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, 2020, 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 Opinionsection below 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, 2020, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to note no. 36 of the Financial Statements which states that the Company has incurred capital expenditure of Rs. 10,035.97 lacs as at March 31, 2020 on expansion project grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. The Company has not tested the said project for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of capital work in progress.

2. We draw attention to note no. 37 of the financial statements which states that there are unsecured overdue trade receivables of Rs 586.55 lakhs from Andhra Pradesh Beverage Corporation Ltd. The management has not considered any provision for allowance on doubtful trade receivables /expected credit loss though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables.

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.

Emphasis of matter

We draw attention to note no. 38 of the financial statements regarding the pending litigation between the Company and DCB bank wherein the outcome of the matter is uncertain. Our opinion is not modified in respect of this matter

Material Uncertainty related to Going Concern

We draw attention to note no. 35 in the financial statements which states 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, 2020 and as of that date the business has ceased completely and there are defaults in repayment of bank loans. The uncertainty of the outcome of the NCLT proceedings and other eventsas mentioned above, 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 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 financialstatements.

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 internalcontrol.

- 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 bymanagement.

- 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 goingconcern.

- 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 theOrder.

2. As required by Section 143(3) of the Act, based on our audit we reportthat:

   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 ouraudit.

   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 thosebooks.

   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 ofaccount.

   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 and Material Uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of theCompany.

f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 paragraphabove.

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 a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein

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:

   As per the information and 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 tous:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 27 to the 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: September 12, 2020
ICAI UDIN: 20111749AAAADQ6499

Annexure - A to the Independent 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. Due to COVID 19 related lockdown restrictions, the management of the Company was able to perform year end physical verification of inventories, only subsequent to the year end. Also we were not able to physically observe the stock verification when carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance note provided in SA 501 "Audit evidence – Specific Considerations for Selected items". As explained to us, the discrepancies noticed on physical verification of inventories were not material.

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 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, Service Tax, Goods and service tax, Duty of Customs Income Tax, Sales Tax, 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 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 as on balance sheet date are given below :

Name of lenders	**Nature of Loan**	**Particulars**	**Amount of default as at Balance Sheet date (Rs. in Lakhs)**	**Period of default**
Standard Chartered Bank	Term Loan	Principal	1,548.98	April 2016 to March 2020
Standard Chartered Bank	Term Loan	Interest	221.21	April 2016 to March 2020
Development Credit Bank	Cash Credit	Principal	2,000.00	August 2018 to March 2020
Development Credit Bank	Cash Credit	Interest	481.50	August 2018 to March 2020

ix. The Company has not raised money through 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 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 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 provisions 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 : September 12, 2020
ICAI UDIN: 20111749AAAADQ6499

Annexure - B to the Auditors' Report

(Referred to in paragraph 2 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 March 31, 2020 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 March 31, 2020, 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 : September 12, 2020
ICAI UDIN: 20111749AAAADQ6499

PRAG DISTILLERY (P) LTD.

BALANCE SHEET AS AT March 31, 2020

(` in Lacs)

		Note No.	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	1,083.11	1,186.83
	Capital Work-In-Progress		10,035.97	9,916.75
	Other Intangible Assets	2	0.52	0.52
	Financial Assets			
	Investments	3	0.30	0.30
	Other Financial Assets	4	266.60	266.41
	Deferred Tax Assets (Net)	25	-	-
	Other Non-Current Assets	5	92.30	92.30
	Non-Current Tax Assets (Net)	25.2	7.57	29.25
			11,486.37	**11,492.36**
	Current Assets			
	Inventories	6	67.87	461.39
	Financial Assets			
	Trade Receivables	7	624.67	2,632.66
	Cash and Cash Equivalents	8a	1,951.86	1,573.83
	Other Bank Balances	8b	21.64	51.36
	Other Financial Assets	4	-	-
	Other Current Assets	5	514.38	573.27
			3,180.42	**5,292.51**
	Total		**14,666.79**	**16,784.87**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	9	368.10	368.10
	Other Equity	10	(260.38)	405.35
			107.72	**773.45**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Borrowings	11	-	-
	Other Financial Liabilities	12	-	-
	Provisions	13	68.83	58.54
	Deferred Tax Liabilities (Net)	25	-	-
	Other Non-Current Liabilities	14	-	-
			68.83	**58.54**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	11	2,481.50	2,166.23
	Trade Payables	15		
	Total outstanding dues of micro enterprises and small enterprises		63.50	107.21
	Total outstanding dues of creditors other than micro enterprises and small enterprises		1,443.64	2,285.26
	Other Financial Liabilities	12	10,497.76	11,248.86
	Provisions	13	2.17	131.60
	Other Current Liabilities	14	1.67	13.72
			14,490.24	**15,952.88**
	Total		**14,666.79**	**16,784.87**
	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
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 : September 12, 2020

PRAG DISTILLERY (P) LTD.

Statement of Profit and Loss for the year ended March 31, 2020

(` in Lacs)

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from Operations			
Sale of products (Gross)	16	535.02	10,236.08
Other Operating Income	16.1	2.05	365.00
Other Income	17	5.40	64.23
Total Income		**542.47**	**10,665.31**
EXPENSES			
Cost of Materials Consumed	18	128.80	3,295.64
(Increase) / Decrease in Stock	19	254.36	(254.66)
Excise duty		-	3,906.52
Employee Benefit Expense	20	60.90	174.06
Finance Cost	21	382.61	341.59
Depreciation	2	103.72	104.50
Other Expenses	22	263.09	4,392.64
Total Expenses		**1,193.48**	**11,960.29**
Profit / (Loss) before tax		**(651.01)**	**(1,294.98)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		12.10	-
3) Deferred Tax		-	-
Total Tax Expense		**12.10**	**-**
Profit / (Loss) after tax		**(663.11)**	**(1,294.98)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefit plans		(2.62)	(4.52)
Items that will be reclassified to Profit and Loss		-	-
Total Other Comprehensive Income (Loss)		**(2.62)**	**(4.52)**
Total Comprehensive Income for the year		**(665.73)**	**(1,299.50)**
Earnings Per Share (`) Basic & Diluted	32	(18.01)	(35.18)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial s	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 : September 12, 2020

PRAG DISTILLERY (P) LTD.

Statement of Cash Flow for the year ended March 31, 2020

(` in Lacs)

		2019-20		2018-19	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(651.01)**		**(1,294.98)**
	Adjustment for:				
	Depreciation	103.72		104.50	
	Impairment of Doubtful Advances	-		875.14	
	Sundry balance written back	(0.33)		(60.35)	
	Dividend Income	(0.03)		(0.03)	
	Interest expenses	382.61		341.59	
	Interest income	(5.04)		(3.85)	
	Operating Profit before working capital changes		480.93		1,257.00
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(1,956.49)		4,370.24	
	(Increase) / Decrease in loans and advances and other assets	58.70		(27.83)	
	(Increase) / Decrease in inventories	393.53		(425.26)	
	(Increase) / Decrease in trade receivables	2,007.99	503.73	(2,471.38)	1,445.77
	Direct taxes refund / (paid)		9.58		6.32
	Net Cash from Operating activities		**343.23**		**1,414.11**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	-		(15.75)	
	(Increase) / Decrease in other bank balances	29.73		(22.97)	
	Dividend received	0.03		0.03	
	Interest Received	5.04		3.85	
	Net Cash from Investing Activities		**34.80**		**(34.84)**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	-		400.15	
	Repayment of borrowings including current maturities	-		(154.03)	
	Interest paid	-		(124.84)	
	Net Cash from Financing Activities		**-**		**121.29**
	Net increase in Cash & Cash equivalents		**378.03**		**1,500.56**
	Opening cash & cash equivalents		1,573.83		73.27
	Closing cash & cash equivalents		**1,951.86**		**1,573.83**

Notes :

(` in Lacs)

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	1,925.39	1,573.00
	ii) Short-Term Bank Deposit (Maturity within 3 months)	26.43	-
	ii) Cash on Hand	0.04	0.83
		1,951.86	**1,573.83**

(` in Lacs)

		As at April 01, 2019	Cash Flow (net)	Non-cash changes (net)	As at March 31, 2020
(b)	**Change in liability arising from financing activities**				
	Borrowings including Current Maturities (Refer Note 11 &12)	3,749.85	-	501.83	4,251.69

(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 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 : September 12, 2020

PRAG DISTILLERY (P) LTD.

Statement of Changes in Equity for the year ended March 31, 2020

(` in Lacs)

	As at March 31, 2020	As at March 31, 2019
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, 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**
Additions during the year :			
a) Profit / (Loss) for the year		(663.11)	**(663.11)**
b) Remeasurement of defined benefit plans		(2.62)	**(2.62)**
Balance as at March 31, 2020	**835.00**	**(1,095.38)**	**(260.38)**

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

Place : Mumbai
Date : September 12, 2020

Notes to Financial Statements for the year ended March 31, 2020

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, 2020 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.

Notes to Financial Statements for the year ended March 31, 2020

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

Notes to Financial Statements for the year ended March 31, 2020

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

As a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if

the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

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 inflationary cost increases.

