DISTILLERY (P) LTD.

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

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
4 Other Financial Assets				
Fixed Deposits	17.62	-	-	-
Other Deposits	243.79	243.79	-	
Other Financial Assets	693.00	693.00		
			-	-
	954.41	936.79	-	-
Less : Provision for doubtful deposits	(10)	-	-	-
Less : Provision for doubtful advances	(678.00)	(258.00)	-	-
	266.41	**678.79**	**-**	**-**
5 Other Assets				
Unsecured, considered good				
Capital Advances	-	1.60	-	-
Balance with Government Authorities	92.30	36.13	1.28	0.37
Advances recoverable in cash or kind or for value to be received			231.75	219.27
Prepaid Expense	-	-	340.24	340.07
	92.30	**37.73**	**573.27**	**559.71**
6 Inventories				
(At lower of cost and net realisable value) (Net of provision for non-moving and obsolete stocks)				
Raw materials	-	-	47.06	0.09
Stores, Spares and Packing Materials	-	-	140.83	17.19
Work-In-Progress	-	-	19.50	18.84
Finished goods	-	-	254.00	-
	-	**-**	**461.39**	**36.12**
7 Trade Receivables				
Unsecured, considered good	-	-	3,076.97	605.59
High credit risk	-	-	-	-
Credit Impaired	-	-	-	-
	-	-	3,076.97	605.59
Less : Provision for doubtful debts	-	-	(444.31)	-
	-	**-**	**2,632.66**	**605.59**
8 Cash and Bank Balances				
a) Cash and Cash Equivalents				
i) Balances with Banks				
In Current Accounts	-	-	1,573.00	73.25
ii) Cash on Hand	-	-	0.83	0.02
	-	**-**	**1,573.83**	**73.27**
b) Other Bank Balances				
Short-Term Bank Deposits (Maturity within 12 months)	-	-	51.36	28.40
	-	**-**	**1,625.19**	**101.67**

PRAG DISTILLERY (P) LTD.

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

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
9 Equity Share Capital		
Authorised Shares		
5,000,000 equity shares of ₹ 10/- each (P.Y. 5,000,000 equity shares of ₹ 10/- each)	500.00	500.00
Issued, subscribed and paid up shares		
3,681,000 equity shares of ₹ 10/- each fully paid up (P.Y. 3,681,000 equity shares of ₹ 10/- each fully paid up)	368.10	368.10
	368.10	**368.10**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	36.81	36.81
Equity Shares issued during the period	-	-
Number of equity shares at the end	**36.81**	**36.81**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding Company

Tilaknagar Industries Ltd.	36.81	36.81

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	36.81	100.00	36.81	100.00
Total	**36.81**	**100.00**	**36.81**	**100.00**

10 Other Equity		
a) Securities Premium Account		
As per last Balance Sheet	**835.00**	**835.00**
b) Retained Earnings		
As per last Balance Sheet	869.85	1,478.65
Add: Profit / (Loss) after tax for the year	(1,294.98)	(613.56)
Add: Remeasurement of defined benefit plans	(4.52)	4.75
	(429.65)	**869.85**
	405.35	**1,704.85**

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
11 Borrowings				
Secured Loans				
Cash Credit (including working capital demand loan)	-	-	2,166.23	2,025.36
Unsecured Loans				
From Holding Company	-	-	6,348.99	6,102.87
	-	**-**	**8,515.22**	**8,128.23**

a) The cash credit (including Working Capital Demand Loan) loans are secured against first pari passu charge on all current assets both present and future and pari passu second charge on all the fixed assets of the Company, both present and future situated at Andhra Pradesh.

b) The term loans are secured against first charge on plant & equipment and other fixed assets of the Company situated at Biccavolu, East Godavari, Andhra Pradesh.

c) Secured loans from banks outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman of the Company.

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
12 Other Financial Liabilities				
Current maturities of Term Loans- Foreign Currency Loan	-	-	1,583.62	1,453.77
Payable for purchase of Fixed Assets	-	-	-	17.35
Employee dues	-	-	20.78	19.68
Other Payables				
Related Parties	-	-	3,225.95	-
Others	-	-	69.52	60.24
	-	**-**	**4,899.87**	**1,551.04**

a) Foreign Currency term loans from banks carry interest @ 3.46% (Rate as per Claim filed by SCB with Liquidator) . The loans instalment have become overdue and are repayable immediately along with interest.

b) The defaults in repayment of loans to banks and financial institutions included in borrowings and current maturities of term loans are as under:

Default in Interest and Principal from April 2017 to March 2019 *(₹ in Lacs)*

Bank	Term Loan Interest	Term Loan Principal
Standard Chartered Bank	153.86	1,429.77
Development Credit Bank Ltd.	166.23	-
Total	**320.09**	**1,429.77**

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
13 Provisions				
Provision for Gratuity	54.24	42.64	1.74	1.38
Provision for Leave Encashment	4.30	2.19	0.36	0.83
Provision for Excise Duty	-	-	129.49	-
	58.54	**44.83**	**131.59**	**2.21**

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
14 Other Liabilities				
Payable towards Statutory Liabilities	-	-	13.72	8.76
	-	**-**	**13.72**	**8.76**

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
15 Trade Payables				
Trade Payables [Refer Note No.34]	-	-		
Total outstanding dues of micro & small enterprises	-	-	107.21	69.11
Total outstanding dues of creditors other than micro & small enterprises	-	-	2,285.26	1,298.74
	43 -	-	**2,392.47**	**1,367.85**

(₹ in Lacs)

		Year ended March 31, 2019	Year ended March 31, 2018
16	**Revenue from Operations**		
	Revenue from contracts with customers		
	Sales of products	10,236.08	1,334.07
		10,236.08	**1,334.07**
	Reconciliation with contract price		
	Contract price	10,236.33	1,397.62
	Less:Discount/Demurrage	0.25	63.55
	Revenue recognised	**10,236.08**	**1,334.07**
16.1	**Other Operating Income**		
	Sale of by products, scrap and other income	15.58	1.99
	Income from contract manufacturing and other income	349.42	328.62
		365.00	**330.61**
17	**Other Income**		
	Sundry balance written back	60.35	-
	Interest income	3.85	5.18
	Dividend on current investments	0.03	0.03
	Miscellaneous Receipts	-	-
		64.23	**5.21**

		Year ended March 31, 2019	Year ended March 31, 2018
18	**Cost of Materials Consumed**		
	i) Raw Material Consumption		
	Opening Stock	0.09	2.44
	Add: Purchases	1,336.02	41.13
	Less: Closing Stock	47.06	0.09
		1,289.05	**43.48**
	ii) Packing Materials & Consumables	2,006.59	226.24
		3,295.64	**269.72**
19	**(Increase) / Decrease in Stock**		
	Opening Stock		
	i) Work-In-Progress	18.84	144.03
	ii) Finished goods	-	725.07
		18.84	**869.10**
	Less : Closing Stock		
	i) Work-In-Progress	19.50	18.84
	ii) Finished goods	254.00	-
		273.50	**18.84**
	(Increase) / Decrease in Stock	**(254.66)**	**850.26**

PRAG DISTILLERY (P) LTD.

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

(₹ in Lacs)

	Year ended March 31, 2019	Year ended March 31, 2018
20 Employee Benefit Expense		
Salary and wages	149.88	177.05
Contribution to provident fund and family pension fund	14.27	14.87
Staff welfare expenses	2.47	2.88
Gratuity	7.44	7.31
	174.06	**202.11**
21 Finance Costs		
Interest on Term Loans	41.62	112.23
Interest on Cash Credits/ Working Capital Demand Loan	265.57	237.44
Other Borrowing Costs	34.40	59.79
	341.59	**409.46**
22 Other Expenses		
Power and fuel	21.45	23.37
Repairs & maintenance		
i) Plant & Equipment	18.71	6.70
ii) Buildings	0.81	0.45
iii) Others	18.44	23.02
Insurance	0.06	0.66
Legal and professional charges	46.36	53.31
Auditor's Remuneration [Refer Note No.33]	1.39	1.23
Rates and taxes	126.86	96.62
Freight, transport charges & other expenses	225.05	53.37
Selling expenses [Sales Promotion & Advertising etc.]	1.69	1.11
Surplus to Brandowner	3,008.16	90.49
Travelling and conveyance expenses	4.82	1.73
Printing and stationery	1.33	1.13
Communication expenses	0.55	0.51
Vehicle running expenses	0.20	0.02
Director sitting fees	-	0.12
Provision for doubrful debts	444.31	-
Provision for Deposit/Advances	430.82	-
Miscellaneous expenses	41.64	91.79
	4,392.65	**445.63**

23 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities :

As at March 31, 2019 *(₹ in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	2,632.66	-	2,632.66
Cash and Cash Equivalents	-	1,573.83	-	1,573.83
Other Bank Balances	-	51.36	-	51.36
Other Financial Assets	-	266.41	-	266.41
	0.30	**4,524.27**	**-**	**4,524.57**
Financial liabilities				
Borrowings	-	-	8,515.22	8,515.22
Trade Payables	-	-	2,392.47	2,392.47
Other Financial Liabilities	-	-	4,899.87	4,899.87
	-	**-**	**15,807.56**	**15,807.56**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹ in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	605.59	-	605.59
Cash and Cash Equivalents	-	73.27	-	73.27
Other Bank Balances	-	28.40	-	28.40
Other Financial Assets	-	678.79	-	678.79
	0.30	**1,386.06**	**-**	**1,386.36**
Financial liabilities				
Borrowings	-	-	8,128.23	8,128.23
Trade Payables	-	-	1,367.85	1,367.85
Other Financial Liabilities	-	-	1,551.04	1,551.04
	-	**-**	**11,047.11**	**11,047.11**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in Lacs)

Particulars	As at 31-03-2019			As at 31-03-2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	0.30	-	-	0.30
Current Investment	-	-	-	-	-	-

24 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	2,632.66	605.59
Cash and cash equivalents	1,573.83	73.27
Other bank balances	51.36	28.40
Other financial assets	266.41	678.79
Total	**4,524.27**	**1,386.06**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Trade Receivables of the Company mainly consist of receivables from the state corporations. In respect of receivable from the state corporations, there is no past history of credit loss from these parties. Hence, in the opinion of the management there is no credit loss on receivable from the state corporations.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2019	2,632.66	2,632.66	-
As at March 31, 2018	605.59	605.59	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	8,515.22	166.23	8,348.99
Trade payables	2,392.47		2,392.47
Other financial liabilities	4,899.87	235.70	4,664.17
	15,807.56	**401.93**	**15,405.64**

As at March 31, 2018

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	8,128.23	25.36	8,102.87
Trade payables	1,367.85	-	1,367.85
Other financial liabilities	1,551.04	136.63	1,414.41
	11,047.11	**161.99**	**10,885.12**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2019 USD	As at March 31, 2018 USD
Foreign currency Borrowings	20.63	20.63
Total	**20.63**	**20.63**

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
Increase / (decrease) in profit	(14.30)	(13.42)
Total increase / (decrease) in profit	**(14.30)**	**(13.42)**

A 1% increase in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**
Variable-rate instruments		
Financial liabilities		
Borrowings	3,749.86	3,479.13
Total	**3,749.86**	**3,479.13**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31, 2019	
Variable-rate instruments	(37.00)
Cash flow sensitivity	**(37.00)**
March 31, 2018	
Variable-rate instruments	(35.00)
Cash flow sensitivity	**(35.00)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

25 Deferred Tax Liabilty (Net) :

The deferred tax asset/ liability comprise of the following:

Movement in deferred tax asset/ (liability) during the year	Opening Balance as on 01-04-2108	Recognised in Profit & loss	Closing balance as on 31-03-2019
Deferred Tax liabilties in relation to			
Property Plant & Equipment	(157.49)	8.81	(148.68)
Total A	**(157.49)**	**8.81**	**(148.68)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	12.23	3.54	15.77
Business Loss /Unaborbed depreciation	145.26	(12.35)	132.91
Total B	**157.49**	**(8.81)**	**148.68**
Toatl (A+B)	**-**	**-**	**-**

Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utiised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of Rs. 1055.25 Lakhs as on March 31, 2019 (Previous year: Rs. 746.92 Lakhs)

(₹ in Lacs)

25.1 Income Taxes	**As at March 31, 2019**	**As at March 31, 2018**
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	26.000%	34.608%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	29.25	35.62

26 Capital Management

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(₹ in Lacs)

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	**As at March 31, 2018**
Net Debt *	9.80	1,380.49
Total Equity	773.45	2,072.95
Debt to Equity Ratio	0.01	0.67

* Current maturities under other financial liabilities less cash and bank balances

27 Contingent Liability not provided for:

(₹ in Lacs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
a) Bank guarantees issued on behalf of the Company	40.70	40.70
b) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
F.Y. 2011-2012 and F.Y. 2012-2013	-	39.25
c) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
F.Y. 2011-2012 (VAT-Kerala)	74.79	74.79
F.Y. 2010-2011 (VAT-Kerala)	87.99	87.99

28 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ₹ Nil (P.Y. ₹ Nil)

29 Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ₹ NIL (P.Y. ₹ 35.91 Lacs) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

c) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

30 The disclosure of Ind AS 19 "Employee Benefits" is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 14.87 Lacs (P.Y. ₹ 13.30 Lacs) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below:

(₹ in Lacs)

	As at March 31, 2019 Unfunded Gratuity	As at March 31, 2018 Unfunded Gratuity
Present Value of obligation	55.98	44.02
Fair Value of Plans	-	-
Net Liability in the balance sheet	**55.98**	**44.02**
Defined Benefit Obligations		
Opening balance	44.02	42.23
Interest expenses	3.42	3.04
Current service cost	4.02	4.27
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	-
Benefit paid directly by the employer	-	-
Benefit paid from the fund	-	(0.77)
Actuarial (gain) / loss-Due to change in Financial assumptions	0.06	(3.06)
Actuarial (gain) / loss- Due to Experience	4.46	(1.69)
Closing balance	**55.98**	**44.02**
		-
Plan Assets		-
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	-	-
	-	-
Return on Plan Assets	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	-	-

	As at March 31, 2019 Unfunded Gratuity	As at March 31, 2018 Unfunded Gratuity
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan	-	-
Current service costs	4.02	4.27
Past service cost	-	-
Interest expense	3.42	3.04
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	7.44	7.31
	-	-
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan	-	-
Actuarial (gain) / loss	4.52	(4.75)
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	4.52	(4.75)
	-	-
Maturity Analysis of the Benefit Payments: From the Fund	-	-
Projected Benefits Payable in Future Years From the Date of Reporting	-	-
1st Following Year	1.74	1.38
2nd Following Year	1.81	1.43
3rd Following Year	1.89	1.48
4th Following Year	1.96	1.55
5th Following Year	3.14	1.61
Sum of Years 6 to 10	24.69	17.42
Sum of Years 11 and above	118.87	102.58
	-	-
Sensitivity Analysis	-	-
Projected Benefits Obligations on Current Assumptions	55.98	44.02
Delta Effect +1% Change in Rate of Discounting	(5.58)	(4.65)
Delta Effect -1% Change in Rate of Discounting	6.51	5.46
Delta Effect +1% Change in Rate of Salary Increase	6.63	5.56
Delta Effect -1% Change in Rate of Salary Increase	(5.76)	(4.81)
Delta Effect +1% Change in Rate of Employee Turnover	1.62	1.40
Delta Effect -1% Change in Rate of Employee Turnover	(1.82)	(1.57)

Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.77%	7.78%
Expected rate of return on plan assets (per annum)		
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	2.00%	2.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Unfunded Gratuity for the year ended	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Present value of DBO	55.98	44.02	42.23	24.93	22.41
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	55.98	44.02	42.23	24.93	22.41
Experience adjustments on plan liabilities	4.46	(1.69)	9.02	(1.67)	(1.54)
Experience adjustments on plan assets	-	-	-	-	-

31 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Vahni Distilleries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar — Member of Suspended Board of Directors
: Mrs. Shivani Amit Dahanuka — Member of Suspended Board of Directors
: Mr. C V Bijlani — Member of Suspended Board of Directors
: Dr. Ravindra Bapat — Member of Suspended Board of Directors

(₹ in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2018-19	2017-18	2018-19	2017-18
Sales				
Tilaknagar Industries Ltd.	101.55	15.79	-	-
PunjabExpo Breweries Private Limited	10.57	266.16	-	-
Total	**112.12**	**281.95**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	166.07	11.96	-	-
PunjabExpo Breweries Private Limited	53.53	-	-	-
Vahini Distilleries Pvt Ltd	6.26	-	-	-
Total	**225.86**	**11.96**	-	-
Income (Bottling & Commission)				
Tilaknagar Industries Ltd.	9.56	13.31	-	-
PunjabExpo Breweries Private Limited	339.86	-	-	-
Total	**349.42**	**13.31**	-	-
Brand Owners' Surplus (Expense)				
Tilaknagar Industries Ltd.	44.91	90.49	-	-
PunjabExpo Breweries Private Limited	2,963.25	-	-	-
Total	**3,008.16**	**90.49**	-	-
Payment to Key Managerial Personnel				
(Sitting fees)				
Mr. C.V.Bijlani	-	-	-	0.05
Dr. Ravindra Bapat	-	-	-	0.05
Total	**-**	**-**	**-**	**0.10**
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	(246.13)	3,328.02	-	-
PunjabExpo Breweries Private Limited	(3,225.26)	-	-	-
Vahini Distilleries Pvt Ltd	(0.69)	-	-	-
Total	**(3,472.08)**	**3,328.02**	-	-
Outstanding Payable				
Tilaknagar Industries Ltd.	(6,348.99)	(6,102.87)	-	-
PunjabExpo Breweries Private Limited	(3,225.26)	-	-	-
Vahini Distilleries Pvt Ltd	(0.69)	-	-	-
Total	**(9,574.94)**	**(6,102.87)**	-	-

Note :

Compensation of key management personnel of the Company **	**2018-19**	**2017-18**
Short-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	-	0.10
Share-based payments	-	-
Total compensation of key management personnel of the Company	**-**	**0.10**

**Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

32 Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2019 estimated at ₹ 129.48 lacs (P.Y. ₹ Nil) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
Provision for excise duty on finished goods at the beginning of the year	-	409.70
Provision for excise duty on finished goods at the end of the year	129.48	-
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**129.48**	**(409.70)**

(₹ in Lacs)

33 Auditor's remuneration charged to accounts:	Year ended March 31, 2019	Year ended March 31, 2018
a) Audit fees	1.18	1.18
b) Reimbursement of expenses	-	0.05
	1.18	**1.23**

34 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
Dues remaining unpaid as at March 31		
- The principal amount at the end of the year	107.21	69.11
-The amount of interest accrued and remaining unpaid at the end of the year	34.25	59.57

(₹ in Lacs)

35 Earnings per share:	As at March 31, 2019	As at March 31, 2018
Profit After Tax	(1,294.98)	(613.56)
Weighted average number of shares	36.81	36.81
Basic Earnings Per Share	(35.18)	(16.67)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	36.81	36.81
Diluted Earnings Per Share	(35.18)	(16.67)
Face Value per Equity Share	10.00	10.00

36 The Company has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2019 are as under:

		March 31, 2019		March 31, 2018	
	Currency	**FC Amount**	**INR Amount**	**FC Amount**	**INR Amount**
Term Loans	USD	20.63	1,429.77	20.63	1,341.53

37 Prag Distillery, wholly owned subsidiary of Tilaknagar Industries Ltd had been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016("the Code") and accordingly a Resolution Professional (RP) was appointed. As no resolution plan was received within the stipulated period of 180 days and the extended period of further 90,The National Company Law Tribunal ("NCLT") ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP 1067/2017 dated July 26, 2018, as a going concern. The Official Liquidator has initiated the process of liquidation of the company as a going concern subsequent to the balance sheet date. However, the accounts have been prepared on a going concern basis.

38 The company had applied for expansion of its bottling capacity in 2010-2011 before the appropriate authorities. In anticipation of the sanction, the company had incurred ₹ 9,828.52 lacs on building up the required infrastructure for the same. The sanction was delayed and received during 2016-2017 requiring payment of license fees to give effect to the said capacity expansion. However, due to financial constraints, the company was unable to pay the requisite fees. Accordingly the expansion project has been kept in abeyance pending infusion of funds. The company is hopeful of arranging the required funds in the near future. In view of this, the management believes that there is no impairment in value of its unit and hence the recoverable amount of the unit is not required to be estimated.

39 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : June 14, 2019

For and on behalf of the Suspended Board of Directors

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

VAHNI DISTILLERIES PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN No: [U24119PN1993PTC133461]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 27th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, the revenue from operations of the Company stood at Rs. 50,395.76 lacs as compared to Rs. 41,466.95 lacs in the previous year. It has incurred total comprehensive loss of Rs. 134.02 lacs during the financial year 2018-19 as compared to total comprehensive loss of Rs. 1,119.66 lacs in the previous year.

The production capacity of the Company's plant has been fully utilized in the financial year 2018-19.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. HOLDING COMPANY

The Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

During the financial year under review, Mr. Srijit Mullick, who was appointed as an Additional Director of the Company by the Board with effect from January 22, 2018 in terms of Section 161(1) of the Companies Act, 2013, was appointed as Director of the Company by the Members in their Annual General Meeting held on September 22, 2018.

During the financial year under review, Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. December 17, 2018. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Kapa Sreenivasulu Reddy was appointed as an Additional Director of the Company by the Board on May 02, 2019 for the term expiring at the ensuing 27th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Kapa Sreenivasulu Reddy for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard- 1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

The Members in their Extra-Ordinary General Meeting held on March 30, 2019 have, based on the recommendations of the Nomination and Remuneration Committee, passed Special Resolutions for re-appointment of Dr. Ravindra Bapat and Mr. C.V. Bijlani, Independent Directors of the Company, whose term was expiring on March 31, 2019, for a

second term of 5 (Five) consecutive years commencing from April 01, 2019 and expiring on March 31, 2024, not liable to retire by rotation.

All the Independent Directors have furnished declaration stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 7 (seven) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; October 12, 2018; December 04, 2018; December 17, 2018; January 17, 2019 and February 22, 2019 and the intervening period between the two meetings did not exceed 120 days.

6. SHARE CAPITAL

During the financial year under review, there were no changes in the authorized, issued, subscribed and paid up Share Capital of the Company.

7. AUDIT COMMITTEE

The composition of the Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2019 was as follows:

Name of the Member	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Dr. Keshab Nandy*	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member
Mr. Srijit Mullick#	Managing Director	Member

* Dr. Keshab Nandy ceased to be Member of the Committee w.e.f. December 17, 2018
# Mr. Srijit Mullick has become Member of the Committee w.e.f. December 17, 2018

The terms of reference of the Committee are as follows:

a) to recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;

b) to review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) examination of the financial statement and the auditors' report thereon;

d) approval or any subsequent modification of transactions of the company with related parties;

e) scrutiny of inter-corporate loans and investments;

f) valuation of undertakings or assets of the company, wherever it is necessary;

g) evaluation of internal financial controls and risk management systems;

h) monitoring the end use of funds raised through public offers and related matters.

There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board of Directors.

8. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2019 was as follows:

Name of the Director	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Mr. Amit Dahanukar	Chairman	Member
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

i. identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and to carry evaluation of every Director's performance;

ii. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Company has a Nomination, Remuneration and Evaluation Policy which lays down criteria for

i. determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;

ii. tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and

iv. evaluation of the performance of the Board and its constituents.

Further, the Policy states that Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for participation in meetings of the Board or Committee thereof and profit related commission, as per limits prescribed under the Companies Act, 2013 and approved by the Shareholders.

During the financial year 2018-19, no commission and sitting fees have been paid to the Independent Directors. There is no pecuniary or business relationship between the Independent Directors and the Company.

9. BOARD EVALUATION

In accordance with the provisions of Section 178(2) and Schedule IV of the Companies Act, 2013 read with Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, the annual performance evaluation of the Independent Directors, Non-Independent Directors, Chairman and Board as a whole (including its Committees) was carried out on February 22, 2019 in the manner given below:

i. The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the Director being evaluated);

ii. Independent Directors in their separate meeting reviewed the performance of Non-Independent Directors and the Board as a whole (including its Committees); and

iii. Independent Directors in their separate meeting also reviewed the performance of the Chairman after taking into account the views of all the Directors.

After taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance, a structured questionnaire was prepared and circulated among the Directors for the abovementioned evaluation.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation in its Meeting held on May 02, 2019 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

10. KEY MANAGERIAL PERSONNEL

As on March 31, 2019, Mr. Srijit Mullick, Managing Director, Mr. Ajit Anant Sirsat, Chief Financial Officer and Ms. Vijeta Shah, Company Secretary were the Key Managerial Personnel of Company under the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies(Appointment and Qualifications of Managerial Personnel) Rules, 2014.

During the financial year under review, Ms. Priya Dubey resigned from the position of Company Secretary w.e.f. December 01, 2018 and Ms. Vijeta Shah was appointed as Company Secretary w.e.f. December 04, 2018 in her place.

11. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Batliboi & Purohit, Chartered Accountants were appointed as Statutory Auditors of the Company in the 25th Annual General Meeting held on September 25, 2017 to hold office from the conclusion of the 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 30th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, had omitted the provisions relating to

annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Batliboi & Purohit., Chartered Accountants hold office until the conclusion of the 30th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 35 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's response:

There is an improvement in operational performance of the liquor business in terms of higher sales, market share and margins in the southern states. Hence, the accounts are prepared on going concern basis.

Secretarial Auditors and Secretarial Audit Report

Tilaknagar Industries Ltd., Holding Company was required to undertake Secretarial Audit of its material unlisted subsidiaries pursuant to Regulation 24A of SEBI Listing Regulations.

Accordingly, the Board has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended March 31, 2019 is set out in Annexure 'A' to this Report.

The Secretarial Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

12. INTERNAL AUDITORS AND INTERNAL AUDIT REPORT

The Company is having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors. The Audit Committee reviews the observations made by the Internal Auditors in their Report on quarterly basis and makes necessary recommendations to the management.

13. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are set out in Annexure 'B' to this Report.

14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are set out in Annexure 'C' of this Report.

15. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

17. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, there were no related party transactions requiring disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

19. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. RESIDUARY DISCLOSURES

i. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

ii. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

iii. The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

i. **Regulatory Risk**

The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. **Strategic Risk**

The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy has been formulated.

iv. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

v. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

vi. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable; and

ix. During the financial year 2018-19, the Company has not issued sweat equity shares to its employees. Hence, disclosure under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

x. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2018-19; and

xi. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

22. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 14, 2019

Amit Dahanukar
Chairman

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To,
The Members,
Vahni Distilleries Private Limited,
P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra – 413 720

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vahni Distilleries Private Limited (CIN: U24119PN1993PTC133461)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by **Vahni Distilleries Private Limited** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period **April 01, 2018 to March 31, 2019** ('the Reporting Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **April 01, 2018 to March 31, 2019** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder **(Not applicable to the Company during the Audit Period)**;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not applicable to the Company during the Audit Period)**:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period)**;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable to the Company during the Audit Period**);

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**).

(vi) We, based on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company, further report that, the Company has complied with the following laws applicable specifically to the Company:

a) The Trade Marks Act, 1999;
b) Food Safety and Standards Act, 2006;
c) The Emblems and Names (Prevention of Improper Use) Act, 1950; and
d) Environments Laws.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India; and

2. The Listing Agreements entered into by the Company with Stock Exchange(s) (**Not applicable to the Company**).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting of the Board of Directors duly recorded and signed by the Chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded therein.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, there was following event/action reported having a major bearing on the Company's operations:

Increase in the powers of the Board of Directors to borrow monies upto a maximum outstanding amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) vide special resolution passed by Members at the Annual General Meeting held on September 22, 2018 pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Makarand Patwardhan
(Partner)
C.P.No. 9031
ACS No. 11872

Place : Mumbai
Date : June 14, 2019

ANNEXURE 'B' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

Due to the current financial constraints of the Company, it had not made any investment for conservation of energy.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

With current local power cost, other than use of gen-set as an alternate source of energy under emergency, no other steps are economically viable, though search for an economically viable alternate source is on.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2018-19, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption: NIL

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) Expenditure incurred on Research and Development:

During the financial year 2018-19, neither capital nor revenue expenditure has been incurred by the Company on Research and Development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and expenditure in foreign currency during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 14, 2019

Amit Dahanukar
Chairman

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART - A : List of top ten employees of the Company as on March 31, 2019 :

Sr No	Name	Designation	Remuneration (inclusive of contribution to PF)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience (years)	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Ashish Choudhury	Assistant Vice President	27,41,556.00	Permanent	B.A.	36	03-09-2009	64	SAB Miller India	No
2	V. Nagabhushanam	Senior Manager	7,52,100.00	Permanent	B.Sc.	32	21-12-2009	60	M/S Universal Bottlers Private Limited	No
3	P. Niruppadapa	Junior Executive	5,86,680.00	Permanent	P.U.C	17	11-01-2010	49	Surya Organic Chemicals Pvt. Ltd.	No
4	Syed Arif Basha	Area Manager - Sales	5,34,984.00	Permanent	B.B.M.	15	04-10-2016	44	Beam Global Spirits and Wine Pvt. Ltd.	No
5	Jojo Joseph	Supervisor Mechanical	5,13,120.00	Permanent	Diploma Mechanical Engineering	23	01-04-2009	48	JP Distilleries Ltd.	No
6	Samir Khan	Assistant - Production	4,63,788.00	Permanent	B.Sc.	20	01-01-2009	44	Al-Kabeer Export Pvt. Ltd	No
7	Raviraje Urs	Assistant Manager - Sales	4,27,980.00	Permanent	B.A.	28	08-08-2016	56	S. L. V. Distillery	No
8	Kapa Sreenivasulu Reddy	Senior Manager	7,50,000.00	Permanent	M.Sc	14	25-06-2018	35	M/S Allied Blenders & Distillers Pvt.Ltd	No
9	R Kannan	Assistant General Manager - Sales	15,00,000.00	Permanent	B.Sc	30	10-09-2018	51	Unibev JSM	No
10	Vijeta Dilip Shah	Company Secretary	4,30,008.00	Probation	B.Com., C.S.	2.5	04-12-2018	24	Omkar Speciality Chemicals Limited	No

PART - B : List of employees in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Company during the financial year 2018-19 : Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date : June 14, 2019

Amit Dahanukar
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Vahni Distilleries Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Vahni Distilleries Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty related to Going Concern

We draw attention to Note 35 in the financial statements that the Company has incurred net loss during the year and due to accumulated losses, the net worth has been eroded. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

    e) On the basis of the written representations received from the directors as on 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year hence the provisions of section 197 of the Act is not applicable.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have pending litigations that would impact its financial position.

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 required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : June 14, 2019

Annexure - A to the Auditors' Report
(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, the Company has not verified all the fixed assets during the last three years, hence we are unable to comment on the discrepancies if any.

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

ii. The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan given and investments made.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate of complete.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities, except for few cases.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Income tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders.

ix. The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanation given to us, the company has not paid any remuneration to its managerial personnel during the year hence the provisions of this clause is not applicable.

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

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 standalone Financial Statements as required by the applicable Indian 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.

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 them. Hence, the provision of section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : June 14, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Vahni Distilleries Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : June 14, 2019

VAHNI DISTILLERIES PRIVATE LIMITED

Balance Sheet as at March 31, 2019

(₹ in Lacs)

		Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	246.02	267.51
	Capital Work-In-Progress		-	-
	Financial Assets		-	
	Other Financial Assets	3	8.22	8.22
	Other Non-Current Assets	4	-	1.65
	Deferred Tax Asset	25	-	-
	Income Tax Asset (Net)	25.1	14.16	8.33
			268.40	**285.71**
	Current Assets			
	Inventories	5	1,595.26	1,372.31
	Financial Assets			
	Investment	6	142.78	-
	Trade Receivables	7	2,719.11	1,623.38
	Cash and Bank Balances	8	2,326.42	4,846.80
	Other Financial Assets	3	0.69	-
	Other Current Assets	4	139.16	94.79
			6,923.42	**7,937.28**
	Total		**7,191.82**	**8,222.99**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	9	1,498.05	1,498.05
	Other Equity	10	(2,265.04)	(2,127.26)
			(766.99)	**(629.21)**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Borrowings	11	-	**-**
	Other Financial Liabilities	12	3,275.00	2,710.00
	Provisions	13	4.41	1.15
	Other Non-Current Liabilities	14	-	**-**
			3,279.41	**2,711.15**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	11	2,358.30	4,221.71
	Trade Payables	15		
	Total outstanding dues of micro enterprises and small enterprises		123.23	59.27
	Total outstanding dues of creditors other than micro enterprises and small enterprises		821.37	760.71
	Other Financial Liabilities	12	55.10	11.66
	Provisions	13	1,293.86	1,032.40
	Other Current Liabilities	14	27.54	55.30
	Deferred Tax Liabilty	25	-	-
			4,679.40	**6,141.05**
	Total		**7,191.82**	**8,222.99**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-35		

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

Ajit Sirsat
Chief Financial Officer

Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

	Note No.	Year ended March 31 , 2019	Year ended March 31, 2018
INCOME			
Revenue from Operations			
Sale of products (Gross)	16	50,091.00	41,186.11
Other Operating Income	16.1	304.76	280.84
Other Income	17	196.93	98.68
Total Income		**50,592.69**	**41,565.63**
EXPENSES			
Cost of Materials Consumed	18	3,315.91	3,277.28
(Increase) / Decrease in Stock	19	(242.55)	(1,008.43)
Excise duty		42,702.99	35,338.65
Employee Benefit Expense	20	102.70	53.45
Finance Cost	21	262.74	322.77
Depreciation	2	27.17	26.11
Other Expenses	22	4,557.75	4,675.46
		50,726.71	**42,685.29**
Profit / (Loss) before tax		**(134.02)**	**(1,119.66)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(134.02)**	**(1,119.66)**
Other Comprehensive Income		3.76	-
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans			
Items that will be reclassified to Statement of Profit and Loss			
Total Other Comprehensive Income		**3.76**	**-**
Total Comprehensive Income for the year		**(137.78)**	**(1,119.66)**
Earnings Per Share (₹) Basic & Diluted	33	(8.95)	(74.74)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-35		

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

Ajit Sirsat
Chief Financial Officer

Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2019

(₹ in Lacs)

	2018-2019		2017-2018	
A) Cash flow from Operating activities				
Net profit before tax		**(137.78)**		**(1,119.66)**
Adjustment for:				
Depreciation	27.18		26.11	
Advances written off	-		1,040.84	
Profit on Sale of Investments	(196.93)		(98.68)	
Interest expenses	262.74		322.78	
Provision for inventory	17.22			
Sundry balance w/off	0.26		-	
Operating Profit before working capital changes		110.47		1,291.05
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	970.39		2,140.00	
(Increase) / Decrease in loans and advances and other assets	(45.07)		262.44	
(Increase) / Decrease in inventories	(240.17)		(739.60)	
(Increase) / Decrease in trade receivables	(1,095.98)	(410.84)	38.76	1,701.60
Direct taxes refund / (paid)		(5.83)		(5.31)
Net Cash from Operating activities		(443.98)		1,867.68
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(4.41)		(13.09)	
Purchase of investments	(8,493.46)		(3,000.00)	
Sale of investments	8,547.61		3,098.68	
Net Cash from Investing Activities		49.74		85.59
C) Cash Flow from Financing activities				
Proceeds from borrowings including current maturities	(5,678.90)		4,083.89	
Repayment of borrowings including current maturities	3,815.49		(933.75)	
Interest paid	(262.74)		(297.39)	
Net Cash from Financing Activities		(2,126.15)		2,852.75
Net increase in Cash & Cash equivalents		(2,520.39)		4,806.02
Opening cash & cash equivalents		**4,846.81**		**40.76**
Closing cash & cash equivalents		2,326.42		4,846.81

Notes :

(a) Cash and cash equivalents comprises of	**As at March 31, 2019**	**As at March 31, 2018**
i) Balances with Banks		
In Current Accounts	2,326.42	4,841.62
ii) Cash on Hand	-	5.18
	2,326.42	**4,846.80**

(₹ in Lacs)

(b) Change in liability arising from financing activities	**As at April 01, 2018**	**Cash Flow (net)**	**As at March 31, 2019**
Borrowings	4,221.71	(1,863.41)	2,358.30

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta	**Amit Dahanukar**	**Srijit Mullick**
Partner	*Chairman*	*Managing Director*
Membership No. 111749	(DIN:00305636)	(DIN:00581678)

Place : Mumbai	**Ajit Sirsat**	**Vijeta Shah**
Date : June 14, 2019	*Chief Financial Officer*	*Company Secretary*

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2019

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,498.05**	**1,498.05**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,498.05**	**1,498.05**

(₹ in Lacs)

B) Other Equity

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance as at April 01, 2017	**356.25**	**18.97**	**(1,382.82)**	**(1,007.60)**
Profit / (Loss) for the year	-	-	(1,119.66)	**(1,119.66)**
Balance as at March 31, 2018	**356.25**	**18.97**	**(2,502.48)**	**(2,127.26)**
Additions during the year :				
a) Profit / (Loss) for the year	-	-	(134.02)	**(134.02)**
b) Remeasurement of defined benefit plans	-	-	(3.76)	**(3.76)**
Balance as at March 31, 2019	**356.25**	**18.97**	**(2,640.26)**	**(2,265.04)**

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

Ajit Sirsat
Chief Financial Officer

Vijeta Shah
Company Secretary

1.1 General Information:

Vahni Distilleries Private Limited (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.

Details of the Company's accounting policies are included in Note 1.3

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act,
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.
Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.
Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable 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 their net realisable values.