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 Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) 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

Notes to Financial Statements for the year ended March 31, 2020

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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2020

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

	Gross Block				Depreciation / Amortisation				Net Block	
	As on April 01, 2019	Additions	Deductions	As at March 31, 2020	As on April 01, 2019	Deductions	For the year	As at March 31, 2020	As At March 31, 2020	As At March 31,2019
TANGIBLE ASSETS										
Land	176.17	-	-	**176.17**	-	-	-	**-**	**176.17**	176.17
Buildings	715.63	-	-	**715.63**	286.21	-	22.26	**308.47**	**407.16**	429.42
Plant and Equipment	1,174.54	-	-	**1,174.54**	601.52	-	79.12	**680.64**	**493.90**	573.02
Furniture and Fixtures	4.53	-	-	**4.53**	4.20	-	0.04	**4.24**	**0.29**	0.33
Motor Vehicles	12.44	-	-	**12.44**	8.90	-	1.46	**10.36**	**2.08**	3.54
Office Equipment	4.98	-	-	**4.98**	4.73	-	-	**4.73**	**0.25**	0.25
Computers	25.92	-	-	**25.92**	22.10	-	0.84	**22.94**	**2.98**	3.82
Electrical Installations	5.87	-	-	**5.87**	5.58	-	-	**5.58**	**0.29**	0.29
Total Tangible Assets	**2,120.08**	**-**	**-**	**2,120.08**	**933.25**	**-**	**103.72**	**1,036.97**	**1,083.11**	**1,186.83**
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	**2,130.48**	**-**	**-**	**2,130.48**	**943.13**	**-**	**103.72**	**1,046.85**	**1,083.63**	**1,187.35**
Previous Year	***2,130.48***	**-**	**-**	***2,130.48***	***838.62***	**-**	***104.50***	***943.13***	***1,187.35***	**-**

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2018-2019] *(` 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**	**429.42**	451.68
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**	0.37
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**	0.52
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**	**1,291.33**
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	**2,130.48**	**-**	**-**	**2,130.48**	**838.62**	**-**	**104.50**	**943.13**	**1,187.35**	**1,291.86**
Previous Year	***2,130.23***	***0.25***	**-**	***2,130.48***	***732.36***	**-**	***106.26***	***838.62***	***1,291.86***	

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
		(` in Lacs)
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, 2020

(` in Lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
4 Other Financial Assets				
Term Bank Deposits (Maturity exceeding 12 months)	17.62	17.62	-	-
Other Deposits	243.98	243.79	-	
Other Advances	693.00	693.00		
			-	-
	954.60	954.41	-	-
Less : Allowance for doubtful deposits	(10.00)	(10.00)	-	-
Less : Allowance for doubtful advances	(678.00)	(678.00)	-	-
	266.60	**266.41**	**-**	**-**

4.1 Movement in loss allowance for doubtful deposits is provided below :

Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2020
Balance at the beginning of the year	10.00	-	-	-
Loss allowance (net)	-	10.00	-	-
Write off	-	-	-	-
Balance at the end of the year	**10.00**	**10.00**	**-**	**-**

4.2 Movement in loss allowance for doubtful advances is provided below :

Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2020
Balance at the beginning of the year	678.00	258.00	-	-
Loss allowance (net)	-	420.00	-	-
Write off	-	-	-	-
Balance at the end of the year	**678.00**	**678.00**	**-**	**-**

	Non-Current		Current	
5 Other Assets				
Unsecured, considered good				
Balance with Government Authorities	92.30	92.30	2.76	1.28
Advances to Suppliers	-	-	211.00	231.75
Prepaid Expense	-	-	300.62	340.24
	92.30	**92.30**	**514.38**	**573.27**
6 Inventories				
(At lower of cost and net realisable value) (Net of provision for non-moving and obsolete stocks)				
Raw materials	-	-	34.61	47.06
Stores, Spares and Packing Materials	-	-	14.12	140.83
Work-In-Progress	-	-	19.14	19.50
Finished goods	-	-	-	254.00
	-	**-**	**67.87**	**461.39**
7 Trade Receivables				
Unsecured, considered good	-	-	400.42	2,632.66
Unsecured, considered doubtful	-	-	668.56	444.31
Hight Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
	-	**-**	**1,068.98**	**3,076.97**
Less: Expected Credit Loss	-	-	444.31	444.31
	-	**-**	**624.67**	**2,632.66**

7.1 Movement in loss allowance for doubtful debts is provided below :

Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	444.31	-
Loss allowance (net)	-	-	-	444.31
Write off	-	-	-	-
Balance at the end of the year	**-**	**-**	**444.31**	**444.31**

8 Cash and Bank Balances

a) Cash and Cash Equivalents				
i) Balances with Banks				
In Current Accounts	-	-	1,925.39	1,573.00
ii) Short-Term Bank Deposit (Maturity within 3 months)			26.43	-
ii) Cash on Hand	-	-	0.04	0.83
	-	**-**	**1,951.86**	**1,573.83**
b) Other Bank Balances				
Short-Term Bank Deposits (Maturity within 12 months)	-	-	21.64	51.36
	-	**-**	**1,973.50**	**1,625.19**

* Cash and Bank Balances includes an amount of ` 1,892.03 lacs marked as a lien by Development Credit Bank in the Company's Current account held with them.

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
		(` in Lacs)
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

		Nos. in Lacs
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, 2020		As at March 31, 2019	
	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 *(` in Lacs)*

	As at March 31, 2020	As at March 31, 2019
a) Securities Premium Account		
As per last Balance Sheet	**835.00**	**835.00**
b) Retained Earnings		
As per last Balance Sheet	(429.65)	869.85
Add: Profit / (Loss) after tax for the year	(663.11)	(1,294.98)
Add: Remeasurement of defined benefit plans	(2.62)	(4.52)
	(1,095.38)	**(429.65)**
	(260.38)	**405.35**

(` in Lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
11 Borrowings				
Secured Loans				
Cash Credit (including working capital demand loan)	-	-	2,481.50	2,166.23
	-	**-**	**2,481.50**	**2,166.23**

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

b) Secured loans from bank outstanding at the end of the financial year have been guaranteed by the personal guarantee of the Promoter of the Company.

c) The defaults in repayment of loan to a bank included in borrowings are as under:

(` in Lacs)

Bank	Period of Default	Cash Credit Outstanding Amount	Cash Credit Interest
Development Credit Bank	August 2018 to March 2020	2,000.00	481.50
Total		**2,000.00**	**481.50**

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
12 Other Financial Liabilities				
Current maturities of Term Loans- Foreign Currency Loan	-	-	1,770.19	1,583.62
Payable for purchase of Fixed Assets	-	-	17.36	-
Employee dues	-	-	11.64	20.78
Advance from Holding Company			6,388.36	6,348.99
Other Payables				
Related Parties	-	-	2,276.28	3,225.95
Others	-	-	33.93	69.52
	-	**-**	**10,497.76**	**11,248.86**

a) The term loans are secured against first pari passu charge on plant & equipment and other fixed assets and second pari passu charge on all the current assets of the Company, both present and future situated at Andhra Pradesh.

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

c) Secured loans from bank outstanding at the end of the financial year have been guaranteed by the personal guarantee of the Promoter of the

d) The defaults in repayment of term loan to bank included in current maturities of term loans are as under:

(` in Lacs)

Bank	Period of Default	Term Loan Principal	Term Loan Interest
Standard Chartered Bank	April 2016 to March 2020	1,548.98	221.21
Total		**1,548.98**	**221.21**

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
13 Provisions				
Provision for Gratuity (Refer Note 28)	65.16	54.24	1.89	1.74
Provision for Leave Encashment	3.67	4.30	0.28	0.36
Provision for Excise Duty	-	-	-	129.50
	68.83	**58.54**	**2.17**	**131.60**

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
14 Other Liabilities				
Payable towards Statutory Liabilities	-	-	1.67	13.72
	-	**-**	**1.67**	**13.72**

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
15 Trade Payables				
Trade Payables (Refer Note No.31)	-	-		
Total outstanding dues of micro & small enterprises	-	-	63.50	107.21
Total outstanding dues of creditors other than micro & small enterprises	-	-	1,443.64	2,285.26
	-	**-**	**1,507.14**	**2,392.47**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

		Year ended March 31, 2020	Year ended March 31, 2019
16	**Revenue from Operations**		
	Revenue from contracts with customers		
	Sales of products	535.02	10,236.08
		535.02	**10,236.08**
	Reconciliation of Gross Revenue with Revenue from Contracts with Customers		
	Contract price	562.66	10,236.33
	Less:Discount/Demurrage	27.64	0.25
	Revenue recognised	**535.02**	**10,236.08**
16.1	**Other Operating Income**		
	Sale of by products, scrap and other income	2.05	15.58
	Income from contract manufacturing and other income	-	349.42
		2.05	**365.00**
17	**Other Income**		
	Sundry balance written back	0.33	60.35
	Interest income	5.04	3.85
	Dividend on current investments	0.03	0.03
		5.40	**64.23**