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

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company’s functional

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. 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.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax/VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

VAHNI DISTILLERIES PRIVATE LIMITED

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

2 Property, Plant and Equipment *(₹ in Lacs)*

	Gross Block				Depreciation				Net Block	
	As on April 01, 2018	Additions	Deductions	As on March 31, 2019	As on April 01, 2018	Deductions	For the year	As on March 31, 2019	As on March 31, 2019	As on March 31, 2018
TANGIBLE ASSETS										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	0.15
Factory Building	52.35	-	-	**52.35**	43.65	-	0.24	**43.89**	**8.46**	8.70
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	0.26
Roads & Bridges	445.28	1.39	-	**446.67**	193.79	-	25.53	**219.32**	**227.35**	251.48
Plant and Equipment	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	0.02
Furniture and Fixtures	1.39	-	-	**1.39**	0.66	-	0.13	**0.79**	**0.60**	0.74
Motor Vehicles	0.03	4.00	-	**4.03**	0.03	-	0.32	**0.35**	**3.68**	-
Office Equipment	8.46	-	-	**8.46**	4.81	-	0.95	**5.76**	**2.70**	3.65
Computers	50.00	-	-	**50.00**	47.50	-	-	**47.50**	**2.50**	2.50
Electrical Installation	0.17	0.29	-	**0.46**	0.16	-	-	**0.16**	**0.30**	0.01
Total Tangible Assets	**563.50**	**5.68**	**-**	**569.18**	**295.99**	**-**	**27.17**	**323.16**	**246.02**	**267.51**
Previous Year	**550.41**	**13.09**	**-**	**563.50**	**269.88**	**-**	**26.11**	**295.99**	**267.51**	**280.52**

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2017-2018]

	Gross Block				Depreciation				Net Block	
	As on April 01, 2017	Additions	Deductions	As on March 31, 2018	As on April 01, 2017	Deductions	For the year	As on March 31, 2018	As on March 31, 2018	As on March 31, 2017
TANGIBLE ASSETS										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	0.15
Factory Building	52.35	-	-	**52.35**	43.41	-	0.24	**43.65**	**8.70**	8.94
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	0.26
Roads & Bridges	50.00	-	-	**50.00**	47.50	-	-	**47.50**	**2.50**	2.50
Plant and Equipment	432.89	12.39	-	**445.28**	169.02	-	24.77	**193.79**	**251.49**	263.87
Furniture and Fixtures	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	0.02
Motor Vehicles	0.03	-	-	**0.03**	0.03	-	-	**0.03**	**-**	-
Office Equipment	0.69	0.70	-	**1.39**	0.52	-	0.14	**0.66**	**0.73**	0.17
Computers	0.17	-	-	**0.17**	0.15	-	0.01	**0.16**	**0.01**	0.01
Electrical Installation	8.46	-	-	**8.46**	3.86	-	0.95	**4.81**	**3.65**	4.60
Total Tangible Assets	**550.41**	**13.09**	**-**	**563.50**	**269.88**	**-**	**26.11**	**295.99**	**267.51**	**280.52**

VAHNI DISTILLERIES PRIVATE LIMITED

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

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2019	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
3 Other Financial Assets				
Deposits	0.37	0.37	-	-
Other Receivables				
Related party	-	-	0.69	-
Other	7.85	7.85	-	-
	8.22	**8.22**	**0.69**	**-**
4 Other Assets				
Unsecured, considered good				
Capital advances	-	1.65	-	-
Balance with Government Authorities	-	-	37.71	33.85
Advances recoverable in cash or kind or for	-	-	66.21	21.81
value to be received	-	-	-	-
Prepaid Expense			35.24	39.13
	-	**1.65**	**139.16**	**94.79**

VAHNI DISTILLERIES PRIVATE LIMITED

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

(₹ in Lacs)

		As at March 31 , 2019	As at March 31, 2018
5	**Inventories**		
	(At lower of cost and net realisable value)		
	(Net of provision for non-moving and obsolete stocks)		
	Raw materials	0.83	1.00
	Stores, Spares and Packing Materials	107.36	126.79
	Work-In-Progress	95.50	118.81
	Finished goods	1,391.57	1,125.71
		1,595.26	**1,372.31**
6	**Current Investments**		
	At fair value through Profit & Loss		
	(a) ICICI Mutual Fund	142.78	-
	(Units C.Y. 51839.717 P.Y. NIL)		
		142.78	**-**
7	**Trade Receivables**		
	Unsecured, considered good	2,719.11	1,623.38
	- High credit risk	-	-
	- Credit Impaired	-	-
		2,719.11	**1,623.38**
8	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	(i) Balances with Banks		
	In Current Accounts	2,326.42	4,841.62
	(ii) Cash on Hand	-	5.18
		2,326.42	**4,846.80**

VAHNI DISTILLERIES PRIVATE LIMITED

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

(₹ in Lacs)

	As at March 31 , 2019	As at March 31 , 2018
9 Equity Share Capital		
Authorised Shares		
3,000,000 equity shares of ₹ 100/- each	**3,000.00**	**3,000**
(P.Y. 1,500,000 equity shares of ₹ 100/- each)		
Issued, subscribed and paid up shares		
1,498,050 equity shares of ₹ 100/- each fully paid up	1,498.05	1,498
(P.Y. 1,498,050 equity shares of ₹ 100/- each fully paid up)		
	1,498.05	**1,498.05**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	14.98	14.98
Equity Shares issued during the period	-	
Number of equity shares at the end	**14.98**	**14.98**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	14.98	14.98

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	14.98	100	14.98	100.00
Total	**14.98**	**100**	**14.98**	**100.00**

	As at March 31, 2019	As at March 31, 2018
10 Other Equity		
a) Securities Premium Account		
As per last Balance Sheet	**356.25**	**356.25**
b) Capital Reserve		
As per last Balance Sheet	18.97	18.97
c) Retained Earnings		
As per last Balance Sheet	(2,502.48)	(1,382.82)
Add: Profit / (Loss) after tax for the year	(134.02)	(1,119.66)
Add: Remeasurement of defined benefit plans	(3.76)	
	(2,640.26)	**(2,502.48)**
	(2,265.04)	**(2,127.26)**

(₹ in Lacs)

	Non-Current		Current	
	As at March 31 , 2019	As at March 31, 2018	As at March 31 , 2019	As at March 31, 2018
11 Borrowings				
Secured Loans				
From Banks				
Cash Credit (including Working Capital Demand Loan)	-	-	-	102.88
Unsecured				
From Holding Company	-	-	2,358.30	3,683.89
From other parties	-	-	-	434.94
	-	**-**	**2,358.30**	**4,221.71**
12 Other Financial Liabilities				
Trade Deposits & Others (Unsecured)	3,275.00	2,710.00	-	-
Payable for purchase of Fixed Assets	-	-	-	0.39
Employee dues	-	-	9.91	2.10
Other Payables	-	-	45.19	9.17
	3,275.00	**2,710.00**	**55.10**	**11.66**
13 Provisions				
Provision for Gratuity	3.03	0.43	6.65	-
Provision for Leave Encashment	1.38	0.72	1.63	1.06
Provision for Excise Duty on Finished Goods	-	-	1,285.58	1,031.34
	4.41	**1.15**	**1,293.86**	**1,032.40**
14 Other Liabilities				
Payable towards Statutory Liabilities	-	-	27.54	55.30
	-	**-**	**27.54**	**55.30**
15 Trade Payables				
Trade Payables [Refer Note No.32]				
Total outstanding dues of micro enterprises and small enterprises	-	-	123.23	59.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	821.37	760.71
	-	**-**	**944.60**	**819.98**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

		Year ended March 31, 2019	Year ended March 31, 2018
16	**Revenue from Operations**		
	Revenue from contracts with customers		
	Sales of products	50,091.00	41,186.11
		50,091.00	**41,186.11**
16.1	**Other Operating Income**		
	Sale of scrap	14.78	15.33
	Income from contract manufacturing	289.98	265.51
		304.76	**280.84**
17	**Other Income**		
	Interest income	-	-
	Fair value of current investment	196.93	98.68
		196.93	**98.68**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

	Year ended March 31, 2019	Year ended March 31, 2018
18 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	1.00	1.58
Add: Purchases	1,169.75	1,130.30
Less: Closing Stock	0.83	1.00
	1,169.92	**1,130.88**
ii) Packing Materials & Consumables	2,145.99	2,146.40
	3,315.91	**3,277.28**
19 (Increase) / Decrease in Stock		
Opening Stock		
i) Work-In-Progress	118.81	147.69
ii) Finished goods	1,125.71	88.40
	1,244.52	**236.09**
Less : Closing Stock		
i) Work-In-Progress	95.50	118.81
ii) Finished goods	1,391.57	1,125.71
	1,487.07	**1,244.52**
(Increase) / Decrease in Stock	**(242.55)**	**(1,008.43)**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

	Year ended March 31, 2019	Year ended March 31, 2018
20 Employee Benefit Expense		
Salary and wages	88.46	46.50
Contribution to provident fund and family pension fund	4.62	2.38
Staff welfare expenses	3.35	4.13
Gratuity	6.27	0.44
	102.70	**53.45**
21 Finance Cost		
Interest - Others	262.72	322.67
Other Finance Cost	0.02	0.10
	262.74	**322.77**
22 Other Expenses		
Power and fuel	17.05	9.20
Repairs & maintenance :-		
i) Plant & Equipment	2.16	1.04
ii) Others	6.91	5.79
Insurance	1.23	1.66
Rent	0.34	-
Legal and professional charges	99.02	103.43
Auditor's Remuneration [Refer Note No.31]	1.39	1.23
Rates and taxes	137.09	268.32
Freight, transport charges & other expenses	295.21	287.04
Selling expenses [Sales Promotion & Advertising etc.]	962.70	966.64
Brand Fees	2,832.39	1,865.06
Travelling and conveyance expenses	2.21	2.22
Printing and stationery	0.92	0.87
Communication expenses	5.75	0.61
Vehicle running expenses	3.77	4.38
Corporate Social Responsibility	8.02	6.98
Advances written off	-	1,040.84
Provision for stock	17.22	-
Miscellaneous expenses	164.37	110.15
	4,557.75	**4,675.46**

23 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019 *(₹ in Lacs)*

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Current Investments	142.78	-	-	-
Trade Receivables	-	2,719.11	-	2,719.11
Cash and Cash Equivalents	-	2,326.42	-	2,326.42
Other Financial Assets	-	8.91	-	8.91
	142.78	**5,054.44**	**-**	**5,054.44**
Financial liabilities				
Borrowings	-	-	2,358.30	2,358.30
Trade Payables	-	-	944.60	944.60
Other Financial Liabilities	-	-	3,330.10	3,330.10
	-	**-**	**6,633.00**	**6,633.00**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹ in Lacs)*

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Current Investments	-	-	-	-
Trade Receivables	-	1,623.38	-	1,623.38
Cash and Cash Equivalents	-	4,846.80	-	4,846.80
Other Financial Assets	-	8.22	-	8.22
	-	**6,478.39**	**-**	**6,478.39**
Financial liabilities				
Borrowings	-	-	4,221.71	4,221.71
Trade Payables	-	-	819.98	819.98
Other Financial Liabilities	-	-	2,721.66	2,721.66
	-	**-**	**7,763.35**	**7,763.35**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in Lacs)

Particulars	**As at 31-03-2019**			**As at 31-03-2018**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	-	-	-	-
Current Investment	-	142.78	-	-	-	-

24 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	2,719.11	1,623.38
Cash and cash equivalents	2,326.42	4,846.80
Other financial assets	8.91	8.22
Total	**5,054.44**	**6,478.40**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Trade Receivables of the Company mainly consist of receivables from the state corporations. In respect of receivable from the state corporations, there is no past history of credit loss from these parties. Hence, in the opinion of the management there is no credit loss on receivable from the state corporations.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in Lacs)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2019	2,719.11	2,719.11	-
As at March 31, 2018	1,623.38	1,623.38	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	2,358.30	2,358.30	-
Trade payables	944.60	944.60	-
Other financial liabilities	3,330.10	3,330.10	-
	6,633.00	**6,633.00**	**-**

As at March 31, 2018 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	4,221.71	3,776.14	445.57
Trade payables	819.98	718.94	101.04
Other financial liabilities	2,721.66	2,721.27	0.39
	7,763.35	**7,216.35**	**547.00**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2019 USD	**As at March 31, 2018 USD**	**As at April 01, 2017 USD**
Export receivables	-	-	-
Overseas payables	-	-	-
Total	**-**	**-**	**-**

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in Lacs)

	As at March 31, 2019	**As at March 31, 2018**
Increase / (decrease) in profit	-	-
Total increase / (decrease) in profit	**-**	**-**

A 1% increase in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Lacs)

	As at March 31, 2019	**As at March 31, 2018**
Fixed rate instruments		
Financial liabilities		
Borrowings	-	434.94
Total	**-**	**434.94**
Variable-rate instruments		
Financial liabilities		
Borrowings	-	102.88
Total	**-**	**102.88**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	**Profit or loss**
March 31, 2019	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2018	
Variable-rate instruments	(1.03)
Cash flow sensitivity	**(1.03)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

25 Deferred Tax Liabilty (Net) :

The deferred tax asset/ liability comprise of the following:

Movement in deferred tax asset/ (liability) during the year	Opening Balance as on 01-04-2108	Recognised in Profit & loss	Closing balance as on 31-03-2019
Deferred Tax liabilties in relation to			
Property Plant & Equipment	(31.94)	0.98	(30.95)
Total A	(31.94)	0.98	(30.95)
Deferred Tax Assets in relation to			
Employee Benefit obligation	0.74	3.50	4.24
Business Loss /Depreciation Loss	31.20	(4.48)	26.72
Total B	31.94	(0.98)	30.95
Toatl (A+B)	-	(0.00)	(0.00)

Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utiised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of Rs. 842.78 Lakhs as on March 31, 2019 (Previous year: Rs.727.63 Lakhs)

25.1 Income Taxes *(₹ in Lacs)*

		As at March 31, 2019	As at March 31, 2018
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	33.384%	34.608%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Provision for Taxation (Net of Advance Tax)		
	Advance Tax (Net of Provision for Taxation)	14.16	8.33

26 Capital Management *(₹ in Lacs)*

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Group monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	-	-
Total Equity	(766.99)	(629.21)
Debt to Equity Ratio	-	-

27 Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ₹ NIL (P.Y. ₹ Nil) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ₹ Nil (P.Y. ₹ Nil).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

28 The disclosure of Ind AS 19 "Employee Benefits" is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 2.38 Lacs (P.Y. ₹ Nil) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees' gratuity scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below:

(₹ in Lacs)

	As at March 31, 2019 Unfunded Gratuity	As at March 31, 2018 Unfunded Gratuity
Present Value of obligation	9.68	0.43
Fair Value of Plans	-	-
Net Liability in the balance sheet	**9.68**	**0.43**
Defined Benefit Obligations		
Opening balance	0.44	-
Interest expenses	0.03	-
Current service cost	0.56	0.43
Past service cost	-	-
(Liability Transferred Out/ Divestments)	5.58	0.36
Benefit paid directly by the employer	(0.69)	(0.36)
Actuarial (gain) / loss-Due to change in Financial assumptions	0.05	-
Actuarial (gain) / loss- Due to Experience	3.70	-
Closing balance	**9.68**	**0.43**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	**-**	-
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	**-**	**-**

	As at March 31, 2019	As at March 31, 2018
	Unfunded Gratuity	Unfunded Gratuity
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	0.56	0.44
Past service cost	-	-
Interest expense	0.03	-
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**0.59**	**0.44**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	3.76	-
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**3.76**	**-**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	6.65	-
2nd Following Year	0.08	-
3rd Following Year	0.34	-
4th Following Year	0.09	-
5th Following Year	0.10	0.02
Sum of Years 6 to 10	2.10	0.17
Sum of Years 11 and above	3.91	1.04
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	9.68	0.44
Delta Effect +1% Change in Rate of Discounting	(0.25)	(0.05)
Delta Effect -1% Change in Rate of Discounting	0.29	0.05
Delta Effect +1% Change in Rate of Salary Increase	0.29	0.06
Delta Effect -1% Change in Rate of Salary Increase	(0.26)	(0.05)
Delta Effect +1% Change in Rate of Employee Turnover	0.02	(0.01)
Delta Effect -1% Change in Rate of Employee Turnover	(0.03)	0.01
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.69%	7.88%
Expected rate of return on plan assets (per annum)	0.00%	0.00%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	2.00%	2.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Unfunded Gratuity for the year ended	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Present value of DBO	9.68	0.43	-	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	9.68	0.43	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

29 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Kesarval Springs Distillers Pvt. Ltd.
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

(₹ in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above	
	2018-19	2017-18
Sales of products		
Tilaknagar Industries Ltd.	7.32	8.05
PunjabExpo Breweries Private Limited	-	2.89
Prag Dist Pvt Ltd	6.26	-
Total	**13.58**	**10.94**
Purchase		
Tilaknagar Industries Ltd.	7.61	77.90
PunjabExpo Breweries Private Limited	-	49.13
Total	**7.61**	**127.03**
Income from contract manufacturing		
Tilaknagar Industries Ltd.	289.98	265.51
Total	**289.98**	**265.51**
Brand fees		
Tilaknagar Industries Ltd.	2,832.39	1,865.06
Total	**2,832.39**	**1,865.06**
Net Loans & Advances given / (taken)		
Tilaknagar Industries Ltd.	1,325.59	(3,787.26)
Total	**1,325.59**	**(3,787.26)**
Outstanding Receivable / (Payable)		
Tilaknagar Industries Ltd.	(2,358.30)	(3,683.89)
Total	**(2,358.30)**	**(3,683.89)**

30 Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2019 estimated at ₹ 1285.58lacs (P.Y. 1031.39lacs) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
Provision for excise duty on finished goods at the beginning of the year	1,031.34	79.94
Provision for excise duty on finished goods at the end of the year	1,285.58	1,031.34
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**254.24**	**951.40**

31 Auditor's remuneration charged to accounts:	Year ended March 31, 2019	Year ended March 31, 2018
a) Audit fees	1.18	1.00
b) Auditors remuneration in other capacity	0.21	0.18
c) Reimbursement of expenses	-	0.05
	1.39	**1.23**

32 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

(₹ in Lacs)

	As at March 31, 2019	As at March 31, 2018
Dues remaining unpaid as at March 31		
- The principal amount at the end of the year;	123.23	59.27
- The amount of interest accrued and remaining unpaid at the end of the year	2.61	6.26

(₹ in Lacs)

33 Earnings per share:	As at March 31, 2019	As at March 31, 2018
Profit After Tax / (Loss)	(134.02)	(1,119.66)
Weighted average number of shares	14.98	14.98
Basic Earnings Per Share	(8.95)	(74.74)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	14.98	14.98
Diluted Earnings Per Share	(8.95)	(74.74)
Face Value per Equity Share	10.00	10.00

34 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

35 The Company's net worth has eroded. However, there is an improvement in operational performance of the liquor business in terms of higher sales, market share and margins in the southern states. Hence, the accounts are prepared on going concern basis.

As per our Report of even date annexed

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta	**Amit Dahanukar**	**Srijit Mullick**
Partner	*Chairman*	*Managing Director*
Membership No. 111749	(DIN:00305636)	(DIN:00581678)
	Ajit Sirsat	**Vijeta Shah**
	Chief Financial Officer	*Company Secretary*

Place : Mumbai
Date : June 14, 2019

PUNJABEXPO BREWERIES PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265
CIN No: [U15531PN1997PTC143390]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 22nd Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, the revenue from operations of the Company stood at Rs. 24,923.54 lacs as compared to Rs. 51,948.94 lacs in the previous year. It has earned total comprehensive income of Rs. 129.99 lacs during the financial year 2018-19 as compared to Rs. 356.71 lacs in the previous year.

2. DIVIDEND

In order to conserve the resources, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. SHARE CAPITAL

During the financial year under review, there were no changes in the authorized, issued, subscribed and paid up Share Capital of the Company.

4. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

5. DIRECTORS

During the financial year under review, Mr. Chanderbhan Verhomal Bijlani, was appointed as the Independent Director of the Company at the Annual General Meeting held on September 22, 2018 for a term commencing from September 22, 2018 and expiring on September 21, 2023, not liable to retire by rotation during that period in terms of the provisions of Section 149 and 152 of the Companies Act, 2013.

Mr. Chanderbhan Verhomal Bijlani, Independent Director has furnished declaration regarding meeting the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. April 01, 2019. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Srijit Mullick and Mr. Lawlesh Singh were appointed as Additional Directors of the Company by the Board on April 01, 2019 and May 04, 2019 respectively for the term expiring at the ensuing 22nd Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick and Mr. Lawlesh Singh for appointment as Directors of the Company at the ensuing AGM alongwith their consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard- 1

issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 9 (Nine) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; September 08, 2018; September 14, 2018; October 12, 2018; November 21, 2018; December 24, 2018; January 02, 2019; February 22, 2019 and the intervening period between the two meetings did not exceed 120 days.

7. KEY MANAGERIAL PERSONNEL

As on March 31, 2019, Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Executive Director and Ms. Varsha Vallabh Vyas, Company Secretary were the Key Managerial Personnel of the Company under the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

During the financial year under review, Ms. Priyanka Varma and Ms. Varsha Vallabh Vyas were appointed as the Company Secretary w.e.f. September 08, 2018 and December 24, 2018 respectively. Ms. Priyanka Varma resigned from the Company w.e.f. October 05, 2018.

8. AUDITORS

Statutory Auditors and Statutory Audit Report

M/s. Deepak Jhanwar & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company in the 17th Annual General Meeting held on September 27, 2014 from the conclusion of the 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting. Accordingly, they would be holding office till the conclusion of the ensuing 22nd Annual General Meeting.

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) as Statutory Auditors of the Company at the ensuing 22nd Annual General Meeting for a term of 5 years in place of retiring Statutory Auditors i.e. M/s. Deepak Jhanwar & Co., Chartered Accountants, whose term is expiring at the said Meeting. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Rules made thereunder from them with respect to the abovementioned proposal. The Board places on record its sincere appreciation for the services rendered by M/s. Deepak Jhanwar & Co., Chartered Accountants, during their long association with the Company.

A proposal seeking Members' approval for the appointment of M/s Batliboi & Purohit, Chartered Accountants and for fixing their remuneration forms part of the Notice convening the ensuing Annual General Meeting.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Auditors and Secretarial Audit Report

Tilaknagar Industries Ltd., Holding Company was required to undertake Secretarial Audit of its material unlisted subsidiaries pursuant to Regulation 24A of SEBI Listing Regulations.

Accordingly, the Board has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company to conduct the Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended March 31, 2019 is set out in Annexure 'A' to this Report.

The Secretarial Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditors and Internal Audit Report

The Company is having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors. The Board reviews the observations made by the Internal Auditors in their Report on quarterly basis and makes necessary recommendations to the management.

9. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'B' to this Report.

10. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are set out in Annexure 'C' of this Report.

11. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

13. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The contracts or arrangements entered into by the Company with related parties requiring disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'D' to this Report.

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. RESIDUARY DISCLOSURES

i. During the financial year 2018-19, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

ii. During the financial year 2018-19, no amount is proposed to be carried to reserves;

iii. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this

Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 except as disclosed in this Report;

iv. The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

i. **Regulatory Risk**

The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. **Strategic Risk**

The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy is under formulation.

v. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vi. During the financial year 2018-19, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

ix. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2018-19; and

xii. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

18. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, employees, bankers and other stakeholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 14, 2019

Amit Dahanukar
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To,
The Members,
PunjabExpo Breweries Private Limited,
P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra – 413 720

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PunjabExpo Breweries Private Limited (CIN: U15531PN1997PTC143390)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by **PunjabExpo Breweries Private Limited** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period **April 01, 2018 to March 31, 2019** ('the Reporting Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **April 01, 2018 to March 31, 2019** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder **(Not applicable to the Company during the Audit Period)**;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not applicable to the Company during the Audit Period)**:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period)**;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable to the Company during the Audit Period**);

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**).

(vi) We, based on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company, further report that, the Company has complied with the following laws applicable specifically to the Company:

a) The Trade Marks Act, 1999;
b) Food Safety and Standards Act, 2006;
c) The Emblems and Names (Prevention of Improper Use) Act, 1950; and
d) Environments Laws.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India; and

2. The Listing Agreements entered into by the Company with Stock Exchange(s) (**Not applicable to the Company**).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting of the Board of Directors duly recorded and signed by the Chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded therein.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, there were no events/actions reported having a major bearing on the Company's operations.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Makarand Patwardhan
(Partner)
C.P.No. 9031
ACS No. 11872

Place : Mumbai
Date : June 14, 2019

ANNEXURE 'B' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

The manufacturing unit of the Company is too small to consider investment under the present financial constraints and have a healthy return on investment.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

With current local power cost, other than use of gen-set as an alternate source of energy under emergency, no other steps are economically viable, though search for an economically viable alternate source is on.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2018-19, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption: NIL

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) Expenditure incurred on Research and Development:

During the financial year 2018-19, neither capital nor revenue expenditure has been incurred by the Company on Research and Development acitivities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and expenditure in foreign currency during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 14, 2019

Amit Dahanukar
Chairman & Managing Director

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART - A : List of top ten employees of the Company as on March 31, 2019 :

Sr. No	Name	Designation	Remuneration (inclusive of contribution to PF)(Rs.)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience (years)	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Shivani Amit Dahanukar	Executive Director	1,96,28,705.00	Contractual	M.B.A., L.L.B	13	15-01-2018	42	Tilaknagar Industries Ltd.	Yes, Spouse of Mr. Amit Dahanukar
2	Amit Dahanukar	Chairman & Managing Director	2,61,72,103.00	Contractual	B.E.(Elec.)., M.S. (U.S.A.)	18	07-11-2017	43	Tilaknagar Industries Ltd.	Yes, Spouse of Mrs. Shivani Amit Dahanukar
3	S V S Mahesh	Assistant General Manager	10,59,300.00	Permanent	B.Com.	28	03-09-2015	58	John Distilleries Pvt. Ltd.	No
4	T Sreedhar	Area Manager	9,85,596.00	Permanent	M.B.A.	19	16-09-2015	47	John Distilleries Pvt. Ltd.	No
5	K Srinivasa Rao	Area Manager	9,33,036.00	Permanent	B.Sc.	19	08-09-2015	50	John Distilleries Pvt. Ltd.	No
6	Surada Koteswara Rao	Manager - Production	7,66,164.00	Permanent	B.Sc.	13	09-10-2017	40	Kyndal India Pvt. Ltd.	No
7	K Surendranath	Area Manager	7,48,572.00	Permanent	B.Com.	23	07-09-2015	50	Lionsgate Beverages Pvt. Ltd.	No
8	Ruppa Appalasuri	Area Manager	7,37,232.00	Permanent	M.A.	30	01-10-2015	60	Krishna Agencies Pvt. Ltd.	No
9	P Keshav Rao	Assistant Manager	7,13,256.00	Permanent	B.Com., M.B.A	23	04-07-2011	47	Radico Khaitan Ltd.	No
10	Kumar Charan Mohanty	Unit Head	11,54,004.00	Permanent	B.Tech	10	20-04-2018	35	AB - InBev India	No

PART - B : List of employees in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Company during the financial year 2018-19:

Sr. No	Name	Designation	Remuneration (inclusive of contribution to PF)(Rs.)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Shivani Amit Dahanukar	Executive Director	1,96,28,705.00	Contractual	M.B.A., L.L.B	13	15-01-2018	42	Tilaknagar Industries Ltd.	Yes, Spouse of Mr. Amit Dahanukar
2	Amit Dahanukar	Chairman & Managing Director	2,61,72,103.00	Contractual	B.E.(Elec.)., M.S. (U.S.A.)	18	07-11-2017	43	Tilaknagar Industries Ltd.	Yes, Spouse of Mrs. Shivani Amit Dahanukar

For and on behalf of the Board of Directors

Place: Mumbai
Date : June 14, 2019

Amit Dahanukar
Chairman & Managing Director

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis **(Rs. In lacs)**

Name of related party	Nature of relationship	Duration of Contract	Date of approval by Board	Salient terms	Amount
Nature of Contract					
1. Income (Bottling Charges) Tilaknagar Industries Ltd.	Holding Company	2018-19	May 19, 2018	Bottling Charges (Income) from Holding Company	2,963.25
2. Brand Owners' Surplus(expense) Tilaknagar Industries Ltd.	Holding Company	2018-19	May 19, 2018	Surplus on Brand Income to TI pursuant to tie-up arrangements	3,722.45
3. Advance Given Prag Distillery (P) Ltd.	Fellow Subsidiary	2018-19	May 19, 2018	Manufacturing brands of IMFL of Company by Prag Distillery (P) Ltd. Breweries Private Limited in the state of Andhra Pradesh	3,225.26

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 14, 2019

Amit Dahanukar
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of **PUNJAB EXPO BREWERIES PRIVATE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Punjab Expo Breweries Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

   e) On the basis of the written representations received from the directors as on 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 financial statements. Refer note 30 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 required to be transferred to the Investor Education and Protection Fund by the Company.

For DEEPAK JHANWAR & CO.
Chartered Accountants
ICAI Firm Reg. No. - 023982N

DEEPAK JHANWAR
Partner
Membership No. 509398

Place: Mumbai
Date : 14th June, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, the Company has not verified all the fixed assets during the last three years, hence we are unable to comment on the discrepancies if any.

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

ii. The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan given and investments made.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate of complete.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities, except for few cases.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Income tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders.

ix. The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with 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, paragraph 3(xii) of the Order is not applicable.

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 standalone Financial Statements as required by the applicable Indian 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.

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 them. Hence, the provision of section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For DEEPAK JHANWAR & CO.
Chartered Accountants
ICAI Firm Reg. No.023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : 14th June, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of PunjabExpo Breweries Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For DEEPAK JHANWAR & CO.
Chartered Accountants
ICAI Firm Reg. No.023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : 14th June, 2019

PUNJABEXPO BREWERIES PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(₹ Lacs)

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	748.37	747.11
Other Intangible Assets	2	0.03	0.03
Financial Assets			
Loan	3	0.12	-
Other Financial Assets	4	33.53	32.95
Other Non-Current Assets	5	84.00	140.68
Defer Tax Asset (Net)	6	33.22	-
Income Tax Asset (Net)	28	180.47	7.92
		1,079.74	**928.69**
Current Assets			
Inventories	7	172.37	1,557.24
Financial Assets			
Investment	8	201.69	-
Trade Receivables	9	1,034.78	8,295.69
Cash and Cash Equivalents	10a	12.67	1,562.12
Other Bank Balances	10b	97.79	23.94
Loan	3	0.60	-
Other Financial Assets	4	10,506.76	-
Other Current Assets	5	1,068.87	916.22
		13,095.53	**12,355.21**
Total		**14,175.27**	**13,283.90**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	560.00	560.00
Other Equity	12	140.96	12.10
		700.96	**572.10**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	13.15	11.62
Other Financial Liabilities	14	1,030.33	6,522.70
Provisions	15	39.91	6.72
		1,083.39	**6,541.04**
Current Liabilities			
Financial Liabilities			
Borrowings	13	10,098.56	545.15
Trade Payables	16	-	-
Total outstanding dues of micro enterprises and small enterprises		12.35	82.12
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,054.92	3,640.63
Other Financial Liabilities	14	1,119.56	1,092.77
Other Current Liabilities	17	103.12	139.31
Provisions	15	2.41	578.78
Current Tax Liabilities (Net)	28	-	92.00
		12,390.92	**6,170.76**
Total		**14,175.27**	**13,283.90**

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements 2-41

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14,2019

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

(₹ Lacs)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from Operations			
Sale of products (including Excise Duty)	18	21,290.41	51,603.38
Other Operating Income	19	3,633.13	345.56
Other Income	20	55.10	77.14
Total Income		**24,978.64**	**52,026.08**
EXPENSES			
Cost of Materials Consumed	21	4,185.39	13,787.10
(Increase) / Decrease in Stock	22	1,077.49	(1,065.92)
Excise duty		10,544.73	27,253.09
Employee Benefits Expense	23	691.91	175.29
Finance Costs	24	994.28	1,079.07
Depreciation	2	43.81	38.43
Other Expenses	25	7,321.21	10,310.21
Total expenses		**24,858.82**	**51,577.27**
Profit / (Loss) before tax		**119.82**	**448.81**
Less : Tax expense			
1) Current Tax		23.05	92.00
2) Taxes for earlier years		-	0.10
3) Deferred Tax		64.15	-
4) MAT credit (including earlier year)		(97.37)	
		-	
Total Tax Expense		**(10.17)**	**92.10**
Profit / (Loss) after tax		**129.99**	**356.71**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans		1.40	-
Tax on above		(0.27)	-
Items that will be reclassified to Statement of Profit and Loss		-	-
Total Other Comprehensive Income		**1.13**	**-**
Total Comprehensive Income for the year		**128.86**	**356.71**
Earnings Per Share (₹) Basic & Diluted	38	2.32	10.66
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-41		

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2019

(₹ Lacs)

	2018-2019		2017-2018	
A) Cash flow from Operating activities				
Net profit before tax		119.81		448.83
Adjustment for:				
Depreciation	43.81		38.43	
Gain on sale of investments	(52.90)		(75.42)	
Interest expenses	992.07		1,078.52	
Sundry balance written off	0.07		-	
Sundry balance written back	(0.37)		-	
Interest income	(1.83)		(1.72)	
Operating Profit before working capital changes		980.85		1,039.81
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(8,706.82)		11,614.59	
(Increase) / Decrease in loans and advances and other assets	(10,611.10)		(808.19)	
(Increase) / Decrease in inventories	1,384.87		(1,435.66)	
(Increase) / Decrease in trade receivables	7,260.92	(10,672.13)	(7,858.80)	1,511.94
Direct taxes refund / (paid)		(287.33)		(5.25)
Net Cash from Operating activities		**(9,858.80)**		**2,995.33**
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(40.19)		(27.16)	
Purchase of investments	(2,200.00)		(2,500.00)	
Sale of investments	2,051.21		2,575.42	
(Increase) / Decrease in other bank balances	(73.85)		(13.11)	
Net Cash from Investing Activities		**(262.83)**		**35.15**
C) Cash Flow from Financing activities				
Proceeds of share capital	-		530.40	
Proceeds from borrowings including current maturities	19,183.78			
Repayment of borrowings including current maturities	(9,621.36)		(936.30)	
Interest paid	(992.07)		(1,066.17)	
Interest received	1.83		1.72	
Net Cash from Financing Activities		**8,572.18**		**(1,470.35)**
Net increase in Cash & Cash equivalents		**(1,549.45)**		**1,560.13**
Opening cash & cash equivalents		1,562.11		1.98
Closing cash & cash equivalents		**12.66**		**1,562.11**

12.67
0.01

Notes :

(₹ Lacs)

(a) Cash and cash equivalents comprises of	**As at March 31, 2019**	**As at March 31, 2018**
i) Balances with Banks		
In Current Accounts	11.64	1,560.88
ii) Cash on Hand	1.03	1.24
	12.67	**1,562.12**

(₹ Lacs)

(b) Change in liability arising from financing activities	**As at April 01, 2018**	**Cash Flow (net)**	**As at March 31, 2019**
Borrowings	561.39	(9,562.42)	10,123.81

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14,2019

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2019

(₹ Lacs)

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**560.00**	**29.60**
Changes in Equity Share Capital during the year	-	530.40
Balance at the end of the reporting year	**560.00**	**560.00**

	Retained Earnings
B) Other Equity	
Balance as at April 01, 2017	**(344.61)**
Profit / (Loss) for the year	356.71
Balance as at March 31, 2018	**12.10**
Additions during the year :	
Profit / (Loss) for the year	129.99
Remeasurement of defined benefit plans	(1.40)
Tax on above	0.27
Balance as at March 31, 2019	**140.96**

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

Ms. Varsha Vyas
Company Secretary

1 Reporting Entity

PunjabExpo Breweries Private Limited (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.
Details of the Company's accounting policies are included in Note 1.3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable 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 their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.
Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. 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.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax/VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

PUNJABEXPO BREWERIES PRIVATE LIMITED

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

2 Property, Plant and Equipment *(₹ Lacs)*

Fixed Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	Deductions	For the year	Up to March 31, 2019	As at March 31, 2019	As at March 31,2018
Tangible Assets										
Land & Development	7.70	-	-	**7.70**	-	-	-	**-**	**7.70**	7.70
Factory Building	689.85	-	-	**689.85**	116.47	-	22.00	**138.47**	**551.38**	573.38
Plant and Equipment	206.56	-	-	**206.56**	89.34	-	11.74	**101.08**	**105.48**	117.22
Vehicles	35.70	45.08	-	**80.78**	5.73	-	6.35	**12.08**	**68.70**	29.98
Tools and Equipments	0.37	-	-	**0.37**	0.14	-	0.02	**0.16**	**0.21**	0.24
Furniture	1.07	-	-	**1.07**	0.57	-	0.11	**0.68**	**0.39**	0.50
Office Equipment	6.51	-	-	**6.51**	3.26	-	0.63	**3.89**	**2.62**	3.25
Computer	17.57	-	-	**17.57**	16.69	-	-	**16.69**	**0.88**	0.88
Electrical Installation	29.04	-	-	**29.04**	15.07	-	2.96	**18.03**	**11.01**	13.96
Total Tangible Assets	**994.37**	**45.08**	**-**	**1,039.45**	**247.27**	**-**	**43.81**	**291.08**	**748.37**	**747.11**
Software	0.60	-	-	**0.60**	0.57	-	-	**0.57**	**0.03**	0.03
Grand Total	**994.97**	**45.08**	**-**	**1,040.05**	**247.84**	**-**	**43.81**	**291.65**	**748.40**	**747.14**
Previous Year	967.36	27.60	-	994.96	209.42	-	38.43	247.85	747.11	

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Property, Plant and Equipment *(₹ Lacs)*

Fixed Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	Deductions	For the year	Up to March 31, 2018	As at March 31, 2018	As at March 31,2017
Tangible Assets										
Land & Development	7.70	-	-	**7.70**	-	-		**-**	**7.70**	7.70
Factory Building	689.85	-	-	**689.85**	94.47	-	22.00	**116.47**	**573.38**	595.38
Plant and Equipment	206.56	-	-	**206.56**	77.60	-	11.74	**89.34**	**117.22**	128.96
Vehicles	11.12	24.59	-	**35.71**	4.35	-	1.38	**5.73**	**29.98**	6.77
Tools and Equipments	0.37	-	-	**0.37**	0.11	-	0.02	**0.13**	**0.24**	0.26
Furniture	1.07	-	-	**1.07**	0.46	-	0.11	**0.57**	**0.50**	0.61
Office Equipment	3.50	3.02	-	**6.52**	3.05	-	0.22	**3.27**	**3.25**	0.45
Computer	17.57	-	-	**17.57**	16.69	-	-	**16.69**	**0.88**	0.88
Electrical Installation	29.04	-	-	**29.04**	12.12	-	2.96	**15.08**	**13.96**	16.92
Total Tangible Assets	**966.78**	**27.61**	**-**	**994.39**	**208.85**	**-**	**38.43**	**247.28**	**747.11**	**757.93**
Software	0.60	-	-	**0.60**	0.57	-	-	**0.57**	**0.03**	0.03
Grand Total	**967.38**	**27.61**	**-**	**994.99**	**209.42**	**-**	**38.43**	**247.85**	**747.14**	**757.96**
Previous Year	967.38	-	-	967.38	168.57	-	40.85	209.42	757.96	

PUNJABEXPO BREWERIES PRIVATE LIMITED

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

(₹ Lacs)