		Year ended March 31, 2020	Year ended March 31, 2019
18	**Cost of Materials Consumed**		
	i) Raw Material Consumption		
	Opening Stock	47.06	0.09
	Add: Purchases	-	1,336.02
	Less: Closing Stock	34.61	47.06
		12.45	**1,289.05**
	ii) Packing Materials & Consumables	116.35	2,006.59
		128.80	**3,295.64**
19	**(Increase) / Decrease in Stock**		
	Opening Stock		
	i) Work-In-Progress	19.50	18.84
	ii) Finished goods	254.00	-
		273.50	**18.84**
	Less : Closing Stock		
	i) Work-In-Progress	19.14	19.50
	ii) Finished goods	-	254.00
		19.14	**273.50**
	(Increase) / Decrease in Stock	**254.36**	**(254.66)**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

		Year ended March 31, 2020	Year ended March 31, 2019
20	**Employee Benefit Expense**		
	Salary and wages	46.56	149.88
	Contribution to provident fund and family pension fund	5.20	14.27
	Staff welfare expenses	0.70	2.47
	Gratuity	8.44	7.44
		60.90	**174.06**
21	**Finance Costs**		
	Interest on Term Loans	67.35	41.62
	Interest on Cash Credits/ Working Capital Demand Loan	315.26	265.57
	Other Borrowing Costs	-	34.40
		382.61	**341.59**
22	**Other Expenses**		
	Power and fuel	8.82	21.45
	Repairs & maintenance		
	i) Plant & Equipment	1.44	18.71
	ii) Buildings	-	0.81
	iii) Others	0.78	18.44
	Insurance	1.40	0.06
	Legal and professional charges	23.98	46.36
	Auditor's remuneration (Refer Note No.30)	1.24	1.39
	Rates and taxes	39.86	126.86
	Freight, transport charges & other expenses	13.15	225.05
	Selling expenses [Sales Promotion & Advertising etc.]	3.12	1.69
	Surplus to Brandowner	147.18	3,008.16
	Travelling and conveyance expenses	2.38	4.82
	Printing and stationery	0.04	1.33
	Communication expenses	0.29	0.55
	Vehicle running expenses	0.62	0.20
	Provision for doubtful debts	-	444.31
	Provision for Deposit/Advances	-	430.82
	Miscellaneous expenses	18.79	41.63
		263.09	**4,392.64**

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, 2020 *(` 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	-	624.67	-	624.67
Cash and Cash Equivalents	-	1,951.86	-	1,951.86
Other Bank Balances	-	21.64	-	21.64
Other Financial Assets	-	266.60	-	266.60
	0.30	**2,864.77**	**-**	**2,865.07**
Financial liabilities				
Borrowings	-	-	2,481.50	2,481.50
Trade Payables	-	-	1,507.14	1,507.14
Other Financial Liabilities	-	-	10,497.76	10,497.76
	-	**-**	**14,486.40**	**14,486.40**

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, 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	**4,524.26**	**-**	**4,524.56**
Financial liabilities				
Borrowings	-	-	2,166.23	2,166.23
Trade Payables	-	-	2,392.47	2,392.47
Other Financial Liabilities	-	-	11,248.86	11,248.86
	-	**-**	**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.

Fair Value Measurement Hierarchy :

(` in Lacs)

Particulars	As at 31-03-2020			As at 31-03-2019		
	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, 2020	As at March 31, 2019
Trade receivables	624.67	2,632.66
Cash and cash equivalents	1,951.86	1,573.83
Other bank balances	21.64	51.36
Other financial assets	266.60	266.41
Total	**2,864.77**	**4,524.26**

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, 2020	624.67	624.67	-
As at March 31, 2019	2,632.66	2,632.66	-

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, 2020 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	2,481.50	2,481.50	-
Trade payables	1,507.14	1,507.14	-
Other financial liabilities	10,497.76	10,497.76	-
	14,486.40	**14,486.40**	**-**

As at March 31, 2019 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	2,166.23	2,166.23	-
Trade payables	2,392.47	2,392.47	-
Other financial liabilities	11,248.86	11,248.86	-
	15,807.56	**15,807.56**	**-**

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 *(Nos in Lacs)*

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

	As at March 31, 2020 USD	As at March 31, 2019 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, 2020	As at March 31, 2019
Increase / (decrease) in profit	(15.49)	(14.30)
Total increase / (decrease) in profit	**(15.49)**	**(14.30)**

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, 2020	As at March 31, 2019
Fixed rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**
Variable-rate instruments		
Financial liabilities		
Borrowings	4,251.69	3,749.85
Total	**4,251.69**	**3,749.85**

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.

Notes to Financial Statements for the year ended March 31, 2020

Particulars	Profit or loss
March 31, 2020	
Variable-rate instruments	(42.52)
Cash flow sensitivity	**(42.52)**
March 31, 2019	
Variable-rate instruments	(37.50)
Cash flow sensitivity	**(37.50)**

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 Liability (Net) :

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet :

(` in Lacs)

Movement in deferred tax assets/ (liabilities) during the year	Opening Balance as on 01-04-2019	Recognised in Profit & loss	Closing balance as on 31-03-2020
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(148.68)	13.29	(135.40)
Total A	**(148.68)**	**13.29**	**(135.40)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	15.77	5.72	21.49
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	-	113.91	113.91
Business Loss /Unabsorbed depreciation	132.91	(132.91)	-
Total B	**148.68**	**(13.29)**	**135.40**
Total (A+B)	**-**	**-**	**-**

25.1 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 utilised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ` 1899.66 lacs as on March 31, 2020 (Previous year: ` 1,055.25 lacs)

(` in Lacs)

25.2 Income Taxes	**As at March 31, 2020**	**As at March 31, 2019**
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	12.10	-
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)	7.57	29.25

26 Capital Management

For the purpose of the Company'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, 2020	**As at March 31, 2019**
Total Net Debt	2,299.83	2,176.02
Total Equity	107.72	773.45
Debt to Equity Ratio	21.35	2.81

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2020

27 Contingent Liability not provided for:

	Particulars	As at March 31, 2020	As at March 31, 2019
			(` in Lacs)
a)	Bank guarantees issued on behalf of the Company	26.20	40.70
b)	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
	F.Y. 2010-2011 (VAT-Kerala)	-	87.99
c)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

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 ` 5.20 Lacs (P.Y. ` 14.27 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, 2020 Unfunded Gratuity	As at March 31, 2019 Unfunded Gratuity
Present Value of obligation	67.05	55.98
Fair Value of Plans	-	-
Net Liability in the balance sheet	**67.05**	**55.98**
Defined Benefit Obligations		
Opening balance	55.98	44.02
Interest expenses	4.35	3.42
Current service cost	4.09	4.02
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	-
Benefit paid directly by the employer	-	-
Benefit paid from the fund	-	-
Actuarial (gain) / loss-Due to change in Financial assumptions	6.00	0.06
Actuarial (gain) / loss- Due to Experience	(3.37)	4.46
Closing balance	**67.05**	**55.98**
		-
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	As at

	March 31, 2020 Unfunded Gratuity	March 31, 2019 Unfunded Gratuity
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan	-	-
Current service costs	4.09	4.02
Past service cost	-	-
Interest expense	4.35	3.42
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**8.44**	**7.44**
	-	-
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan	-	-
Actuarial (gain) / loss	2.62	4.52
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**2.62**	**4.52**
	-	-
Maturity Analysis of the Benefit Payments: From the Employer	-	-
Projected Benefits Payable in Future Years From the Date of Reporting	-	-
1st Following Year	1.89	1.74
2nd Following Year	1.97	1.81
3rd Following Year	2.05	1.89
4th Following Year	3.27	1.96
5th Following Year	5.05	3.14
Sum of Years 6 to 10	27.62	24.69
Sum of Years 11 and above	117.75	118.87
	-	-
Sensitivity Analysis	-	-
Projected Benefits Obligations on Current Assumptions	67.05	55.98
Delta Effect +1% Change in Rate of Discounting	(6.62)	(5.58)
Delta Effect -1% Change in Rate of Discounting	7.72	6.51
Delta Effect +1% Change in Rate of Salary Increase	7.79	6.63
Delta Effect -1% Change in Rate of Salary Increase	(6.78)	(5.76)
Delta Effect +1% Change in Rate of Employee Turnover	1.20	1.62
Delta Effect -1% Change in Rate of Employee Turnover	(1.35)	(1.82)

Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.87%	7.77%
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, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Present value of DBO	67.05	55.98	44.02	42.23	24.93
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	67.05	55.98	44.02	42.23	24.93
Experience adjustments on plan liabilities	(3.37)	4.46	(1.69)	9.02	(1.67)
Experience adjustments on plan assets	-	-	-	-	-

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2020

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) 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 Dahanukar — Member of Suspended Board of Directors

(` in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2019-20	2018-19	2019-20	2018-19
Sales				
Tilaknagar Industries Ltd.	106.97	101.55	-	-
PunjabExpo Breweries Private Limited	-	10.57	-	-
Total	**106.97**	**112.12**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	-	166.07	-	-
PunjabExpo Breweries Private Limited	-	53.53	-	-
Vahini Distilleries Pvt Ltd	-	6.26	-	-
Total	**-**	**225.86**	-	-
Income (Bottling & Commission)				
Tilaknagar Industries Ltd.	-	9.56	-	-
PunjabExpo Breweries Private Limited	-	339.86	-	-
Total	**-**	**349.42**	-	-
Brand Owners' Surplus (Expense)				
Tilaknagar Industries Ltd.	-	44.91	-	-
PunjabExpo Breweries Private Limited	147.18	2,963.25	-	-
Total	**147.18**	**3,008.16**	-	-
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	(39.36)	(246.13)	-	-
PunjabExpo Breweries Private Limited	948.98	(3,225.26)	-	-
Vahini Distilleries Pvt Ltd	0.69	(0.69)	-	-
Total	**910.31**	**(3,472.08)**	-	-
Outstanding Payable				
Tilaknagar Industries Ltd.	(6,388.36)	(6,348.99)	-	-
PunjabExpo Breweries Private Limited	(2,276.28)	(3,225.26)	-	-
Vahni Distilleries Pvt Ltd	-	(0.69)	-	-
Total	**(8,664.64)**	**(9,574.94)**	-	-

Notes to Financial Statements for the year ended March 31, 2020

		Year ended March 31, 2020	Year ended March 31, 2019
30	**Auditor's remuneration charged to accounts:**		*(` in Lacs)*
	a) Audit fees	1.18	1.18
	b) Reimbursement of expenses	0.06	0.21
		1.24	**1.39**

31 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)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	97.43	141.46
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	33.93	34.25
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(` in Lacs)

		As at March 31, 2020	**As at March 31, 2019**
32	**Earnings per share:**		
	Profit After Tax	(663.11)	(1,294.98)
	Weighted average number of shares	36.81	36.81
	Basic Earnings Per Share	(18.01)	(35.18)
	Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	36.81	36.81
	Diluted Earnings Per Share	(18.01)	(35.18)
	Face Value per Equity Share	10.00	10.00

33 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, 2020 are as under:

		March 31, 2020		**March 31, 2019**	
	Currency	**FC Amount (in Lacs)**	**(` in Lacs)**	**FC Amount (in Lacs)**	**(` in Lacs)**
Term Loans	**USD**	**20.63**	**1,548.98**	**20.63**	**1,429.77**

34 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in June, 2020.
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

35 The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. Tilaknagar Industries Ltd. has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. Hence, the accounts of Prag have been prepared on a going concern basis.

36 The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. The impairment, if any, of the project undertaken by Prag in earlier years will be considered on completion of the liquidation process/ final settlement as the case may be, as the recoverable value is not currently ascertainable.

37 Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include Rs. 586.55 lacs (PY Rs. 2,174.13 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by the Company in 2018-2019 and 2019-2020 . Prag, through the Liquidator is in the process of filing an application with National Company Law Tribunal for approval to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received.

Notes to Financial Statements for the year ended March 31, 2020

38 Prag Distillery (P) Ltd has filed an application with the Hon'ble National Company Law Tribunal seeking reversal of interest debited by DCB Bank during the Corporate Insolvency Resolution Process. The Hon'ble National Company Law Tribunal Had directed DCB Bank to reverse the interest debited. The said order has been appealed against by DCB bank with the Hon'ble National Company Law Appellate Tribunal and later with the Hon'ble Supreme Court of India, where the matter is currently pending.Prag has also filed a Miscellaneous Application to the Hon'ble National Company Law Tribunal against DCB Bank Ltd., seeking removal of the lien marked on the bank account with DCB Bank and an order declaring the realisation/enforcement of security interest of DCB Bank Ltd. as null and void. The said application is pending before the National Company Law Tribunal for further arguments.

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 : September 12, 2020

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 28th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2019-20, the revenue from operations of the Company stood at Rs. 338.89 lacs as compared to Rs. 50,395.76 lacs in the previous year. It has incurred total comprehensive income of Rs.99.06 lacs during the financial year 2019-20 as compared to total comprehensive loss of Rs. 137.78 lacs in the previous year.

In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The operations have resumed with requisite precautions in place. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 and will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

During the year under review, Tilaknagar Industries Ltd. ("Holding Company") had restructured its debt with Edelweiss Asset Reconstruction Company Limited ("EARC"), acting on behalf of and for the benefit of EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 ("Beneficiaries") (collectively "Transaction") and for the purpose of securing the repayment of the secured obligations in relation to the Transaction, the Holding Company had requested the Company and the Company had agreed to act as co-obligor in the Transaction and create first ranking charge on pari passu basis on its fixed and current assets, present and future, in favour of EARC, acting on behalf and for the benefit of the Beneficiaries.

The repayment of secured obligations would be secured by security interest including but not limited to pledge on all the shares held by the Holding Company in the Company constituting 100% of the paid up share capital of the Company and other securities.

2. DIVIDEND

In view of the losses, the Directors have not recommended any dividend for the financial year ended March 31, 2020.

3. HOLDING COMPANY

The Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

During the financial year under review, Mr. Kapa Sreenivasulu Reddy, who was appointed as an Additional Director of the Company by the Board with effect from May 02, 2019 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 ("AGM") held on September 11, 2019.

At the 27th AGM of the Company held on September 11, 2019, 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.

Mr. Srijit Mullick has resigned from the position of Managing Director of the Company w.e.f. September 16, 2020. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure as Managing Director of the Company.

Mr. Ajit Anant Sirsat was appointed as an Additional Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 28th 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. Ajit Anant Sirsat for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such. He was also appointed as the Managing Director of the Company by the Board on September 16, 2020 for the term of three years commencing from September 16, 2020 and ending on September 15, 2023, subject to the approval of Members in the ensuing 28th AGM.

Mr. Shankar Chintu Pawar was appointed as an Additional Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 28th AGM. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Shankar Chintu Pawar for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such. He was also appointed as the Whole Time Director of the Company by the Board on September 16, 2020 for the term of three years commencing from September 16, 2020 and ending on September 15, 2023, subject to the approval of Members in the ensuing 28th AGM.

Mr. Kishorekumar Ganpatrao Mhatre was appointed as an Additional (Non-Executive and Independent) Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 28th AGM. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Kishorekumar Ganpatrao Mhatre for appointment as Independent Director of the Company at the ensuing AGM alongwith his consent to act as such. Accordingly, proposal to appoint Mr. Kishorekumar Ganpatrao Mhatre as Independent Director of the Company, not liable to retire by rotation for a period of five consecutive years commencing from September 16, 2020 and expiring on September 15, 2025 (both days inclusive) have been placed in the ensuing Annual General Meeting for approval of the Members.

Ms. Aparna Praveen Chaturvedi was appointed as an Additional (Non-Executive and Independent) Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 28th Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Ms. Aparna Praveen Chaturvedi for appointment as Independent Director of the Company at the ensuing AGM alongwith his consent to act as such. Accordingly, proposal to appoint Ms. Aparna Praveen Chaturvedi as Independent Director of the Company, not liable to retire by rotation for a period of One year commencing from September 16, 2020 and expiring on September 15, 2021 (both days inclusive) have been placed in the ensuing 28th AGM for approval of the Members.

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 28th AGM 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.

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 8 (eight) times during the financial year 2019-20 on May 02, 2019; June 14, 2019; August 08, 2019; December 02, 2019; December 13, 2019; January 24, 2020; February 03, 2020; and February 12, 2020 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, 2020 was as follows:

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

The Board, in its meeting held on September 16, 2020, has reconstituted the composition of the Audit Committee w.e.f. October 01, 2020 as follows:

Name of the Member	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member
Mr. Kishorekumar Ganpatrao Mhatre	Additional (Non-Executive and Independent Director)	Member
Ms. Aparna Praveen Chaturvedi	Additional (Non-Executive and Independent Director)	Member

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, 2020 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 Board, in its meeting held on September 16, 2020, has reconstituted the composition of the Nomination and Remuneration Committee w.e.f. October 01, 2020 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
Mr. Kishorekumar Ganpatrao Mhatre	Additional (Non-Executive and Independent Director)	Member
Ms. Aparna Praveen Chaturvedi	Additional (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 2019-20, 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 12, 2020 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 September 16, 2020 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, 2020, 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.

Mr. Ajit Anant Sirsat and Ms. Vijeta Shah have resigned from the position of Chief Financial Officer and Company Secretary of the Company w.e.f. September 16, 2020 and November 11, 2020 respectively. The Board places on record its appreciation for the valuable advice and guidance rendered by them during their tenure.

In place of Mr. Ajit Anant Sirsat, Mr. Shankar Chintu Pawar, Whole Time Director, has been designated as Chief Financial Officer of the Company w.e.f. September 16, 2020.

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.

The Members had, in their 25th Annual General Meeting held on September 25, 2017, authorized the Board to fix the remuneration payable to M/s. Batliboi & Purohit, Statutory Auditors of the Company. Accordingly, the Board, in its Meeting held on January 24, 2020 approved an increase in the remuneration payable to M/s. Batliboi & Purohit, Statutory Auditors of the Company for conducting the Statutory Audit from Rs. 1,00,000/- per year to Rs. 1,50,000/- per year with effect from financial year 2019-20 for their remaining tenure and also, the fees for other services to be rendered by them, as recommended by the Audit Committee and on the terms and conditions as contained in the proposal letter.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors and Secretarial Audit Report

The Secretarial Audit Report for the financial year ended March 31, 2020 is set out in Annexure 'A' to this Report.