	Other Financial Assets	Non-Current		Current			
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018		
3	**Unsecured, considered good**						
	Employee Loans	0.12	-	0.60	-		
		0.12	-	0.60	-		
4	**Other Financial Assets**	**Non-Current**		**Current**			
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018		
	Short-Term Bank Deposits (Maturity exceeding 12 months)	11.00	0.62	0.12	-		
	Advance to Employees		-	0.30	-		
	Deposits	22.53	32.33	-	-		
	Others	-	-	10,506.34	-		
		33.53	**32.95**	**10,506.76**	**-**		
5	**Other Assets**	**Non-Current**		**Current**			
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018		
	Capital advances	-	7.07	-	-		
	Advances recoverable in cash or kind or for value to be received	-	-	1,000.84	837.16	717.66	693.76 143.40
	Balance with Government Authorities	84.00	133.61	35.53	55.16		
	Prepaid Expense			32.50	23.90	55.16	55.16 24
		84.00	**140.68**	**1,068.87**	**916.22**	772.82	916.22 (143.40)
6	**Deferred Tax Asset (Net)**						
	Deferred Tax Asset (Net)	33.22	-	-	-		
		33.22	**-**	**-**	**-**		

Deferred Tax Asset (Net) :

The deferred tax asset/ liability comprise of the following:

Movement in deferred tax asset/ (liability) during the year	**Opening Balance as on 01-04-2108**	**Recognised in Profit & loss**	**Closing balance as on 31-03-2019**
Deferred Tax liabilties in relation to			
Property Plant & Equipment	-	(83.83)	(83.83)
Unrealized gain On Investment	-	(0.56)	(0.56)
Total A	**-**	**(84.40)**	**(84.40)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	-	14.13	14.13
Financial liabilties /Interest Disallowed	-	-	-
Provision for Advances	-	-	-
Business Loss /Unaborbed depreciation	-	6.11	6.11
Mat credit	-	97.37	97.37
Total B		**117.62**	**117.62**
Toatl (A+B)	**-**	**33.22**	**33.22**

PUNJABEXPO BREWERIES PRIVATE LIMITED

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

(₹ Lacs)

		Current	
		As at March 31, 2019	**As at March 31, 2018**
7	**Inventories**		
	(At lower of cost and net realisable value)		
	(Net of provision for non-moving and obsolete stocks)		
	Raw materials	2.65	5.54
	Stores and spares	127.65	432.14
	Work-In-Progress	37.26	149.93
	Finished goods	4.81	969.63
		172.37	**1,557.24**
8	**Current Investments**		
	At fair value through profit & loss		
	Investments In Mutual Fund		
	a) HDFC Low Duration Fund – Retail – Regular Plan – Growth	201.69	-
	(Units C.Y. 5510.218 P.Y. NIL)		
		201.69	**-**
9	**Trade Receivables**		
	Unsecured, considered good	1,034.78	8,295.69
	High credit risk	-	-
	Credit Impaired	-	-
		1,034.78	**8,295.69**
10	**Cash and bank balances**		
	a) Cash and Cash Equivalents		
	i) Balances with Banks		
	In Current Accounts	11.64	1,560.88
	ii) Cash on Hand	1.03	1.24
		12.67	**1,562.12**
	b) Other Bank Balances		
	Short-term Bank Deposits	97.79	23.94
	(Maturity within 12 months)		
		97.79	**23.94**
		110.46	**1,586.06**

PUNJABEXPO BREWERIES PRIVATE LIMITED

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

(₹ Lacs)

	As at March 31, 2019	As at March 31, 2018
11 Equity Share Capital		
Authorised Shares		
12,000,000 equity shares of ₹ 10/- each	**1,200.00**	**1,200.00**
(P.Y. 12,000,000 equity shares of ₹ 10/- each)		
Issued, subscribed and paid up shares		
5,600,000 equity shares of ₹ 10/- each fully paid up	560.00	560.00
(P.Y. 296,002 equity shares of ₹ 10/- each fully paid up)		
	560.00	**560.00**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	56.00	2.96
Equity Shares issued during the period	-	53.04
Number of equity shares at the end	**56.00**	**56.00**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding Company

Tilaknagar Industries Ltd.	56.00	56.00

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	56.00	100	56.00	100
Total	**56.00**	**100**	**56.00**	**100**

	As at March 31, 2019	As at March 31, 2018
12 Other Equity		
Retained Earnings		
As per last Balance Sheet	12.10	(344.61)
Add: Profit / (Loss) after tax for the year	129.99	356.71
Less: Remeasurement of defined benefit plans	(1.40)	-
Add: Tax on above	0.27	-
	140.96	**12.10**

(₹ Lacs)

		Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
13	**Borrowings**				
	Secured Loans				
	Hire Purchase Car Loans (with banker's lien on cars)	13.15	11.62	-	-
	From other parties	-	-	-	109.51
	Unsecured				
	From Holding Company	-	-	10,098.56	435.64
		13.15	**11.62**	**10,098.56**	**545.15**

		Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
14	**Other Financial Liabilities**				
	Current Maturities of Long term borrowings	-	-	12.10	4.62
	Trade Deposits & Others (Unsecured)	1,030.33	6,522.70	-	-
	Payable for purchase of Fixed Assets	-	-	-	2.18
	Employee dues	-	-	31.07	4.72
	Other Payables	-	-	1,076.39	1,081.25
		1,030.33	**6,522.70**	**1,119.56**	**1,092.77**

		Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
15	**Provisions**				
	Provision for Gratuity	13.75	2.23	0.09	0.04
	Provision for Leave Encashment	26.16	4.49	2.32	1.72
	Provision for Excise Duty on Finished Goods	-	-	-	577.02
		39.91	**6.72**	**2.41**	**578.78**

		Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
16	**Trade Payables**				
	Trade Payables [Refer Note No.37]				
	Total outstanding dues of micro enterprises and small enterprises	-	-	12.35	82.12
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,054.92	3,640.63
		-	**-**	**1,067.27**	**3,722.75**

		Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
17	**Other Liabilities**				
	Payable towards Statutory Liabilities	-	-	103.12	139.31
				-	-
		-	**-**	**103.12**	**139.31**

(₹ Lacs)

	Year ended March 31, 2019	Year ended March 31, 2018
18 Revenue from Operations		
Revenue from contracts with customers		
Sales of products	21,290.41	51,603.38
	21,290.41	**51,603.38**
19 Other Operating Income		
Sale of scrap	14.15	51.66
Income from contract manufacturing	2,963.25	293.90
Bottling charges Income	655.73	
	3,633.13	**345.56**
20 Other Income		
Interest income	1.83	1.72
Sundry balance written back	0.37	-
Gain on Sale of Investments	51.21	75.42
Unrealised Profit on sale of Inv.	1.69	-
	55.10	**77.14**
21 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	5.54	0.70
Add: Purchases	2,404.97	6,162.14
Less: Closing Stock	2.65	5.54
	2,407.86	**6,157.30**
ii) Packing Materials & Consumables	1,777.53	7,629.80
	4,185.39	**13,787.10**
22 (Increase) / Decrease in stock		
Opening Stock		
i) Work-In-Progress	149.93	38.32
ii) Finished goods	969.63	15.32
	1,119.56	**53.64**
Less : Closing Stock		
i) Work-In-Progress	37.26	149.93
ii) Finished goods	4.81	969.63
	42.07	**1,119.56**
(Increase)/Decrease in Stock	**1,077.49**	**(1,065.92)**

(₹ Lacs)

	Year ended March 31, 2019	Year ended March 31, 2018
23 Employee Benefit Expense		
Salary and wages	661.20	160.55
Contribution to provident fund and family pension fund	8.53	5.96
Staff welfare expenses	10.87	6.51
Gratuity	11.31	2.27
	691.91	**175.29**
24 Finance costs		
Interest	992.07	1,078.52
Bank charges	2.21	0.55
	994.28	**1,079.07**
25 Other Expenses		
Power and fuel	6.29	6.71
Repairs & maintenance		
i) Plant & Equipment	0.06	1.52
ii) Others	1.93	2.33
Insurance	2.09	0.83
Rent	17.99	7.20
Contract manufacturing cost	1,024.41	1,720.83
Legal and professional charges	288.80	257.44
Auditor's Remuneration [Refer Note No.36]	1.09	0.77
Rates and taxes	201.26	519.19
Freight, transport charges & other expenses	338.96	702.19
Selling expenses [Sales Promotion & Advertising etc.]	1,422.27	5,041.58
Brand fees	3,722.45	1,702.37
Travelling and conveyance expenses	35.60	47.40
Printing and stationery	1.49	3.62
Communication expenses	6.33	3.64
Vehicle running expenses	0.75	0.52
Donation		
To Political Parties	100.00	-
Others	10.00	-
Royalty Expense	71.69	211.81
Miscellaneous expenses	67.75	80.25
	7,321.21	**10,310.21**

26 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019 *(₹ Lacs)*

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Current Investment	201.69	-	-	202
Trade Receivables	-	1,034.78	-	1,035
Loan	-	0.72	-	-
Cash and Cash Equivalents	-	12.67	-	13
Other Bank Balances	-	97.79	-	98
Other Financial Assets	-	10,540.29	-	10,540
	-	**11,686.25**	**-**	**11,685.53**
Financial liabilities				
Borrowings	-	-	10,111.71	10,111.71
Trade Payables	-	-	1,067.27	1,067.27
Other Financial Liabilities	-	-	2,149.89	2,149.89
	-	**-**	**13,328.87**	**13,328.87**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹ Lacs)*

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Current Investment	-	23.94	-	24
Trade Receivables	-	8,295.69	-	8,295.69
Cash and Cash Equivalents	-	1,562.11	-	1,562.11
Other Bank Balances	-	23.94	-	23.94
Other Financial Assets	-	32.95	-	32.95
	-	**9,914.69**	**-**	**9,914.69**
Financial liabilities				
Borrowings	-	-	556.76	556.76
Trade Payables	-	-	3,722.75	3,722.75
Other Financial Liabilities	-	-	7,615.46	7,615.46
	-	**-**	**11,894.97**	**11,894.97**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ Lacs)

Particulars	**As at 31-03-2019**			**As at 31-03-2018**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	-	-	-	-
Current Investment	-	201.69	-	-	-	-

27 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹ Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	1,034.78	8,295.69
Cash and cash equivalents	12.67	1,562.12
Other bank balances	97.79	23.94
Other financial assets	10,540.29	32.95
Total	**11,685.53**	**9,914.70**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ Lacs)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2019	1,034.78	1,034.78	-
As at March 31, 2018	8,295.69	8,295.69	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019

(₹ Lacs)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
Borrowings	10,111.71	10,111.71	-
Trade payables	1,067.27	1,067.27	0
Other financial liabilities	2,149.89	2,149.89	(0.00)
	13,328.87	**13,328.87**	**0.00**

As at March 31, 2018

(₹ Lacs)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
Borrowings	556.77	556.77	-
Trade payables	3,722.75	3,541.25	181.50
Other financial liabilities	7,615.47	7,610.23	5.24
	11,894.99	**11,708.25**	**186.74**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

		(₹ Lacs)
	As at March 31, 2019	**As at March 31, 2018**
Fixed rate instruments		
Financial liabilities		
Borrowings	10,111.71	556.77
Total	**10,111.71**	**556.77**
Variable-rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	**Profit or loss**
March 31, 2019	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2018	
Variable-rate instruments	-
Cash flow sensitivity	**-**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

28 Income Taxes

(₹ Lacs)

	As at March 31, 2019	As at March 31, 2018
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	23.05	92.00
Adjustments in respect of previous years	-	0.10
Deferred Tax		
In respect of current year	64.15	-
Adjustments in respect of deferred tax of previous years	-	-
MAT credit (including earlier year)	(97.37)	-
Total	**(10.17)**	**92.10**
b) **Income tax expense recognised in Other Comprehensive Income**		
Tax expense on remeasurement of defined benefit plans	(0.27)	-
c) **Applicable corporate tax rate**	33.384%	34.608%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	92.00
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	180.47	7.92

29 Capital Management

(₹ Lacs)

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	11.07	3.38
Total Equity	700.96	572.10
Debt to Equity Ratio	0.02	0.01

* Current maturities under other financial liabilities less cash and bank balances

30 Contingent Liability not provided for: *(₹ Lacs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Bank guarantees issued on behalf of the Company	8.50	8.50

31 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ₹ Nil (P.Y. ₹ Nil)

32 Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ₹ NIl (P.Y. ₹ 3.26 Lac) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ₹ 7.20 Lacs (P.Y. ₹ Nil).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

33 The disclosure of Ind AS 19 "Employee Benefits" is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 5.96 Lacs (P.Y. ₹ 1.26 Lacs) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below: *(₹ Lacs)*

	As at March 31, 2019 Unfunded Gratuity	As at March 31, 2018 Unfunded Gratuity
Present Value of obligation	13.84	2.27
Fair Value of Plans	-	-
Net Liability in the balance sheet	**13.84**	**2.27**
Defined Benefit Obligations		
Opening balance	2.27	-
Interest expenses	0	-
Current service cost	3.98	2.27
Past service cost	-	-
(Liability Transferred Out/ Divestments)	6.62	0
Benefit paid directly by the employer	(0.60)	(0)
Actuarial (gain) / loss-Due to change in Financial assumptions	0	-
Actuarial (gain) / loss- Due to Experience	1.34	-
Closing balance	**13.84**	**2.27**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	**-**	**-**
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	-	-

	As at March 31, 2019	As at March 31, 2018
	Unfunded Gratuity	Unfunded Gratuity
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	3.98	2.27
Past service cost	-	-
Interest expense	0.18	-
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**4.16**	**2.27**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	1.40	-
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**1.40**	**-**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.09	-
2nd Following Year	0.10	-
3rd Following Year	0.11	-
4th Following Year	0.19	-
5th Following Year	0.96	-
Sum of Years 6 to 10	4.24	-
Sum of Years 11 and above	34.84	-
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	2.27	-
Delta Effect +1% Change in Rate of Discounting	(0.26)	-
Delta Effect -1% Change in Rate of Discounting	0.32	-
Delta Effect +1% Change in Rate of Salary Increase	0.32	-
Delta Effect -1% Change in Rate of Salary Increase	(0.27)	-
Delta Effect +1% Change in Rate of Employee Turnover	0.04	-
Delta Effect -1% Change in Rate of Employee Turnover	(0.05)	-
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.83%	7.83%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	2.00%	2.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Funded Gratuity for the year ended	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Present value of DBO	13.84	2.27	-	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	13.84	2.27	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

34 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman & Managing Director
: Mrs. Shivani Amit Dahanukar - Executive Director
: Mr. Keshab Nandy - Director
: Ms. Varsha Vyas - Company Secretary

(₹ Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2018-19	2017-18	2018-19	2017-18
Sales				
Tilaknagar Industries Ltd.	31.20	57.03	-	-
Total	**31.20**	**57.03**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	224.75	541.72	-	-
Total	**224.75**	**541.72**	**-**	**-**
Income (Bottling Charges)				
Tilaknagar Industries Ltd.	2,963.25	293.90	-	-
Total	**2,963.25**	**293.90**	**-**	**-**
Brand Owners' Surplus (Expense)				
Tilaknagar Industries Ltd.	3,722.45	1,702.37	-	-
Total	**3,722.45**	**1,702.37**	**-**	**-**
Royalty Income				
Tilaknagar Industries Ltd.	71.69	237.23	-	-
Total	**71.69**	**237.23**		
Payment to Key Managerial Personnel				
Mr. Amit Dahanukar	-	-	261.72	37.76
Mrs. Shivani Amit Dahanukar	-	-	196.29	22.25
Total	**-**	**-**	**458.01**	**60.01**
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	(6,437.66)	1,052.54	-	-
Total	**(6,437.66)**	**1,052.54**	**-**	**-**
Balance as on 31.03.2019				
Loan Taken				
Tilaknagar Industries Ltd.	(10,098.56)	(435.64)		
Advance Given				
Prag Distilleries Pvt. Ltd. Loan	3,225.26	-		

Compensation of key management personnel of the Company **	2018-19	2017-18
Short-term employee benefits	458.01	60.01
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	-	-
Share-based payments	**-**	**-**
Total compensation of key management personnel of the Company	**458.01**	**60.01**

**Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

35 Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2019 estimated at` Nil (P.Y.` 577.02 Lacs) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

(₹ Lacs)

Provision for excise duty on finished goods	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	577.02	-
At the end of the year	-	577.02
In the Statement of Profit and Loss	**(577.02)**	**577**

36 Auditor's remuneration charged to accounts:	Year ended March 31,2019	Year ended March 31 ,2018
Audit fees	0.77	0.82
Re imbursement of expense	0.32	-
	1.09	**0.82**

37 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

	As at March 31, 2019	As at March 31, 2018
Dues remaining unpaid as at March 31		
-The principal amount at the end of the year;	12.35	82.12
- The amount of interest accrued and remaining unpaid at the end of the year	1.06	1.02

(₹ Lacs)

38 Earnings per share:	As at March 31, 2019	As at March 31, 2018
Profit After Tax	129.99	356.71
Weighted average number of shares	56.00	33.48
Basic Earnings Per Share	2.32	10.66
Weighted average number of shares (adjusted for the effects of dilutive potential equity	56.00	33.48
Diluted Earnings Per Share	2.32	10.66
Face Value per Equity Share	10.00	10.00

39 During the financial year 2018-19, the Trademark License agreement entered into on April10, 2017 by the Company with the holding comapny ,Tilaknagar Industries Ltd.(TIL) was amended with effect from 1st April 2018 to restrict the right granted to manufacture, sell and distribute the licensed trademarks of Tilaknagar industries ltd to the manufacture and sale of the trademarks at Prag Distillery Private Ltd (Prag).Consequent to the said amendment the manufacture of trademarks of TIL by the company at all units other than Prag for the period 1st April 2018 to 31st August 2018 were governed by the tie up arrangements entered with Tilaknagar industries Ltd. Accordingly, the company has shared the net brand surplus (total revenue over total expenses) arising out of the sale of the trademarks of TIL for the abovementioned period instead of the royalty income and entitled to receive bottling income from TIL at agreed rates. Had this amendment not been given effect to,Brand fess (Note No. 25) would have been lower by Rs.3,503.84 lacs ,royalty expense (Note No.25) would have been higher by Rs. 97.89 lacs and' Bottling income (Note No.19) would have been lower by Rs.634.66 lacs. The net impact of the change in arrangement is decrease in the Profit amounting to Rs.2,771.29 lacs .

40 The Company has entered into arrangements with certain distilleries and bottling units (tie up units) for manufacture and marketing of its own brands. The tie up units have necessary license and regulatory permits to manufacture alcohol. The Company has aggregated the below mentioned amounts in its Statement of Profit and Loss and Balance Sheet with respect to these tie up units. Consequent to these changes, there is no impact on the total profit and total equity.

(₹ Lacs)

In Profit & Loss A/C	Year ended March 31, 2019	Year ended March 31, 2018
	Audited	Audited
Revenue from operations	20,327.67	45,657.52
Other Operating Income	11.06	38.88
Total Income	**20,338.73**	**45,696.40**
Cost of materials consumed /Changes in inventories of finished goods, stock-in-trade and work-in-progress	4,626.51	10,598.84
Excise Duty	10,544.73	24,870.49
Finance costs	0.14	0.13
Other expenses	418.18	1,502.35
Total expenses	**15,589.56**	**36,972**
Profit/(Loss)	**4,749.17**	**8,724.59**

(₹ Lacs)

In Balance Sheet	As at March 31, 2019	As at March 31, 2018
	Audited	Audited
Increase (Decrease)		
Inventory	-	1,212.02
Trade Receivables	-	6,275.22
Cash and Bank Balances	-	244.23
Other Financial Assets	-	(5,948.02)
Other Assets	-	819.16
Total	**-**	**2,602.61**
Increase (Decrease)		
Trade Payables	-	2,043.06
Provisions	-	508.79
Other Liabilities	-	50.75
Total	**-**	**2,602.60**

41 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14,2019

Ms. Varsha Vyas
Company Secretary

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN: U15511PN1993PTC140561

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 26th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs 0.49 Lacs during the year as compared to total comprehensive loss of Rs. 5.99 Lacs in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. April 01, 2019. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Srijit Mullick was appointed as an Additional Director of the Company by the Board on April 01, 2019 for the term expiring at the ensuing 26th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard- 1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (four) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; October 12, 2018 and January 17, 2019 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Deepak Jhanwar & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 21st Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 21st Annual General Meeting till the conclusion of the 26th Annual General Meeting of the Company. Accordingly, they would be holding office till the conclusion of the ensuing 26th Annual General Meeting.