The Secretarial Auditors' Report for the financial year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer.

12. INTERNAL AUDITORS AND INTERNAL AUDIT REPORT

M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants are the Internal Auditors of the Company. 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, 2020 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, 2019, 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 2019-20. As on March 31, 2020, 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 2019-20, 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 2019-20.

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 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.

21. RESIDUARY DISCLOSURES

i. During the financial year 2019-20, 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 2019-20, 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 2019-20, 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 2019-20, 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 2019-20, 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 2019-20, 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 2019-20, 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 2019-20; and

xi. During the financial year 2019-20, 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

Sd/-
Amit Dahanukar
Chairman

Place : Mumbai
Date : November 11, 2020

ANNEXURE ‘A’ TO THE DIRECTORS’ REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[*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, 2019 to March 31, 2020** (‘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, 2019 to March 31, 2020** 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) Food Safety and Standards Act, 2006; and
b) 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 following events/actions reported having a major bearing on the Company's operations:

1. Authorization to the Board of Directors to make loans, give guarantees, provide securities or make investments in excess of the limits prescribed under Section 186 of the Companies Act, 2013 up to a maximum outstanding amount of Rs. 600 Crores/- (Rupees Six Hundred Crores Only) vide special resolution passed by Members at the Extra-Ordinary General Meeting held on January 27, 2020 pursuant to the provisions of Section 186(3) and all other applicable provisions of the Companies Act, 2013 read with Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014;

2. Authorization to the Board of Directors for Mortgaging, Pledging, Hypothecating and/or Creating Charge on the Assets of the Company at any time not exceeding Rs. 600 Crores (Rupees Six Hundred Crores only) vide special resolution passed by Members at the Extra-Ordinary General Meeting held on January 27, 2020 pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013; and

3. Increase in the powers of the Board of Directors to borrow monies upto a maximum outstanding amount not exceeding Rs. 600 Crores (Rupees Six Hundred Crores only) vide special resolution passed by Members at the Extra-Ordinary General Meeting held on January 27, 2020 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
UDIN:

Place : Mumbai
Date : July 17, 2020

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 2019-20, 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 2019-20, 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 : November 11, 2020

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, 2020 :

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	P Niruppadapa	Junior Executive	554,101.00	Permanent	P.U.C	18	1/11/2010	50	Surya Organic Chemicals Pvt. Ltd.	No
2	Jojo Joseph	Supervisor Mechanical	511,826.00	Permanent	Diploma Mechanical Engineering	24	4/1/2009	49	JP Distilleries Ltd.	No
3	Samir Khan	Assistant - Production	480,060.00	Permanent	B.Sc.	21	1/1/2009	45	Al-Kabeer Export Pvt. Ltd	No
4	Kapa Sreenivasulu Reddy	Senior Manager	56,276.00	Permanent	M.Sc	15	6/25/2018	36	M/S Allied Blenders & Distillers Pvt.Ltd	No
5	Vijeta Shah	Company Secretary	407,123.37	Permanent	B.Com., C.S.	3.5	12/4/2018	25	Omkar Speciality Chemicals Limited	No
6	T Seenivasan	Executive – Stores	389,425.00	Permanent	BBM, MCA	8	12/19/2018	35	Britannia Industries Ltd.	No
7	Raghavendra	Executive - Accounts	260,680.00	Permanent	Graduate	8	1/2/2019	36	Shree Lakshmi Scale	No
8	Basavaraj	Assistant Commercial Executive	167,229.00	Permanent	B.Com	19	1/3/2019	33	John Distilleries Pvt. Ltd	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 2019-20 : Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date : November 11, 2020

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, 2020, 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, 2020, 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 : September 12, 2020
UDIN: 20111749AAAADR6769

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 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 Company does not own any inventory, accordingly clause provisions of clause 3 (ii) are not applicable..

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, there are no loans, investments, guarantees, securities given in respect of which provision of section 185 and 186 of the Act are applicable.

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. To the best of our knowledge and as explained the Central Government has not specified the maintenance of cost records under section 148 of the Act, for the product /services of the Company.

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 except for entry tax as stated below:

Nature of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the Amount relates	Forum where the dispute is pending
KTEG ACT 1979	Entry Tax	22.00	2015-16	JT.COMMISSIONER, APPEAL, KARNATAKA

viii. As per the information and explanations given by the management, the Company did not have any outstanding loans or borrowings from any financial institutions, or Bank or Government or dues to debenture holders. Thus reporting under clause (vii) is not applicable to the Company.

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, clause 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, clause 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. According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : September 12, 2020
UDIN: 20111749AAAADR6769

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 2020 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 orerror.

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 2020, 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 : September 12, 2020
UDIN: 20111749AAAADR6769

VAHNI DISTILLERIES PRIVATE LIMITED

Balance Sheet as at March 31, 2020

(₹ in Lacs)

		Note No.	As at March 31 , 2020	As at March 31 , 2019
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	225.16	246.02
	Financial Assets			
	Other Financial Assets	3	8.22	8.22
	Deferred Tax Assets (Net)	24	-	-
	Other Non-Current Assets	4	-	-
	Non-Current Tax Assets (Net)	24.2	12.62	14.16
			246.00	**268.40**
	Current Assets			
	Inventories	5	-	1,595.26
	Financial Assets			
	Investment	6	-	142.78
	Trade Receivables	7	-	2,719.11
	Cash and Cash Equivalents	8	640.83	2,326.42
	Other Financial Assets	3	-	0.69
	Other Current Assets	4	10.29	139.16
			651.12	**6,923.42**
	Total		**897.12**	**7,191.82**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	9	1,498.05	1,498.05
	Other Equity	10	(2,165.98)	(2,265.04)
			(667.93)	**(766.99)**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Other Financial Liabilities	11	-	3,275.00
	Provisions	12	3.61	4.41
	Deferred Tax Liabilities (Net)	25	-	-
	Other Non-Current Liabilities	13	-	-
			3.61	**3,279.41**
	Current Liabilities			
	Financial Liabilities			
	Trade Payables	14		
	Total outstanding dues of micro enterprises and small enterprises		-	123.23
	Total outstanding dues of creditors other than micro enterprises and small enterprises		25.45	821.37
	Other Financial Liabilities	11	1,523.26	2,413.40
	Provisions	12	0.12	1,293.86
	Other Current Liabilities	13	12.61	27.54
			1,561.44	**4,679.40**
	Total		**897.12**	**7,191.82**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements 2-34

As per our Report of even date annexed.

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

For and on behalf of the Board

S/d
Kaushal Mehta
Partner
Membership No. 111749

S/d
Amit Dahanukar
Chairman
(DIN:00305636)

S/d
Srijit Mullick
Managing Director
(DIN:00581678)

S/d
Ajit Sirsat
Chief Financial Officer

S/d
Vijeta Shah
Company Secretary

Place : Mumbai
Date : September 12, 2020

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lacs)

	Note No.	Year ended March 31 , 2020	Year ended March 31 , 2019
INCOME			
Revenue from Operations			
Sale of products (Gross)	15	-	50,091.00
Other Operating Income	15.1	338.89	304.76
Other Income	16	53.49	196.93
Total Income		**392.38**	**50,592.69**
EXPENSES			
Cost of Materials Consumed	17	-	3,315.91
(Increase) / Decrease in Stock	18	-	(242.55)
Excise duty		-	42,702.99
Employee Benefit Expense	19	41.13	102.70
Finance Cost	20	-	262.74
Depreciation	2	27.54	27.17
Other Expenses	21	222.65	4,557.75
		291.32	**50,726.71**
Profit / (Loss) before tax		**101.06**	**(134.02)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		3.02	-
3) Deferred Tax		-	-
Total Tax Expense		**3.02**	**-**
Profit / (Loss) after tax		**98.04**	**(134.02)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefit plans		**1.02**	**(3.76)**
Items that will be reclassified to Profit and Loss		**-**	**-**
Total Other Comprehensive Income / (Loss)		**1.02**	**(3.76)**
Total Comprehensive Income for the year		**99.06**	**(137.78)**
Earnings Per Share (₹) Basic & Diluted	31	6.54	(8.95)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-34		

As per our Report of even date annexed.