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), as Statutory Auditors of the Company at the ensuing 26th Annual General Meeting for a term of 5 years in place of retiring Statutory Auditors i.e. M/s. Deepak Jhanwar & Co., Chartered Accountants, whose term is expiring at the said Meeting. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Rules made thereunder from them with respect to the abovementioned proposal. The Board places on record its sincere appreciation for the services rendered by M/s Deepak Jhanwar & Co., Chartered Accountants, during their association with the Company.

A proposal seeking Members' approval for the appointment of M/s. G. S. Nayak & Co. and for fixing their remuneration forms part of the Notice convening the ensuing Annual General Meeting.

The Board of Directors has reviewed the eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommended the appointment of M/s. G. S. Nayak & Co., Chartered Accountants as Statutory Auditors of the Company from the conclusion of the 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

11. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2018-19, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2018-19, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2018-19. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]

and the Company has not received any complaint of sexual harassment during the financial year 2018-19; and

xiii. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : June 14, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **KESARVAL SPRINGS DISTILLERS PVT. LTD.**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Kesarval Springs Distillers Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

   e) On the basis of the written representations received from the directors as on 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has no pending litigations on its financial position in its 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 required to be transferred to the Investor Education and Protection Fund by the Company.

For DEEPAK JHANWAR & CO.
Chartered Accountants
ICAI Firm Reg. No. - 023982N

DEEPAK JHANWAR
Partner
Membership No. 509398

Place: Mumbai
Date : 14th June, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, the Company has not verified all the fixed assets during the last three years, hence we are unable to comment on the discrepancies if any.

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

ii. The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan given and investments made.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate of complete.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities, except for few cases.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Income tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders.

ix. The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with 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, paragraph 3(xii) of the Order is not applicable.

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 standalone Financial Statements as required by the applicable Indian 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.

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 them. Hence, the provision of section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For DEEPAK JHANWAR & CO.
Chartered Accountants
ICAI Firm Reg. No.023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : 14th June, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Kesarval Springs Distillers Pvt. Ltd. ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For DEEPAK JHANWAR & CO.
Chartered Accountants
ICAI Firm Reg. No.023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : 14th June, 2019

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Balance Sheet as at March 31, 2019

	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
Non-Current Assets			
Other Financial Assets	2	4,83,630	4,83,630
		4,83,630	**4,83,630**
Current Assets			
Financial Assets			
Trade Receivables	3	17,49,672	17,49,672
Cash and Cash Equivalents	4	1,24,574	1,25,223
Other Current Assets	5	-	6,08,261
		18,74,246	**29,66,786**
Total		**23,57,876**	**29,66,786**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	30,00,000	30,00,000
Other Equity	7	(4,05,00,438)	(4,04,51,411)
		(3,75,00,438)	**(3,74,51,411)**
Current Liabilities			
Financial Liabilities			
Borrowings	8	3,88,70,969	3,94,39,187
Trade Payables	9	40,165	41,980
Other Financial Liabilities	10	9,44,365	9,26,665
Other Current Liabilities	11	2,815	10,365
		3,98,58,314	**4,04,18,197**
Total		**23,57,876**	**29,66,786**
		-	-

Summary of significant accounting policies #REF!

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

For and on behalf of the Board

Deepak Jhanwar	**Amit Dahanukar**	**Srijit Mulick**
Proprietor	*Chairman*	*Director*
Membership No. 509398	(DIN:00305636)	(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Profit and Loss for the year ended March 31, 2019

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Other Income	12	-	-
		-	**-**
EXPENSES			
Cost of Materials Consumed	13	-	-
Finance Cost	14	649	1,294.00
Other Expenses	15	48,378	5,97,698.00
		49,027	**5,98,992**
Profit / (Loss) before taxation		**(49,027)**	**(5,98,992)**
Tax expenses			
For earlier years		**-**	**-**
		-	**-**
Profit / (Loss) after taxation		**(49,027)**	**(5,98,992.00)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**(49,027)**	**(5,98,992.00)**
Earnings Per Share (₹) Basic & Diluted	24	**(19.97)**	**(19.97)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-26		

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

For and on behalf of the Board

Deepak Jhanwar
Proprietor
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Cash Flow for the year ended March 31, 2019

(₹)

	2018-2019		2017-2018	
A) Cash flow from Operating activities				
Net profit before tax		**(49,027)**		**(5,98,992)**
Adjustment for:				
Interest income	-		-	
Operating Profit before working capital changes		-		-
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	8,335		(90,066)	
(Increase) / Decrease in loans and advances and other assets	6,08,261		3,98,636	
(Increase) / Decrease in trade receivables	-	6,16,596	(35,913)	2,72,657
Direct taxes refund / (paid)		-		-
Net Cash from Operating activities		**5,67,569**		**(3,26,335)**
B) Cash Flow from Financing activities				
Repayment of borrowings	(5,68,218)		-	
Interest received	-		-	
Net Cash from Financing Activities		**(5,68,218)**		**-**
Net increase in Cash & Cash equivalents		**(649)**		**(3,26,335)**
Opening cash & cash equivalents		1,25,223		4,51,558
Closing cash & cash equivalents		**1,24,574**		**1,25,223**

Notes :

(₹)

(a) Cash and cash equivalents comprises of	**As at March 31, 2019**	**As at March 31, 2018**
i) Balances with Banks		
In Current Accounts	1,24,574	1,25,223
ii) Cash on Hand	-	-
	1,24,574	**1,25,223**

(₹)

(b) Change in liability arising from financing activities	**As at April 01, 2018**	**Cash Flow (net)**	**As at March 31, 2019**
Borrowings	3,94,39,187	(5,68,218)	3,88,70,969

	As at April 01, 2017	**Cash Flow (net)**	**As at March 31, 2018**
Borrowings	3,94,39,187	-	3,94,39,187

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

Deepak Jhanwar
Proprietor
Membership No. 509398

Place : Mumbai
Date : June 14, 2019

For and on behalf of the Board

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

KESARVAL SPRINGS DISTILLERS PVT. LTD

Statement of Changes in Equity for the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**30,00,000**	**30,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**30,00,000**	**30,00,000**

B) Other Equity

	Reserves and Surplus
	Retained Earnings
Balance as at March 31, 2017	**(3,98,52,419)**
Profit / (Loss) for the year	(5,98,992)
Balance as at March 31, 2018	**(4,04,51,411)**
Profit / (Loss) for the year	(49,027)
Balance as at March 31, 2019	**(4,05,00,438)**

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

For and on behalf of the Board

Deepak Jhanwar
Proprietor
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

1 Reporting Entity

Kesarval Springs Distillers Pvt Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL).

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 18.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.

Details of the Company's accounting policies are included in Note 3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable 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 their net realisable values.

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

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. 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.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, goods and service tax (GST), value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax(GST), value added tax (VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

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

	As at March 31, 2019	As at March 31, 2018
2 Other Financial Assets		
Deposits	4,83,630	4,83,630
	4,83,630	**4,83,630**

3 Trade Receivables	**March 31, 2019**	**March 31, 2018**
Other receivables		
Unsecured, considered good	17,49,672	17,49,672
	17,49,672	**17,49,672**

4 Cash and Bank Balances		
Cash and Cash Equivalents		
i) Balances with Banks In Current Accounts	1,24,574	1,25,223
ii) Cash on Hand	-	-
	1,24,574	**1,25,223**

5 Other Assets		
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	-	6,08,261
	-	**6,08,261**

	As at March 31, 2019	As at March 31, 2018
6 Equity Share Capital		
Authorised Shares		
30,000 Equity Shares of ₹ 100/- each (P.Y. 30,000 equity shares of ₹ 100/- each)	**30,00,000**	**30,00,000**
Issued, subscribed and paid up shares		
30,000 equity shares of ₹ 100/- each fully paid up (P.Y. 30,000 equity shares of ₹ 100/- each fully paid up)	30,00,000	30,00,000
	30,00,000	**30,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	30,000	30,000
Equity Shares issued during the period	-	-
Number of equity shares at the end	**30,000**	**30,000**

b) Terms / rights attached to equity shares

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend by the Company. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the company after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company	As at March 31, 2019	As at March 31, 2018
Tilaknagar Industries Ltd.	30,000	30,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	30,000	100	30,000	100
Total	**30,000**	**100**	**30,000**	**100**

	As at March 31, 2019	As at March 31, 2018
7 Other Equity		
Retained Earnings		
As per last Balance Sheet	(4,04,51,411)	(3,98,52,419)
Add: Profit / (Loss) after tax for the year	(49,027)	(5,98,992)
	(4,05,00,438)	**(4,04,51,411)**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

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

	Current	
8 Borrowings	**As at March 31, 2019**	**As at March 31, 2018**
Unsecured loans		
From Holding Company	3,88,70,969	3,94,39,187
	3,88,70,969	**3,94,39,187**
9 Trade Payables		
Trade Payables	40,165	41,980
	40,165	**41,980**
10 Other Financial Liabilities		
Other Payables	9,26,665	9,26,665
Others	17,700	-
	9,44,365	**9,26,665**
11 Other Liabilities		
Payable towards Statutory Liabilities	2,815	10,365
	2,815	**10,365**

	Year ended March 31, 2019	Year ended March 31, 2018
12 Other Income		
Interest income	-	-
	-	**-**
13 Cost of Materials Consumed		
Packing Materials & Consumables	-	**-**
	-	**-**
14 Finance Costs		
Other Borrowing Costs	649	1,294
	649	**1,294**
15 Other Expenses		
Legal and professional charges	26,580	87,260
Auditors Remuneration [Refer Note No.24]	17,700	17,700
Rates and taxes	4,098	4,85,598
Miscellaneous Expenses	-	7,140
	48,378	**5,97,698**

16 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019

	Carrying amount		
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**
Financial assets			
Trade Receivables	-	17,49,672	-
Cash and Cash Equivalents	-	1,24,574	-
Other Financial Assets	-	4,83,630	-
	-	**23,57,876**	**-**
Financial liabilities			
Borrowings	-	-	3,88,70,969
Trade Payables	-	-	40,165
Other Financial Liabilities	-	-	9,44,365
	-	**-**	**3,98,55,499**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018

	Carrying amount		
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**
Financial assets			
Trade Receivables	-	17,49,672	-
Cash and Cash Equivalents	-	1,25,223	-
Other Financial Assets	-	4,83,630	-
	-	**23,58,525**	**-**
Financial liabilities			
Borrowings	-	-	3,94,39,187
Trade Payables	-	-	41,980
Other Financial Liabilities	-	-	9,26,665
	-	**-**	**4,04,07,832**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

17 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	17,49,672	17,49,672
Cash and cash equivalents	1,24,574	1,25,223
Other financial assets	4,83,630	4,83,630
Total	**23,57,876**	**23,58,525**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

(₹)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2019	17,49,672	17,49,672	-
As at March 31, 2018	17,49,672	17,49,672	-
As at March 31, 2017	17,13,759	17,13,759	-
As at April 01, 2016	30,10,536	30,10,536	-

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019 *(₹)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	3,88,70,969	-	3,88,70,969
Trade payables	40,165	22,560	17,605
Other financial liabilities	9,44,365	-	9,44,365
	3,98,55,499	**22,560**	**3,98,32,939**

As at March 31, 2018 *(₹)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	3,94,39,187	-	3,94,39,187
Trade payables	41,980	22,560	19,420
Other financial liabilities	9,26,665	-	9,26,665
	4,04,07,832	**22,560**	**4,03,85,272**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

18 Income Taxes

(₹)

	As at March 31, 2019	As at March 31, 2018
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	26.000%	34.608%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	-	-

19 Capital Management

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	-	-
Total Equity	(3,75,00,438)	(3,74,51,411)
Debt to Equity Ratio	-	-

* Current maturities under other financial liabilities less cash and bank balances

Notes on Accounts

20 There is no contingent liability as on March 31, 2019.

21 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ₹ Nil (P.Y. ₹ Nil).

22 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies : Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel : Mr. Amit Dahanukar - Chairman
: Mr Keshab Nandy - Director
: Mrs. Shivani Amit Dahanukar - Director

(₹)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above	
	March 31, 2019	March 31, 2018
Outstanding Payable		
Tilaknagar Industries Ltd.	3,88,70,969	3,88,30,926
Total	**3,88,70,969**	**3,88,30,926**

Compensation of key management personnel of the Company	March 31, 2019	March 31, 2018
Short-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	-	-
Share-based payments	-	-
Total compensation of key management personnel of the Company	**-**	**-**

(₹)

23 Auditor's remuneration charged to accounts:	March 31, 2019	March 31, 2018
Audit fees	17,700	17,700
	17,700	**17,700**

(₹)

24 Earnings per share:	March 31, 2019	March 31, 2018
Profit After Tax	(5,98,992)	(2,99,833)
Weighted average number of shares	30,000	30,000
Basic Earnings Per Share	(19.97)	(9.99)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	30,000	30,000
Diluted Earnings Per Share	(19.97)	(9.99)
Face Value per Equity Share	10.00	10.00

25 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in liquor and allied activities. Hence, the accounts are prepared on going concern basis.

26 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

For and on behalf of the Board

Deepak Jhanwar
Proprietor
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

MYKINGDOM VENTURES PVT. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN No: [U74900PN2008PTC143964]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 11th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 75,763/- during the year as compared to total comprehensive loss of Rs. 2,291,049/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. April 01, 2019. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Srijit Mullick was appointed as an Additional Director of the Company by the Board on April 01, 2019 for the term expiring at the ensuing 11th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard-1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 6 (six) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; October 12, 2018; December 24, 2018; January 17, 2019 and February 21, 2019 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 6th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company.

Due to pre-occupancy with other audit and tax engagements, M/s. Shyam D. Menghani & Co.(Firm Registration No. 131574W), Chartered Accountants, Statutory Auditors have tendered their resignation with effect from November 27, 2018, resulting in a casual vacancy in the office of Statutory Auditors of the Company.

The Members had, upon the recommendation of the Board, in their Extra-Ordinary General Meeting ("the EGM") held on January 21, 2019, filled up the abovementioned casual vacancy by appointing M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the EGM till the conclusion of the 11th Annual General Meeting.

A proposal seeking Members' approval for the appointment of M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company for the tenure commencing from the conclusion of the 11th AGM and ending on the conclusion of the 16th AGM and for fixing their remuneration forms part of the Notice convening the ensuing AGM. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 from them with respect to the abovementioned proposal.

The Board has reviewed their eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommends their appointment as Statutory Auditors of the Company for the abovementioned tenure.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and reviving of business in allied activities. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2018-19, the Company has neither given any loan or made any investment, nor given any guarantee or provided any security falling under the purview of Section 186 of the Companies Act, 2013. Hence, disclosure under Section 134(3)(g) of the Companies Act, 2013 is not applicable.

11. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2018-19, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2018-19, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2018-19. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2018-19; and

xiii. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : June 14, 2019

Independent Auditor's Report

To,
The Members of
Mykingdom Ventures Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Mykingdom Ventures Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

Report on Other Legal and Regulatory Requirements (Continued)

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company does not have any pending litigations which would impact its financial position;

   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.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Mykingdom Ventures Private Limited
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Mykingdom Ventures Private Limited ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

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

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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 standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give 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.

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, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure B to the Independent Auditors' Report

On the Standalone Ind AS Financial Statements of Mykingdom Ventures Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Mykingdom Ventures Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.
3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

MYKINGDOM VENTURES PVT.LTD.

BALANCE SHEET AS AT MARCH 31, 2019

		Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**			
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	2	1,40,782	17,90,782
			1,40,782	**17,90,782**
	Total		**1,40,782**	**17,90,782**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	3	1,00,000	1,00,000
	Other Equity	4	(6,60,174)	(5,84,411)
			(5,60,174)	**(4,84,411)**
	Liabilities			
	Current Liabilities			
	Financial Liabilities			
	Borrowings	5	6,27,320	2,75,120
	Other Financial Liabilities	6	17,700	18,12,464
	Other Current Liabilities	7	4,432	1,87,609
	Trade Payables	7	51,504	-
			7,00,956	**22,75,193**
	Total		**1,40,782**	**17,90,782**

Summary of significant accounting policies	#REF!
The accompanying notes are an integral part of the financial statements	2-20

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

MYKINGDOM VENTURES PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Finance Cost	8	44,323	64,574
Other Expenses	9	31,440	22,26,475
Total expenses		**75,763**	**22,91,049**
Profit / (Loss) before tax		**(75,763)**	**(22,91,049)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	**-**
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(75,763)**	**(22,91,049)**
Other Comprehensive Income		**-**	**-**
Total Other Comprehensive Income		**(75,763)**	**(22,91,049)**
Earnings Per Share (₹) Basic & Diluted	17	**(7.58)**	**(229.10)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-20		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

MYKINGDOM VENTURES PVT.LTD.

Statement of Cash Flow for the year ended March 31, 2019

(₹)

		2018-19	dff
A)	**Cash flow from Operating activities**		
	Net profit before tax	**(75,763)**	**(22,91,049)**
	Interest paid	44,323	64,485
	Net Cash from Operating Activities	**(31,440)**	**(22,26,564)**
	Adjustment for:		
	(Decrease)/ Increase in current liabilities, and other financial liabilities	(19,77,941)	19,65,648
	Net Cash from Operating activities	**(20,09,381)**	**(2,60,916)**
B)	**Cash Flow from Investing activities**		
	Purchase of investments	-	-
	Sale of investments	-	-
		-	**-**
C)	**Cash Flow from Financing activities**		
	Proceeds from borrowings (Net)	3,52,200	75,312
	Repayment of borrowings (Net)	-	-
	Interest paid	(44,323)	(64,485)
	Net Cash from Financing Activities	**3,07,877**	**(64,485)**
	Net increase in Cash & Cash equivalents	**(17,01,504)**	**(2,50,089)**
	Opening cash & cash equivalents	17,90,782	20,40,871
	Closing cash & cash equivalents	**89,278**	**17,90,782**

Notes :

(₹)

(a)	**Cash and cash equivalents comprises of**	**As at March 31, 2019**	**As at March 31, 2018**
	Balance with Banks in Current Accounts	1,40,782	17,90,782
		1,40,782	**17,90,782**

(b)	**Change in liability arising from financing activities**	**As at April 01, 2018**	**Cash Flow (net)**	**As at March 31, 2019**
	Borrowings	2,75,120	3,52,200	6,27,320

		As at April 01, 2017	**Cash Flow (net)**	**As at March 31, 2018**
	Borrowings	3,50,432	75,312	2,75,120

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

Girija Shankar Nayak	**Amit Dahanukar**	**Srijit Mulick**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

MYKINGDOM VENTURES PVT. LTD.

Statement of Changes in Equity for the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,00,000**	**1,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,00,000**	**1,00,000**

	Reserves and Surplus Retained Earnings
B) Other Equity	
Balance as at April 01, 2017	17,06,638
Profit / (Loss) for the year	(22,91,049)
Balance as at March 31, 2018	**(5,84,411)**
Profit / (Loss) for the year	(75,763)
Balance as at March 31, 2019	**(6,60,174)**

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

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

1 Reporting Entity

Mykingdom Ventures Pvt Ltd. (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.