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

For and on behalf of the Board

S/d
Kaushal Mehta
Partner
Membership No. 111749

S/d
Amit Dahanukar
Chairman
(DIN:00305636)

S/d
Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

S/d
Ajit Sirsat
Chief Financial Officer

S/d
Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2020

(₹ in Lacs)

		2019-2020		2018-2019	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**101.06**		**(134.02)**
	Adjustment for:				
	Depreciation	27.54		27.17	
	Advances written off	21.66		-	
	Profit on Sale of Investments	(28.53)		(187.14)	
	Gain on Fair Value Investments	-		(9.79)	
	Interest expenses	-		262.74	
	Interest Income	(0.79)		-	
	Provision for inventory	-		17.22	
	Sundry balance w/off /(back)	(24.17)		0.26	
	Operating Profit before working capital changes		(4.29)		110.46
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(6,368.58)		966.63	
	(Increase) / Decrease in loans and advances and other assets	107.91		(45.07)	
	(Increase) / Decrease in inventories	1,595.26		(240.17)	
	(Increase) / Decrease in trade receivables	2,719.11	(1,946.30)	(1,095.98)	(414.59)
	Direct taxes refund / (paid)		(1.48)		(5.83)
	Net Cash from Operating activities		**(1,851.01)**		**(443.98)**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(6.68)		(4.41)	
	Purchase of investments	-		(8,493.46)	
	Sale of investments	171.31		8,547.61	
	Interest Receieved	0.79			
	Net Cash from Investing Activities		**165.42**		**49.74**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	-		(5,678.90)	
	Repayment of borrowings including current maturities	-		3,815.49	
	Interest paid	-		(262.74)	
	Net Cash from Financing Activities		**-**		**(2,126.15)**
	Net increase in Cash & Cash equivalents		**(1,685.59)**		**(2,520.39)**
	Opening cash & cash equivalents		2,326.42		4,846.81
	Closing cash & cash equivalents		**640.83**		**2,326.42**

Notes :

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	639.47	2,326.42
	ii) Cash on Hand	1.36	-
		640.83	**2,326.42**

(b) 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

S/d
Kaushal Mehta
Partner
Membership No. 111749

S/d
Amit Dahanukar
Chairman
(DIN:00305636)

S/d
Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

S/d
Ajit Sirsat
Chief Financial Officer

S/d
Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31 , 2020

(₹ in Lacs)

	As at March 31 , 2020	As at March 31 , 2019
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, 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)**
Additions during the year :				
a) Profit / (Loss) for the year			98.04	**98.04**
b) Remeasurement of defined benefit plans			1.02	**1.02**
Balance as at March 31, 2020	**356.25**	**18.97**	**(2,541.20)**	**(2,165.98)**

As per our Report of even date annexed.

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

For and on behalf of the Board

S/d
Kaushal Mehta
Partner
Membership No. 111749

S/d
Amit Dahanukar
Chairman
(DIN:00305636)

S/d
Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

S/d
Ajit Sirsat
Chief Financial Officer

S/d
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 September 12, 2020.
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, 2020 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

As a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

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 inflationary cost increases.

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 Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) Dividend

Dividend income is recognized when the Group’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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

2 Property, Plant and Equipment

(₹ in Lacs)

	Gross Block				Depreciation				Net Block	
	As on April 01, 2019	Additions	Deductions	As on March 31, 2020	As on April 01, 2019	Deductions	For the year	As on March 31, 2020	As on March 31, 2020	As on March 31, 2019
TANGIBLE ASSETS										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	0.15
Factory Building	52.35	-	-	**52.35**	43.89	-	0.24	**44.13**	**8.22**	8.46
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	0.26
Roads & Bridges	446.67	6.55	-	**453.22**	219.32	-	25.63	**244.95**	**208.27**	227.35
Plant and Equipment	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	0.02
Furniture and Fixtures	1.39	-	-	**1.39**	0.79	-	0.13	**0.92**	**0.47**	0.60
Motor Vehicles	4.03	-	-	**4.03**	0.35	-	0.48	**0.83**	**3.20**	3.68
Office Equipment	8.46	-	-	**8.46**	5.76	-	0.95	**6.71**	**1.75**	2.70
Computers	50.00	-	-	**50.00**	47.50	-	-	**47.50**	**2.50**	2.50
Electrical Installation	0.46	0.13	-	**0.59**	0.16	-	0.11	**0.27**	**0.32**	0.30
Total Tangible Assets	**569.18**	**6.68**	**-**	**575.86**	**323.16**	**-**	**27.54**	**350.70**	**225.16**	**246.02**
Previous Year	**563.50**	**5.68**	**-**	**569.18**	**295.99**	**-**	**27.17**	**323.16**	**246.02**	**-**

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2018-2019]

	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**	251.49
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**	0.73
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**	

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
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				
Balance with Government Authorities	-	-	-	37.71
Advances to Suppliers	-	-	0.08	66.21
Prepaid Expense			10.21	35.24
	-	**-**	**10.29**	**139.16**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

(₹ in Lacs)

		As at March 31, 2020	As at March 31, 2019
5	**Inventories**		
	(At lower of cost and net realisable value)		
	(Net of provision for non-moving and obsolete stocks)		
	Raw materials	-	0.83
	Stores, Spares and Packing Materials	-	107.36
	Work-In-Progress	-	95.50
	Finished goods	-	1,391.57
		-	**1,595.26**
6	**Current Investments**		
	Investments in Mufual Funds		
	At fair value through Profit & Loss		
	(a) ICICI Mutual Fund	-	142.78
	(Units C.Y. Nil P.Y. 51,839.717)		
		-	**142.78**
7	**Trade Receivables**		
	Unsecured, considered good	-	2,719.11
	High credit risk	-	-
	Credit Impaired	-	-
		-	**2,719.11**
8	**Cash and Cash Equivalents**		
	(i) Balances with Banks		
	In Current Accounts	639.47	2,326.42
	(ii) Cash on Hand	1.36	-
		640.83	**2,326.42**

(₹ in Lacs)

	As at March 31, 2020	As at March 31, 2019
9 Equity Share Capital		
Authorised Shares		
3,000,000 equity shares of ₹ 100/- each (P.Y. 3,000,000 equity shares of ₹ 100/- each)	**3,000.00**	**3,000.00**
Issued, subscribed and paid up shares		
1,498,050 equity shares of ₹ 100/- each fully paid up (P.Y. 1,498,050 equity shares of ₹ 100/- each fully paid up)	1,498.05	1,498.05
	1,498.05	**1,498.05**

a) Reconciliation of the number of shares outstanding

(Nos. in Lacs)

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

(Nos. in Lacs)

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	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
Total	**14.98**	**100**	**14.98**	**100**

(₹ in Lacs)

	As at March 31, 2020	As at March 31, 2019
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	(2,640.26)	(2,502.48)
Add: Profit / (Loss) after tax for the year	98.04	(134.02)
Add: Remeasurement of defined benefit plans	1.02	(3.76)
	(2,541.20)	**(2,640.26)**
	(2,165.98)	**(2,265.04)**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

(₹ in Lacs)

		Non-Current		Current	
		As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
11	**Other Financial Liabilities**				
	Trade Deposits & Others (Unsecured)	-	3,275.00	-	-
	Employee dues	-	-	6.01	9.91
	Advance from Holding Company			1,517.25	2,358.30
	Other Payables	-	-	-	45.19
		-	**3,275.00**	**1,523.26**	**2,413.40**
12	**Provisions**				
	Provision for Gratuity	2.81	3.03	0.08	6.65
	Provision for Leave Encashment	0.80	1.38	0.04	1.63
	Provision for Excise Duty on Finished Goods	-	-	-	1,285.58
		3.61	**4.41**	**0.12**	**1,293.86**
13	**Other Liabilities**				
	Payable towards Statutory Liabilities	-	-	12.61	27.54
		-	**-**	**12.61**	**27.54**
14	**Trade Payables**				
	Trade Payables (Refer Note 30)				
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	123.23
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	25.45	821.37
		-	**-**	**25.45**	**944.60**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

			(₹ in Lacs)
		Year ended March 31, 2020	**Year ended March 31, 2019**
15	**Revenue from Operations**		
	Revenue from contracts with customers		
	Sales of products	-	50,091.00
		-	**50,091.00**
15.1	**Other Operating Income**		
	Sale of scrap	-	14.78
	Income from contract manufacturing	338.89	289.98
		338.89	**304.76**
16	**Other Income**		
	Interest income	0.79	-
	Profit on sale of current investment	28.53	187.14
	Fair value of current investment	-	9.79
	Sundry balance written back	24.17	-
		53.49	**196.93**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lacs)

		Year ended March 31, 2020	Year ended March 31, 2019
17	**Cost of Materials Consumed**		
	i) Raw Material Consumption		
	Opening Stock	-	1.00
	Add: Purchases	-	1,169.75
	Less: Closing Stock	-	0.83
		-	**1,169.92**
	ii) Packing Materials & Consumables	-	2,145.99
		-	**3,315.91**
18	**(Increase) / Decrease in Stock**		
	Opening Stock		
	i) Work-In-Progress	-	118.81
	ii) Finished goods	-	1,125.71
		-	**1,244.52**
	Less : Closing Stock		
	i) Work-In-Progress	-	95.50
	ii) Finished goods	-	1,391.57
		-	**1,487.07**
	(Increase) / Decrease in Stock	**-**	**(242.55)**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