Details of the Company's accounting policies are included in sub note 3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, goods and service tax (GST), value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax(GST), value added tax (VAT) . The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

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

(₹)

	Current	
	As at March 31, 2019	As at March 31, 2018
2 Cash and Bank Balances		
Cash and Cash equivalents		
Cheques on hand	-	-
Balance with Banks in Current Account	1,40,782	17,90,782
	1,40,782	**17,90,782**

MYKINGDOM VENTURES PVT.LTD.

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

	As at March 31, 2019	As at March 31, 2018
3 Equity Share Capital		
Authorised Shares		
2,50,000 equity shares of ₹ 10/- each	**25,00,000**	**25,00,000**
(P.Y. 2,50,000 equity shares of ₹ 10/- each)		
Issued, subscribed and paid up shares		
10,000 equity shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
(P.Y. 10,000 equity shares of ₹ 10/- each fully paid up)		
	1,00,000	**1,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	10,000	10000
Equity shares issued during the period	-	-
Number of equity shares at the end	**10,000**	**10000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	10,000	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2019	As at March 31, 2018
4 Other Equity		
Retained Earnings		
As per last Balance Sheet	(5,84,411)	17,06,638
Add: Profit / (Loss) after tax for the year	(75,763)	(22,91,049)
	(6,60,174)	**(5,84,411)**

MYKINGDOM VENTURES PVT.LTD.

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

(₹)

		Current	
		As at March 31, 2019	**As at March 31, 2018**
5	**Borrowings**		
	Unsecured Loan		
	From Holding Company	6,27,320	2,75,120
		6,27,320	**2,75,120**
6	**Other Financial Liabilities**		
	Other	17,700	18,12,464
		17,700	**18,12,464**
7	**Other Liabilities**		
	Payable towards Statutory Liabilities	4,432	1,87,609
		4,432	**1,87,609**
	Trade Payables		
	Other Payables	51,504	-
		51,504	**-**

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

(₹)

	Year ended March 31, 2019	Year ended March 31, 2018
8 Finance Cost		
Interest on Borrowings	44,323	64,485
Bank charges	-	89
	44,323	**64,574**
9 Other Expenses		
Auditors Remuneration [Refer Note No.16]	17,700	17,700
Rates and taxes	2,500	4,461
Legal and professional charges	11,240	22,04,314
	31,440	**22,26,475**

10 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,40,782	-	1,40,782
	-	**1,40,782**	**-**	**1,40,782**
Financial liabilities				
Borrowings	-	-	6,27,320	6,27,320
Other Financial Liabilities	-	-	17,700	17,700
	-	**-**	**6,45,020**	**6,45,020**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	17,90,782	-	17,90,782
	-	**17,90,782**	**-**	**17,90,782**
Financial liabilities				
Borrowings	-	-	2,75,120	2,75,120
Other Financial Liabilities	-	-	18,12,464	18,12,464
	-	**-**	**20,87,584**	**20,87,584**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

11 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	1,40,782	17,90,782
Total	**1,40,782**	**17,90,782**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	6,27,320	6,27,320	-
Other financial liabilities	17,700	17,700	-
	6,45,020	**6,45,020**	**-**

As at March 31, 2018 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	2,75,120	2,75,120	-
Other financial liabilities	18,12,464	18,12,464	-
	20,87,584	**20,87,584**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. .

12 Income Taxes

(₹)

	As at March 31, 2019	As at March 31, 2018
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit	-	-
c) Applicable corporate tax rate	26.00%	25.75%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	-
e) Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	-	-

13 Capital Management

(₹)

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	-	-
Total Equity	(5,60,174)	(4,84,411)
Debt to Equity Ratio	-	-

* Long term debt less cash and bank balances

MYKINGDOM VENTURES PVT.LTD.

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

14 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

15 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies : Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel : Mr. Amit Dahanukar - Chairman
: Mr. Keshab Nandy - Director
: Mrs. Shivani Amit Dahanukar - Director

(₹)

Nature of Transaction	**Parties refered in (a) above**	
	March 31, 2019	**March 31, 2018**
Other Expenses		
Tilaknagar Industries Ltd.	44,323	21,85,200
Total	**44,323**	**21,85,200**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	2,03,377	75,312
Total	**2,03,377**	**75,312**
Outstanding Payable		
Tilaknagar Industries Ltd.	6,27,320	3,79,620
Total	**6,27,320**	**2,75,120**

16 Auditor's remuneration charged to accounts:	**March 31, 2019**	**March 31, 2018**
Audit Fees	17,700	17,700
	17,700	**17,700**

17 Earnings Per Share (EPS)	**March 31, 2019**	**March 31, 2018**
Profit/ (Loss) After Tax	(75,763)	(22,91,049)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(7.58)	(229.10)
Face Value per Equity Share	10	10

18 There is no contingent liability as on March 31, 2019.

19 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

20 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

STUDD PROJECTS P. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U45202PN2008PTC144178]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 11th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 121,006/- during the year as compared to total comprehensive loss of Rs. 877,421/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. April 01, 2019. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Srijit Mullick was appointed as an Additional Director of the Company by the Board on April 01, 2019 for the term expiring at the ensuing 11th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard- 1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 6 (six) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; October 12, 2018; December 24, 2018; January 17, 2019 and February 21, 2019 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 6th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company.

Due to pre-occupancy with other audit and tax engagements, M/s. Shyam D. Menghani & Co.(Firm Registration No. 131574W), Chartered Accountants, Statutory Auditors have tendered their resignation with effect from November 27, 2018, resulting in a casual vacancy in the office of Statutory Auditors of the Company.

The Members had, upon the recommendation of the Board, in their Extra-Ordinary General Meeting ("the EGM") held on January 21, 2019, filled up the abovementioned casual vacancy by appointing M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the EGM till the conclusion of the 11th Annual General Meeting.

A proposal seeking Members' approval for the appointment of M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company for the tenure commencing from the conclusion of the 11th AGM and ending on the conclusion of the 16th AGM and for fixing their remuneration forms part of the Notice convening the ensuing AGM. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 from them with respect to the abovementioned proposal.

The Board has reviewed their eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommends their appointment as Statutory Auditors of the Company for the abovementioned tenure.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and reviving of business in allied activities. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no particulars to be furnished in this Report as required under Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013.

11. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2018-19, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2018-19, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2018-19. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2018-19; and

xiii. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : June 14, 2019

Independent Auditor's Report

To,
The Members of
Studd Projects Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Studd Projects Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements.

Auditor's Responsibility (Continued)

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
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.

Report on Other Legal and Regulatory Requirements (Continued)

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company does not have any pending litigations which would impact its financial position;

   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.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure A to the Independent Auditor's Report

on the standalone Ind AS financial statements of Studd Projects Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Studd Projects Private Limited ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value

Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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 standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give 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.

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, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure B to the Independent Auditors' Report

On the Standalone Ind AS Financial Statements of Studd Projects Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Studd Projects Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company.

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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

STUDD PROJECTS P. LTD.

BALANCE SHEET AS AT MARCH 31, 2019

(₹)

		Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**			
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	2	1,97,796	1,89,094
			1,97,796	1,89,094
	Total		**1,97,796**	**1,89,094**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	3	1,00,000	1,00,000
	Other Equity	4	(12,95,455)	(11,74,449)
			(11,95,455)	**(10,74,449)**
	Liabilities			
	Current Liabilities			
	Financial Liabilities			
	Borrowings	5	12,21,843	9,97,867
	Other Financial Liabilities	6	11,800	11,800
	Other Current Liabilities	7	9,287	1,15,095
	Trade Payables	7	11,540	-
	Current Tax Liabilities (Net)	13	1,38,781	1,38,781
			13,93,251	**12,63,543**
	Total		**1,97,796**	**1,89,094**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-21		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

STUDD PROJECTS P. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Other Income	8	-	4,49,129
Total Income		**-**	**4,49,129**
EXPENSES			
Finance Cost	9	94,166	11,52,044
Other Expenses	10	26,840	35,725
Total expenses		**1,21,006**	**11,87,769**
Profit / (Loss) before tax		**(1,21,006)**	**(7,38,640)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	1,38,781
2) Taxes for earlier years			
3) Deferred Tax		-	-
Total Tax Expense		**-**	**1,38,781**
Profit / (Loss) after tax		**(1,21,006)**	**(8,77,421)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(1,21,006)**	**(8,77,421)**
Earnings Per Share (₹) Basic & Diluted	18	**(12.10)**	**(87.74)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-21		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

STUDD PROJECTS P. LTD.

Statement of Cash Flow for the year ended March 31, 2019

(₹)

		2018-2019	2017-2018
A)	**Cash flow from Operating activities**		
	Net profit before tax	(1,21,006)	(7,38,640)
	Gain on sale of investments	-	(4,49,129)
	Interest paid	92,868	11,50,953
	Net Cash from Operating Activities	**(28,138)**	**(36,816)**
	Adjustment for:		
	(Decrease)/ Increase in current liabilities, and other financial liabilities	(1,05,808)	1,03,945
	Net Cash from Operating activities	**(1,33,946)**	**67,129**
B)	**Cash Flow from Investing activities**		
	Purchase of investments	-	(5,00,00,000)
	Sale of investments	-	5,04,49,129
		-	**4,49,129**
C)	**Cash Flow from Financing activities**		
	Proceeds from borrowings (Net)	2,23,976	6,32,733
	Interest paid	(92,868)	(11,50,953)
	Net Cash from Financing Activities	**1,31,108**	**(5,18,220)**
	Net increase in Cash & Cash equivalents	**(2,838)**	**(1,962)**
	Opening cash & cash equivalents	1,89,094	1,91,056
	Closing cash & cash equivalents	**1,86,256**	**1,89,094**

Notes :

(a)	**Cash and cash equivalents comprises of**	**As at March 31, 2019**	**As at March 31, 2018**
	Balance with Bank in Current Account	1,97,796	1,89,094
	Cash on Hand	-	-
		1,97,796	**1,89,094**

(b)	**Change in liability arising from financing activities**	**As at 01 April, 2018**	**Cash Flow (net)**	**As at 31 March, 2019**
	Borrowings	9,97,867	2,23,976	12,21,843
		As at 01 April, 2017	**Cash Flow (net)**	**As at 31 March, 2018**
	Borrowings	3,65,134	6,32,733	9,97,867

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

Girija Shankar Nayak	**Amit Dahanukar**	**Srijit Mulick**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

STUDD PROJECTS P. LTD.

Statement of Changes in Equity for the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,00,000**	**1,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,00,000**	**1,00,000**

(₹)

	Reserves and Surplus
B) Other Equity	
	Retained Earnings
Balance as at April 01, 2017	(2,97,028)
Profit / (Loss) for the year	(8,77,421)
Balance as at March 31, 2018	**(11,74,449)**
Additions during the year :	
Profit / (Loss) for the year	(1,21,006)
Balance as at March 31, 2019	**(12,95,455)**

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

1 Reporting Entity

Studd Projects P.Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.

Details of the Company's accounting policies are included in sub note 3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India (“ICAI”), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, goods and service tax (GST), value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax(GST), value added tax (VAT) . The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

STUDD PROJECTS P. LTD.

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

(₹)

	Current	
	As at March 31, 2019	As at March 31, 2018
2 Cash and Cash Equivalents		
Balance with Bank in Current Account	1,97,796	1,89,094
Cash on Hand	-	-
	1,97,796	**1,89,094**

STUDD PROJECTS P. LTD.

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

	As at March 31, 2019	As at March 31, 2018
3 Equity Share Capital		
Authorised Shares		
2,50,000 equity shares of ₹ 10/- each (P.Y. 2,50,000 equity shares of ₹ 10/- each)	**25,00,000**	**25,00,000**
Issued, subscribed and paid up shares		
10,000 equity shares of ₹ 10/- each fully paid up (P.Y. 10,000 equity shares of ₹ 10/- each fully paid up)	1,00,000	1,00,000
	1,00,000	**1,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	10,000	10000
Equity shares issued during the period	-	-
Number of equity shares at the end	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company	As at March 31, 2019	As at March 31, 2018
Tilaknagar Industries Ltd.	10,000	10000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2019	As at March 31, 2018
4 Other Equity		
Retained Earnings		
As per last Balance Sheet	(11,74,449)	(2,97,028)
Add: Profit / (Loss) after tax for the year	(1,21,006)	(8,77,421)
	(12,95,455)	**(11,74,449)**

	Current	
	As at March 31, 2019	As at March 31, 2018
5 Borrowings		
Unsecured Loan		
From Holding Company	12,21,843	9,97,867
	12,21,843	**9,97,867**
6 Other Financial Liabilities		
Other	11,800	11,800
	11,800	**11,800**
7 Other Liabilities		
Payable towards Statutory Liabilities	9,287	1,15,095
		-
	9,287	**1,15,095**
Trade Payables		
Other Payables	11,540	-
	11,540	**-**

	Year ended March 31, 2019	Year ended March 31, 2018
8 Other Income		
Gain on Sale of Investments	-	4,49,129
	-	**4,49,129**
9 Finance Cost		
Interest on Borrowings	92,868	11,50,953
Bank charges	1,298	1,091
	94,166	**11,52,044**
10 Other Expenses		
Auditors Remuneration [Refer Note No.17]	11,800	11,800
Rates and taxes	3,500	4,811
Legal and professional charges	11,540	19,114
	26,840	**35,725**

11 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,97,796	-	1,97,796
	-	**1,97,796**	**-**	**1,97,796**
Financial liabilities				
Borrowings	-	-	12,21,843	12,21,843
Other Financial Liabilities	-	-	11,800	11,800
	-	**-**	**12,33,643**	**12,33,643**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,89,094	-	1,89,094
	-	**1,89,094**	**-**	**1,89,094**
Financial liabilities				
Borrowings	-	-	9,97,867	9,97,867
Other Financial Liabilities	-	-	11,800	11,800
	-	**-**	**10,09,667**	**10,09,667**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

12 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	1,97,796	1,89,094
Total	**1,97,796**	**1,89,094**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019 (₹)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	12,21,843	12,21,843	-
Other financial liabilities	11,800	11,800	-
	12,33,643	**12,33,643**	**-**

As at March 31, 2018 (₹)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	9,97,867	9,97,867	-
Other financial liabilities	11,800	11,800	-
	10,09,667	**10,09,667**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

13 Income Taxes *(₹)*

	As at March 31, 2019	As at March 31, 2018
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	26.00%	30.90%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	1,38,781	1,38,781
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	-	-

14 Capital Management *(₹)*

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	-	-
Total Equity	(11,95,455)	(10,74,449)
Debt to Equity Ratio	-	-

* Long term debt less cash and bank balances

15 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

16 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies : Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel : Mr. Amit Dahanukar - Chairman
: Mr Keshab Nandy - Director
: Mrs. Shivani Amit Dahanukar - Director

Nature of Transaction	**Parties refered in (a) above**	
	March 31, 2019	**March 31, 2018**
Interest Expense		
Tilaknagar Industries Ltd.	92,868	11,50,953
Total	**92,868**	**11,50,953**
Net Loans & Advances taken		
Tilaknagar Industries Ltd.	1,30,608	6,32,733
Total	**1,30,608**	**6,32,733**
Outstanding Payable		
Tilaknagar Industries Ltd.	12,21,843	9,97,867
Total	**12,21,843**	**9,97,867**

17 Auditor's remuneration charged to accounts:	**March 31, 2019**	**March 31, 2018**
Audit Fees	11,800	11,800
	11,800	**11,800**

18 Earnings Per Share (EPS)	**March 31, 2019**	**March 31, 2018**
Profit /(Loss) After Tax	(1,21,006)	(8,77,421)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(12.10)	(87.74)
Face Value per Equity Share	10	10

19 There is no contingent liability as on March 31, 2019.

20 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

21 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SRIRAMPUR GRAINS PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U01300PN2008PTC144177]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 11th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 192,267/- during the year as compared to total comprehensive loss of Rs. 218,482/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. April 01, 2019. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Srijit Mullick was appointed as an Additional Director of the Company by the Board on April 01, 2019 for the term expiring at the ensuing 11th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard-1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 6 (six) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; October 12, 2018; December 24, 2018; January 17, 2019 and February 21, 2019 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 6th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company.

Due to pre-occupancy with other audit and tax engagements, M/s Shyam D. Menghani & Co. (Firm Registration No. 131574W), Chartered Accountants, Statutory Auditors have tendered their resignation with effect from November 27, 2018, resulting in a casual vacancy in the office of Statutory Auditors of the Company.

The Members had, upon the recommendation of the Board, in their Extra-Ordinary General Meeting ("the EGM") held on January 21, 2019, filled up the abovementioned casual vacancy by appointing M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the EGM till the conclusion of the 11th Annual General Meeting.

A proposal seeking Members' approval for the appointment of M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company for the tenure commencing from the conclusion of the 11th AGM and ending on the conclusion of the 16th AGM and for fixing their remuneration forms part of the Notice convening the ensuing AGM. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 from them with respect to the abovementioned proposal.

The Board has reviewed their eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommends their appointment as Statutory Auditors of the Company for the abovementioned tenure.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and reviving of business in allied activities. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2018-19, the Company has neither given any loan or made any investment, nor given any guarantee or provided any security falling under the purview of Section 186 of the Companies Act, 2013. Hence, disclosure under Section 134(3)(g) of the Companies Act, 2013 is not applicable.

11. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2018-19, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2018-19, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2018-19. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2018-19; and

xiii. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : June 14, 2019

Independent Auditor's Report

To,
The Members of
Srirampur Grains Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Srirampur Grains Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements.

Auditor's Responsibility (Continued)
The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
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.

Report on Other Legal and Regulatory Requirements (continued)

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company does not have any pending litigations which would impact its financial position;

   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.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure A to the Independent Auditor's Report
on the standalone Ind AS financial statements of Srirampur Grains Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Srirampur Grains Private Limited ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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 standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give 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.

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, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure B to the Independent Auditors' Report

On the Standalone Ind AS Financial Statements of Srirampur Grains Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Srirampur Grains Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

SRIRAMPUR GRAINS PVT.LTD

BALANCE SHEET AS AT MARCH 31, 2019

(₹)

	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2	1,06,523	1,06,523
		1,06,523	**1,06,523**
Total		**1,06,523**	**1,06,523**
I EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	1,00,000	1,00,000
Other Equity	4	(20,31,898)	(18,39,631)
		(19,31,898)	**(17,39,631)**
Liabilities			
Current Liabilities			
Financial Liabilities			
Borrowings	5	19,88,088	18,08,962
Other Financial Liabilities	6	23,600	23,600
Other Current Liabilities	7	15,493	13,592
Trade Payables	7	11,240	-
		20,38,421	**18,46,154**
Total		**1,06,523**	**1,06,523**

Summary of significant accounting policies	#REF!
The accompanying notes are an integral part of the financial statements	2-20

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SRIRAMPUR GRAINS PVT.LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Other Income		-	-
		-	**-**
EXPENSES			
Finance Cost	8	1,54,927	1,36,007
Other Expenses	9	37,340	82,475
		1,92,267	**2,18,482**
Profit / (Loss) before tax		**(1,92,267)**	**(2,18,482)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(1,92,267)**	**(2,18,482)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(1,92,267)**	**(2,18,482)**
Earnings Per Share (₹) Basic & Diluted	17	(19.23)	(21.85)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-20		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SRIRAMPUR GRAINS PVT.LTD

Statement of Cash Flow for the year ended March 31, 2019

(₹)

		2018-2019	2017-2018
A)	**Cash flow from Operating activities**		
	Net profit before tax	**(1,92,267)**	**(2,18,482)**
	Interest paid	1,54,927	1,35,918
	Net Cash from Operating Activities	**(37,340)**	**(82,564)**
	Adjustment for:		
	(Decrease)/ Increase in current liabilities, and other financial liabilities	1,901	(8,708)
	Net Cash from Operating activities	**(35,439)**	**(91,272)**
B)	**Cash Flow from Financing activities**		
	Proceeds from borrowings (Net)	1,79,126	327102
	Interest paid	(1,54,927)	(1,35,918)
	Net Cash from Financing Activities	**24,199**	**1,91,184**
	Net increase in Cash & Cash equivalents	**(11,240)**	99,911
	Opening cash & cash equivalents	1,06,523	6,612
	Closing cash & cash equivalents	**95,283**	**1,06,523**

Notes :

(a)	**Cash and cash equivalents comprises of**	**As at March 31, 2019**	**As at March 31, 2018**
	Balance with Banks in Current Accounts	1,06,523	1,06,523
	Cash on Hand	-	-
		1,06,523	**1,06,523**

(b)	**Change in liability arising from financing activities**	**As at April 01, 2018**	**Cash Flow (net)**	**As at March 31, 2019**
	Borrowings	18,08,962	1,79,126	19,88,088

		As at April 01, 2017	**Cash Flow (net)**	**As at March 31, 2018**
	Borrowings	14,81,861	3,27,101	18,08,962

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

Girija Shankar Nayak	**Amit Dahanukar**	**Srijit Mulick**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SRIRAMPUR GRAINS PVT LTD.

Statement of Changes in Equity for the year ended March 31, 2019

		(₹)
	As at March 31, 2019	**As at March 31, 2018**
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,00,000**	**1,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,00,000**	**1,00,000**

	(₹)
B) Other Equity	
	Reserves and Surplus
	Retained Earnings
Balance as at March 31, 2017	**(16,21,149)**
Profit / (Loss) for the year	(2,18,482)
Balance as at March 31, 2018	**(18,39,631)**
Profit / (Loss) for the year	(1,92,267)
Balance as at March 31, 2019	**(20,31,898)**

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

1 Reporting Entity

Srirampur Grains Pvt Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.

Details of the Company's accounting policies are included in sub note 3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India (“ICAI”), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, goods and service tax (GST), value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax(GST), value added tax (VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

SRIRAMPUR GRAINS PVT.LTD

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

(₹)

		Current	
		As at	`
		March 31, 2019	March 31, 2018
2	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balance with Banks in Current Account	1,06,523	1,06,523
	Cash on Hand	-	-
		1,06,523	**1,06,523**

SRIRAMPUR GRAINS PVT.LTD

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

(₹)

	As at March 31, 2019	As at March 31, 2018
3 Equity Share Capital		
Authorised Shares		
2,50,000 equity shares of ₹ 10/- each	**25,00,000**	**25,00,000**
(P.Y. 2,50,000 equity shares of ₹ 10/- each)		
Issued, subscribed and paid up shares		
10,000 equity shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
(P.Y.10,000 equity shares of ₹ 10/- each fully paid up)		
	1,00,000	**1,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	10,000	10,000
Equity shares issued during the period	-	-
Number of equity shares at the end	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2019	As at March 31, 2018
4 Other Equity		
Retained Earnings		
As per last Balance Sheet	(18,39,631)	(16,21,149)
Add: Profit / (Loss) after tax for the year	(1,92,267)	(2,18,482)
	(20,31,898)	**(18,39,631)**

SRIRAMPUR GRAINS PVT.LTD

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

(₹)

	Current	
	As at March 31, 2019	As at March 31, 2018
5 Borrowings		
Unsecured Loan		
From Holding Company	19,88,088	18,08,962
	19,88,088	**18,08,962**
6 Other Financial Liabilities		
Other	23,600	23,600
	23,600	**23,600**
7 Other Liabilities		
Payable towards Statutory Liabilities	15,493	13,592
	15,493	**13,592**
Trade Payables		
Other Payables	11,240	-
	11,240	**-**

(₹)

	Year ended March 31, 2019	Year ended March 31, 2018
8 Finance Cost		
Interest on Borrowings	1,54,927	1,35,918
Bank charges	-	89
	1,54,927	**1,36,007**
9 Other Expenses		
Auditors Remuneration [Refer Note No.16]	23,600	23,600
Rates and taxes	2,500	11,011
Legal and professional charges	11,240	47,864
	37,340	**82,475**

10 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,06,523	-	1,06,523
	-	**1,06,523**	**-**	**1,06,523**
Financial liabilities				
Borrowings	-	-	19,88,088	19,88,088
Other Financial Liabilities	-	-	23,600	23,600
	-	**-**	**20,11,688**	**20,11,688**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,06,523	-	1,06,523
	-	**1,06,523**	**-**	**1,06,523**
Financial liabilities				
Borrowings	-	-	18,08,962	18,08,962
Other Financial Liabilities	-	-	23,600	23,600
	-	**-**	**18,32,562**	**18,32,562**

11 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	1,06,523	1,06,523
Total	**1,06,523**	**1,06,523**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	19,88,088	19,88,088	-
Other financial liabilities	23,600	23,600	-
	20,11,688	**20,11,688**	**-**

As at March 31, 2018 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	18,08,962	18,08,962	-
Other financial liabilities	23,600	23,600	-
	18,32,562	**18,32,562**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

12 Income Taxes	As at March 31, 2019	As at March 31, 2018
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	26.00%	25.75%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	-	-

13 Capital Management

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	-	-
Total Equity	(19,31,898)	(17,39,631)
Debt to Equity Ratio	-	-

* Long term debt less cash and bank balances

14 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

15 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies : Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel : Mr. Amit Dahanukar - Chairman
: Mr. Keshab Nandy - Director
: Mrs. Shivani Amit Dahanukar - Director

(₹)

Nature of Transaction	**Parties refered in (a) above**	
	March 31, 2019	**March 31, 2018**
Interest Expense		
Tilaknagar Industries Ltd.	1,54,927	1,35,918
Total	**1,54,927**	**1,35,918**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	24,199	3,27,101
Total	**24,199**	**3,27,101**
Outstanding Payable		
Tilaknagar Industries Ltd.	19,88,088	18,08,962
Total	**19,88,088**	**18,08,962**

16 Auditor's remuneration charged to accounts:	**March 31, 2019**	**March 31, 2018**
Audit Fees	23,600	23,600
	23,600	**23,600**

17 Earnings Per Share (EPS)	**March 31, 2019**	**March 31, 2018**
Profit /(Loss) After Tax	(1,92,267)	(2,18,482)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(19.23)	(22)
Face Value per Equity Share	10	10

18 There is no contingent liability as on March 31, 2019.

19 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

20 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak	**Amit Dahanukar**	**Srijit Mulick**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:00581678)

Place : Mumbai

SHIVPRABHA SUGARS LTD.

Regd Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U15424PN2006PLC129391]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 13th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2018-19, no activities have been carried out by the Company and it has incurred net loss of Rs. 41,240/- during the year as compared to net loss of Rs. 82,115/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2019.

3. HOLDING COMPANY

Your Company is subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

Dr. Keshab Nandy has resigned from the Directorship of the Company w.e.f. April 01, 2019. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Director of the Company.

Mr. Srijit Mullick was appointed as an Additional Director of the Company by the Board on April 01, 2019 for the term expiring at the ensuing 13th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Board recommends their appointment/re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013. Information pursuant to Secretarial Standard- 1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (four) times during the financial year 2018-19 on May 19, 2018; August 09, 2018; October 12, 2018 and January 17, 2019 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 8th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 8th Annual General Meeting till the conclusion of the 13th Annual General Meeting of the Company.

Due to pre-occupancy with other audit and tax engagements, M/s. Shyam D. Menghani & Co. (Firm Registration No. 131574W), Chartered Accountants, Statutory Auditors have tendered their resignation with effect from January 08, 2019, resulting in a casual vacancy in the office of Statutory Auditors of the Company.

The Members had, upon the recommendation of the Board, in their Extra-Ordinary General Meeting ("the EGM") held on January 21, 2019, filled up the abovementioned casual vacancy by appointing M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the EGM till the conclusion of the 13th Annual General Meeting.

A proposal seeking Members' approval for the appointment of M/s. G. S. Nayak & Co. (Firm Registration No. 118915W), Chartered Accountants, as the Statutory Auditors of the Company for the tenure commencing from the conclusion of the 13th AGM and ending on the conclusion of the 18th AGM and for fixing their remuneration forms part of the Notice convening the ensuing AGM. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 from them with respect to the abovementioned proposal.

The Board has reviewed their eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommends their appointment as Statutory Auditors of the Company for the abovementioned tenure.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 18 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and reviving of business in allied activities. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2019 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#shareholder-services.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no particulars to be furnished in this Report as required under Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013.

11. FIXED DEPOSITS

As on April 01, 2018, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2018-19. As on March 31, 2019, the Company was not having any outstanding deposit falling under the scope of said Chapters.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has not entered into any contracts or arrangements with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2018-19.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis and;

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2018-19, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2018-19, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2018-19, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2018-19. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2018-19, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2018-19, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2018-19, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2018-19, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2018-19, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2018-19, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable; and

xii. During the financial year 2018-19, the Company has not received any complaint of sexual harassment pursuant to the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xiii. During the financial year 2018-19, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : June 14, 2019

Independent Auditor's Report

To,
The Members of
Shivprabha Sugars Limited

Report on the Standalone Ind AS Financial Statements
We have audited the accompanying standalone Ind AS financial statements of Shivprabha Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

Auditor's Responsibility (Continued)

In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 18 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

Report on Other Legal and Regulatory Requirements (Continued)

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company does not have any pending litigations which would impact its financial position;

   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.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Shivprabha Sugars Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Shivprabha Sugars Limited ("the Company")

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

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

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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 standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give 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.

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, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

Annexure B to the Independent Auditors' Report

On the Standalone Ind AS Financial Statements of Shivprabha Sugars Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Shivprabha Sugars Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.
3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place: Mumbai
Date: June 14, 2019

SHIVPRABHA SUGARS LTD.

BALANCE SHEET AS AT MARCH 31, 2019

(₹)

		Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	15,34,240	15,34,240
			15,34,240	**15,34,240**
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	3	55,434	55,434
	Income Tax Assets (Net)		-	-
			55,434	**55,434**
	Total		**15,89,674**	**15,89,674**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	4	5,00,000	5,00,000
	Other Equity	5	(1,47,76,463)	(1,47,35,223)
			(1,42,76,463)	**(1,42,35,223)**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	6	1,58,25,697	1,57,95,397
	Trade Payables	7	10,940	-
	Other Financial Liabilities	7	29,500	29,500
			1,58,66,137	**1,58,24,897**
	Total		**15,89,674**	**15,89,674**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-19		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SHIVPRABHA SUGARS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Other Expenses	8	41,240	54,674
Total expenses		**41,240**	**54,674**
Profit / (Loss) before tax		**(41,240)**	**(54,674)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	27,441
3) Deferred Tax		-	-
		-	**27,441**
Profit / (Loss) after tax		**(41,240)**	**(82,115)**
Other Comprehensive Income			
Total Other Comprehensive Income		**(41,240)**	**(82,115)**
Earnings Per Share (₹) Basic & Diluted	16	**(0.82)**	**(1.64)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-19		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SHIVPRABHA SUGARS LTD.

Statement of Cash Flow for the year ended March 31, 2019

(₹)

		2018-2019	2017-2018
A) Cash flow from Operating activities			
Net profit before tax		**(41,240)**	**(54,674)**
Net Cash from Operating Activities		**(41,240)**	**(54,674)**
Adjustment for:			
(Decrease)/ Increase in other financial liabilities		-	(26,274)
Net Cash from Operating activities		**(41,240)**	**(80,948)**
B) Cash Flow from Financing activities			
Proceeds from borrowings (Net)		30,300	80,948
Net Cash from Financing Activities		**30,300**	**80,948**
Net increase in Cash & Cash equivalents		**(10,940)**	**-**
Opening cash & cash equivalents		55,434	55,434
Closing cash & cash equivalents		**44,494**	**55,434**

Notes :

(a) Cash and cash equivalents comprises of	**As at March 31, 2019**	**As at March 31, 2018**
Balance with Bank in Current Account	55,434	55,434
Cash on Hand	-	-
	55,434	**55,434**

(b) Change in liability arising from financing activities	**As at April 01, 2018**	**Cash Flow (net)**	**As at March 31, 2019**
Borrowings	1,57,95,397	30,300	1,58,25,697

	As at April 01, 2017	**Cash Flow (net)**	**As at March 31, 2018**
Borrowings	1,57,14,449	80,948	1,57,95,397

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

SHIVPRABHA SUGARS LTD.

Statement of Changes in Equity for the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
A) Equity Share Capital		
Balance at the beginning of the reporting year	**5,00,000**	**5,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**5,00,000**	**5,00,000**

	Reserves and Surplus
B) Other Equity	
	Retained Earnings
Balance as at March 31, 2017	(1,46,53,108)
Profit / (Loss) for the year	(82,115)
Balance as at March 31, 2018	**(1,47,35,223)**
Profit / (Loss) for the year	(41,240)
Balance as at March 31, 2019	**(1,47,76,463)**

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mulick
Director
(DIN:00581678)

Place : Mumbai
Date : June 14, 2019

1 Reporting Entity

Shivprabha Sugars Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 14, 2019.

Details of the Company's accounting policies are included in sub note 3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act,
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Revenue

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, goods and service tax (GST), value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax(GST), value added tax (VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of

Sale of services

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided..Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

iv) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

v) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

vi) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

vii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

viii) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

IX) Recent Accounting Pronouncements:-

a) Ind AS 116 Leases

Ministry of Corporate Affairs has notified Ind AS 116, Leases nn March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

SHIVPRABHA SUGARS LTD.

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

2 Property, Plant and Equipment

(₹)

FIXED ASSETS	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2018	Additions	Deductions	As At March 31, 2019	As At April 01, 2018	Deductions	For the year	As At March 31, 2019	As At March 31, 2019	As At March 31,2018
TANGIBLE ASSETS										
Land	15,34,240	-	-	**15,34,240**	-	-	-	**-**	15,34,240	15,34,240
Total Tangible Assets	**15,34,240**	**-**	**-**	**15,34,240**	**-**	**-**	**-**	**-**	**15,34,240**	**15,34,240**
Previous Year	***15,34,240***			***15,34,240***	**-**	**-**	**-**	**-**	***15,34,240***	

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

(₹)

		Current	
		As at March 31, 2019	As at March 31, 2018
3	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balance with Bank in Current Account	55,434	55,434
	Cash on Hand	-	-
		55,434	**55,434**

	As at March 31, 2019	As at March 31, 2018
4 Equity Share Capital		
Authorised Shares		
50,000 equity shares of ₹ 10/- each (P.Y. 50,000 equity shares of ₹ 10/- each)	**5,00,000**	**5,00,000**
Issued, subscribed and paid up shares		
50,000 equity shares of ₹ 10/- each fully paid up (P.Y. 50,000 equity shares of ₹ 10/- each fully paid up)	5,00,000	5,00,000
	5,00,000	**5,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	50,000	50,000
Equity shares issued during the period	-	-
Number of equity shares at the end	**50,000**	**50,000**

b) Terms / rights attached to equity shares

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

c) Shares held by holding company	As at March 31, 2019	As at March 31, 2018
Tilaknagar Industries Ltd.	45,000	45,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares	As a % of total holding	No. of equity	As a % of total holding
Tilaknagar Industries Ltd.	45,000	90	45,000	90
Shivaji Baburao Disle	5,000	10	5,000	10
Total	**50,000**	**100**	**50,000**	**100**

	As at March 31, 2019	As at March 31, 2018
5 Other Equity		
Retained Earnings		
As per last Balance Sheet	(1,47,35,223)	(1,46,53,108)
Add: Profit / (Loss) after tax for the year	(41,240)	(82,115)
	(1,47,76,463)	**(1,47,35,223)**

SHIVPRABHA SUGARS LTD.

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

(₹)

	Current	
	As at March 31, 2019	**As at March 31, 2018**
6 Borrowings		
Unsecured Loan		
From Holding Company	44,25,697	43,95,397
From Director	1,14,00,000	1,14,00,000
	1,58,25,697	**1,57,95,397**
7 Other Financial Liabilities		
Other	29,500	29,500
	29,500	**29,500**
Trade Payables		
Other Payables	10,940	13,592
	10,940	**13,592**

(₹)

	Year ended March 31, 2019	Year ended March 31, 2018
8 Other Expenses		
Auditors Remuneration [Refer Note No.15]	29,500	29,500
Rates and taxes	800	4,459
Legal and professional charges	10,940	19,114
Miscellaneous Expenses	-	1,601
	41,240	**54,674**

9 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	55,434	-	55,434
	-	**55,434**	**-**	**55,434**
Financial liabilities				
Borrowings	-	-	1,58,25,697	1,58,25,697
Other Financial Liabilities	-	-	29,500	29,500
	-	**-**	**1,58,55,197**	**1,58,55,197**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2018 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	55,434	-	55,434
	-	**55,434**	**-**	**55,434**
Financial liabilities				
Borrowings	-	-	1,57,95,397	1,57,95,397
Other Financial Liabilities	-	-	29,500	29,500
	-	**-**	**1,58,24,897**	**1,58,24,897**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

10 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	55,434	55,434
Total	**55,434**	**55,434**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2019 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,58,25,697	1,58,25,697	-
Other financial liabilities	29,500	29,500	-
	1,58,55,197	**1,58,55,197**	**-**

As at March 31, 2018 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,57,95,397	1,57,95,397	-
Other financial liabilities	29,500	29,500	-
	1,58,24,897	**1,58,24,897**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

11 Income Taxes	As at March 31, 2019	As at March 31, 2018
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	26.00%	25.75%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	-	-

12 Capital Management

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2019	As at March 31, 2018
Net Debt *	-	-
Total Equity	(1,42,76,463)	(1,42,35,223)
Debt to Equity Ratio	-	-

* Long term debt less cash and bank balances

SHIVPRABHA SUGARS LTD.

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

13

No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

14 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies : Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited

b) Key Managerial Personnel : Mr. Amit Dahanukar - Chairman
: Mr. Keshab Nandy - Director
: Mrs. Shivani Amit Dahanukar - Director

(₹)

Nature of Transaction	**Parties refered in (a) above**	
	March 31, 2019	**March 31, 2018**
Net Loans & Advances taken / (given)		
Tilaknagar Industries Ltd.	30,300	80,948
Total	**30,300**	**80,948**
Outstanding Payable		
Tilaknagar Industries Ltd.	44,25,697	43,95,397
Total	**44,25,697**	**43,95,397**

15 Auditor's remuneration charged to accounts:	**March 31, 2019**	**March 31, 2018**
Audit Fees	29,500	29,500
	29,500	**29,500**

16 Earnings Per Share (EPS)	**March 31, 2019**	**March 31, 2018**
Profit /(Loss) After Tax	(41,240)	(82,115)
Weighted average number of shares	50,000	50,000
Basic & Diluted Earnings Per Share	(0.82)	(1.64)
Face Value per Equity Share	10	10

17 There is no contingent liability as on March 31, 2019.

18 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

19 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co
Chartered Accountants
(Firm Registration No. 118915W)

For and on behalf of the Board

Girija Shankar Nayak	**Amit Dahanukar**	**Srijit Mulick**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:00581678)

Place : Mumbai
Date : June 14, 2019