		Year ended March 31, 2020	*(₹ in Lacs)* Year ended March 31, 2019
19	**Employee Benefit Expense**		
	Salary and wages	26.34	88.46
	Contribution to provident fund and family pension fund	1.70	4.62
	Staff welfare expenses	11.45	3.35
	Gratuity	1.64	6.27
		41.13	**102.70**
20	**Finance Cost**		
	Interest - Others	-	262.72
	Other Finance Cost	-	0.02
		-	**262.74**
21	**Other Expenses**		
	Power and fuel	15.58	17.05
	Repairs & maintenance :-		
	i) Plant & Equipment	2.78	2.16
	ii) Others	6.59	6.91
	Insurance	0.73	1.23
	Rent	-	0.34
	Legal and professional charges	10.85	99.02
	Auditor's Remuneration (Refer Note 29)	3.96	1.39
	Rates and taxes	42.46	137.09
	Freight, transport charges & other expenses	-	295.21
	Selling expenses [Sales Promotion & Advertising etc.]	-	962.70
	Brand Fees	-	2,832.39
	Travelling and conveyance expenses	1.69	2.21
	Printing and stationery	1.03	0.92
	Communication expenses	2.18	5.75
	Vehicle running expenses	0.38	3.77
	Corporate Social Responsibility	-	8.02
	Advances written off	21.66	-
	Provision for stock	-	17.22
	Miscellaneous expenses	112.76	164.37
		222.65	**4,557.75**

22 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, 2020

(₹ 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	-	-	-	-
Cash and Cash Equivalents	-	640.83	-	640.83
Other Financial Assets	-	8.22	-	8.22
	-	**649.05**	**-**	**649.05**
Financial liabilities				
Borrowings	-	-	-	-
Trade Payables	-	-	25.45	25.45
Other Financial Liabilities	-	-	1,523.26	1,523.26
	-	**-**	**1,548.71**	**1,548.71**

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, 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	-	-	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**	**-**	**5,197.22**
Financial liabilities				
Borrowings	-	-	-	-
Trade Payables	-	-	944.60	944.60
Other Financial Liabilities	-	-	5,688.40	5,688.40
	-	**-**	**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.

Fair Value Measurement Hierarchy :

(₹ in Lacs)

Particulars	**As at 31-03-2020**			**As at 31-03-2019**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	-	-	-	-
Current Investment	-	-	-	-	142.78	-

23 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, 2020	As at March 31, 2019
Trade receivables	-	2,719.11
Cash and cash equivalents	640.83	2,326.42
Other financial assets	8.22	8.91
Total	**649.05**	**5,054.44**

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, 2020	-	-	-
As at March 31, 2019	2,719.11	2,719.11	-

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, 2020 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	-	-	-
Trade payables	25.45	25.45	-
Other financial liabilities	1,523.26	1,523.26	-
	1,548.71	**1,548.71**	**-**

As at March 31, 2019 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	-	-	-
Trade payables	944.60	944.60	-
Other financial liabilities	5,688.40	5,688.40	-
	6,633.00	**6,633.00**	**-**

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, 2020 USD	**As at March 31, 2019 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, 2020	**As at March 31, 2019**
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, 2020	**As at March 31, 2019**
Fixed rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**
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, 2020	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2019	
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.

Notes to Financial Statements for the year ended March 31, 2020

24 Deferred Tax Liabilities (Net)

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet : *(₹ in Lacs)*

Movement in deferred tax assets/ (liabilities during the year	Opening Balance as on April 01,2019	Recognised in Profit & loss	Closing Balance as on March 31,2020
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(30.95)	1.88	(29.07)
Total A	**(30.95)**	**1.88**	**(29.07)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	26.71	(25.32)	1.39
Business Loss /Depreciation Loss	4.24	23.44	27.68
Total B	**30.95**	**(1.88)**	**29.07**
Total (A+B)	-	-	-

24.1 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 utilised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ₹ 680.84 Lacs as on March 31, 2020 (Previous year: ₹ 842.78 Lacs)

24.2 Income Taxes *(₹ in Lacs)*

		As at March 31, 2020	As at March 31, 2019
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	3.02	-
	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%	26.000%
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)	12.62	14.16

25 Capital Management *(₹ in Lacs)*

For the purpose of the Company'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, 2020	As at March 31, 2019
Total Net Debt	Nil	Nil
Total Equity	(667.93)	(766.99)
Debt to Equity Ratio	Nil	Nil

26 Contingent Liability not provided for:

(₹ in Lacs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
F.Y. 2015-2016 (Entry Tax)	22.00	-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

27 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 ₹ 1.70 Lacs (P.Y. ₹ 4.62 Lacs) 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, 2020	**As at March 31, 2019**
	Unfunded Gratuity	**Unfunded Gratuity**
Present Value of obligation	2.89	9.68
Fair Value of Plans	-	-
Net Liability in the balance sheet	**2.89**	**9.68**
Defined Benefit Obligations		
Opening balance	9.68	0.44
Interest expenses	0.74	0.03
Current service cost	0.89	0.56
Past service cost	-	-
(Liability Transferred Out/ Divestments)	(7.41)	5.58
Benefit paid directly by the employer	-	(0.69)
Actuarial (gain) / loss-Due to change in Financial assumptions	0.20	0.05
Actuarial (gain) / loss- Due to Experience	(1.22)	3.70
Closing balance	**2.89**	**9.68**
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	**-**	**-**

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 Unfunded Gratuity	As at March 31, 2019 Unfunded Gratuity
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	0.89	0.56
Past service cost	-	-
Interest expense	0.74	0.03
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**1.63**	**0.59**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	(1.02)	3.76
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**(1.02)**	**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	0.08	6.65
2nd Following Year	0.08	0.08
3rd Following Year	0.08	0.34
4th Following Year	0.09	0.09
5th Following Year	0.10	0.10
Sum of Years 6 to 10	1.81	2.10
Sum of Years 11 and above	3.49	3.91
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	2.89	9.68
Delta Effect +1% Change in Rate of Discounting	(0.24)	(0.25)
Delta Effect -1% Change in Rate of Discounting	0.27	0.29
Delta Effect +1% Change in Rate of Salary Increase	0.27	0.29
Delta Effect -1% Change in Rate of Salary Increase	(0.25)	(0.26)
Delta Effect +1% Change in Rate of Employee Turnover	0.02	0.02
Delta Effect -1% Change in Rate of Employee Turnover	(0.03)	(0.03)
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.86%	7.69%
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, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Present value of DBO	2.89	9.68	0.44	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	2.89	9.68	0.44	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2020

28 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	
	2019-2020	**2018-19**
Sales of products		
Tilaknagar Industries Ltd.	1.30	7.32
Prag Dist Pvt Ltd	-	6.26
Total	**1.30**	**13.58**
Purchase		
Tilaknagar Industries Ltd.	31.11	7.61
Total	**31.11**	**7.61**
Income from contract manufacturing		
Tilaknagar Industries Ltd.	338.88	289.98
Total	**338.88**	**289.98**
Surplus to brandowners		
Tilaknagar Industries Ltd.	-	2,832.39
Total	**-**	**2,832.39**
Net Loans & Advances given / (taken)		
Tilaknagar Industries Ltd.	841.04	1,325.59
Total	**841.04**	**1,325.59**
Outstanding Receivable / (Payable)		
Tilaknagar Industries Ltd.	(1,517.25)	(2,358.30)
Total	**(1,517.25)**	**(2,358.30)**

Notes to Financial Statements for the year ended March 31, 2020

(₹ in Lacs)

29 Auditor's remuneration charged to accounts:	Year ended March 31, 2020	Year ended March 31, 2019
a) Audit fees	1.77	1.18
b) Auditors remuneration in other capacity	2.13	0.21
c) Reimbursement of expenses	0.06	-
	3.96	**1.39**

30 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)

Particulars	As at March 31, 2020	As at March 31, 2019
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	125.84
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	2.61
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(₹ in Lacs)

31 Earnings per share:	As at March 31, 2020	As at March 31, 2019
Profit After Tax / (Loss)	98.04	(134.02)
Weighted average number of shares	14.98	14.98
Basic Earnings Per Share	6.54	(8.95)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	14.98	14.98
Diluted Earnings Per Share	6.54	(8.95)
Face Value per Equity Share	10.00	10.00

32 The Company has entered into arrangements with Tilaknagar Industries Ltd. (referred as 'Holding Company) as Tie-up Manufacturing Unit (TMU), where-in the Company will manufacture and sell beverage alcohol on behalf of the Holding Company. Under such arrangements, the Holding Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the Company under such arrangements have been recorded as gross revenue, excise duty and expenses in the books of the Holding Company as if they were transactions of the Holding Company. The Holding Company also presents inventory under such arrangements as its own inventory. The net receivables from/ payable to Holding Company are recognised under other financial assets/ other financial liabilities respectively.

(₹ in Lacs)

In Profit & Loss A/C	Year ended March 31, 2020	Year ended March 31, 2019
	Audited	Audited
Revenue from operations	59,770.61	-
Other Operating Income	-	-
Total Income	**59,770.61**	**-**
Cost of materials consumed /Changes in inventories of finished goods, stock-in-trade and	4,825.52	-
Excise Duty	50,256.26	-
Finance costs	-	-
Other expenses	1,642.41	-
Total expenses	**56,724.19**	**-**
Profit/(Loss)	**3,046.42**	**-**

(₹ in Lacs)

In Balance Sheet	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
Increase (Decrease)		
Inventory	(1,040.15)	-
Trade Receivables	(1,123.07)	-
Cash and Bank Balances	-	-
Other Financial Assets	-	-
Other Assets	(66.71)	-
Increase (Decrease)	-	-
Trade Payables	(1,380.16)	-
Provisions	(800.65)	-
Other Liabilities	(2,305.97)	-

33 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

34 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

S/d **Kaushal Mehta** *Partner* Membership No. 111749	S/d **Amit Dahanukar** *Chairman* (DIN:00305636)	S/d **Srijit Mullick** *Managing Director* (DIN:00581678)
Place : Mumbai Date : September 12, 2020	S/d **Ajit Sirsat** *Chief Financial Officer*	S/d **Vijeta Shah** *Company Secretary*

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) 265 135
CIN No: [U15531PN1997PTC143390]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 23rd Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year under review, the revenue from operations of the Company stood at Rs. 218.67 lacs as compared to Rs. 24,923.54 lacs in the previous year. It has earned total comprehensive loss of Rs. 965.49 lacs during the financial year 2019-20 as compared to total comprehensive income of Rs. 128.86 lacs in the previous year.

In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The operations have resumed with requisite precautions in place. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 and will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

During the year under review, Tilaknagar Industries Ltd. ("Holding Company") had restructured its debt with Edelweiss Asset Reconstruction Company Limited ("EARC"), acting on behalf of and for the benefit of EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 ("Beneficiaries") (collectively "Transaction").

2. DIVIDEND

In view of the losses incurred by the Company during the year under review, the Directors have not recommended any dividend for the financial year ended March 31, 2020.

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. Srijit Mullick and Mr. Lawlesh Singh, who were appointed as Additional Directors of the Company by the Board with effect from April 1, 2019 and May 4, 2019 respectively in terms of Section 161(1) of the Companies Act, 2013 (the Act), were appointed as Directors of the Company by the Members in their Annual General Meeting (the AGM) held on September 11, 2019.

Mr. Lawlesh Singh and Mr. Srijit Mullick have resigned from the position of Directors of the Company w.e.f. November 15, 2019 and September 16, 2020 respectively. The Board places on record its appreciation for the valuable advice and guidance rendered by them during their tenure as Directors of the Company.

Mr. Pradeep Kumar was appointed as an Additional Director of the Company by the Board on January 3, 2020 for the term expiring at the ensuing 23rd AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Pradeep Kumar for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

Mr. Ajit Anant Sirsat was appointed as an Additional Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 23rd AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Ajit Anant Sirsat for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

Mr. Shankar Chintu Pawar was appointed as an Additional Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 23rd AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Shankar Chintu Pawar for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

Mr. Amit Dahanukar, Chairman & Managing Director of the Company, whose term is expiring on November 05, 2020 was re-appointed by the Board as Chairman & Managing Director of the Company (not liable to retire by rotation) for a period of 3 (three) years with effect from November 06, 2020 subject to approval of Shareholders at the ensuing 23rd AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Amit Dahanukar for re-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 Act. 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 AGM.

Mr. Chanderbhan Verhomal Bijlani, Independent Director has furnished declaration regarding meeting the criteria of independence as laid down in Section 149(6) of the Act.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 9 (Nine) times during the financial year 2019-20 on April 1, 2019; May 4, 2019; June 14, 2019; August 08, 2019; December 02, 2019; January 03, 2019; January 24, 2020; February 03, 2020 and February 12, 2020.

7. KEY MANAGERIAL PERSONNEL

As on March 31, 2020, 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 Act read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

During the financial year under review, there was no change in the Key Managerial Personnel of the Company.

8. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) were appointed as Statutory Auditors of the Company in the 22nd AGM held on September 11, 2019 to hold office from the conclusion of the 22nd AGM till the conclusion of the 27th AGM.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Act.

With reference to qualification contained in the Auditors' Report for the financial year ended March 31, 2020 with respect to Note no. 39 of the Financial Statements, which states that the Company has given advances amounting to Rs. 2276.28 lakhs to **Prag Distillery (P) Ltd** ('the Prag') a fellow subsidiary to meet working capital requirement for bottling brands licensed to the Company. Prag is currently going through Corporate Insolvency Resolution process under Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal and is not in a position to repay the advances since the financial position is weak. In spite of this, the Company has not considered any provision / allowance for doubtful advances. Hence the loss for the year is understated to the advances not provided.

Board's Response: The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag"), a fellow subsidiary of the Company vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. Tilaknagar Industries Ltd ('Holding Company') has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. The impairment, if any, of the advances amounting to Rs 2,276.28 lacs given to Prag will be considered on completion of the liquidation process/ final settlement as the case may be.

Material Uncertainty Related to Going Concern

With reference to qualification contained in the Auditors' Report for the financial year ended March 31, 2020 with respect to Note no. 38 of the financial statements which indicates that the Company has incurred a net loss of Rs.967.35 lakhs during the current year. The Company has accumulated losses of Rs. 824.52 lakhs and its net worth has been fully eroded as at March 31, 2020. These conditions indicate that a material uncertainty exists that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Board's Response: The net worth of the Company has eroded consequent to the losses incurred in the current year. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of the company. Moreover, the Company is also in the process of rationalization of its administrative overheads the effect of which is expected in the last quarter of 2020-21. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above.

Secretarial Auditors and Secretarial Audit Report

The Secretarial Audit Report for the financial year ended March 31, 2020 is set out in Annexure 'A' to this Report.

The Secretarial Auditors' Report for the financial year ended March 31, 2020 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 Act 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 Act 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 Act the Company has uploaded the Annual Return for the financial year ended March 31, 2020 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 Act has been made in the financial statements.

13. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

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 Act 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 2019-20.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act 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 Act 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 year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

ii. During the year under review, 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 Act is not applicable;

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

vi. During the year under review, provisions of Section 178(2) of the Act 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 year under review, 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 year under review, 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 year under review, 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 year under review, 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 2019-20; and

xii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act.

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 : November 6, 2020

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, 2020

[*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, 2019 to March 31, 2020** ('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, 2019 to March 31, 2020** 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) Food Safety and Standards Act, 2006; and
b) 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 following events/actions reported having a major bearing on the Company's operations:

1. Authorization to the Board of Directors to make loans, give guarantees, provide securities or make investments in excess of the limits prescribed under Section 186 of the Companies Act, 2013 up to a maximum outstanding amount of Rs. 600 Crores/- (Rupees Six Hundred Crores Only) vide special resolution passed by Members at the Extra-Ordinary General Meeting held on January 27, 2020 pursuant to the provisions of Section 186(3) and all other applicable provisions of the Companies Act, 2013 read with Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014;

2. Authorization to the Board of Directors for Mortgaging, Pledging, Hypothecating and/or Creating Charge on the Assets of the Company at any time not exceeding Rs. 600 Crores (Rupees Six Hundred Crores only) vide special resolution passed by Members at the Extra-Ordinary General Meeting held on January 27, 2020 pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013; and

3. Increase in the powers of the Board of Directors to borrow monies upto a maximum outstanding amount not exceeding Rs. 600 Crores (Rupees Six Hundred Crores only) vide special resolution passed by Members at the Extra-Ordinary General Meeting held on January 27, 2020 pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013.

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

Ragini Chokshi
(Partner)
C.P.No. 1436/
FCS No. 2390
UDIN:

Place : Mumbai
Date :

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 2019-20, 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 2019-20, 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: November 06, 2020

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, 2020 :

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	Amit Dahanukar	Chairman & Managing Director	4,23,95,400.00	Contractual	B.E.(Elec.), M.S. (U.S.A.)	19	07-11-2017	44	Tilaknagar Industries Ltd.	Yes, Spouse of Mrs. Shivani Amit Dahanukar
2	Shivani Dahanukar	Executive Director	2,82,71,351.00	Contractual	M.B.A., L.L.B	14	15-01-2018	43	Tilaknagar Industries Ltd.	Yes, Spouse of Mr. Amit Dahanukar
3	S V S Mahesh	Assistant General Manager	11,10,738.00	Permanent	B.Com.	29	03-09-2015	59	John Distilleries Pvt. Ltd.	No
4	Kumar Charan Mohanty	Unit Head	10,96,304.00	Permanent	B.Tech	11	20-04-2018	36	AB – InBev India	No
5	T Sreedhar	Area Manager	9,84,812.00	Permanent	M.B.A.	20	16-09-2015	48	John Distilleries Pvt. Ltd.	No
6	K Srinivasa Rao	Area Manager	9,50,476.00	Permanent	B.Sc.	20	08-09-2015	51	John Distilleries Pvt. Ltd.	No
7	K Surendranath	Area Manager	7,99,012.00	Permanent	B.Com.	24	07-09-2015	51	Lionsgate Beverages Pvt. Ltd.	No
8	Surada Koteswara Rao	Manager - Production	7,73,009.00	Permanent	B.Sc.	14	09-10-2017	41	Kyndal India Pvt. Ltd.	No
9	P Keshav Rao	Assistant Manager	7,43,727.00	Permanent	B.Com., M.B.A	24	04-07-2011	48	Radico Khaitan Ltd.	No
10	Ruppa Appalasuri	Area Manager	7,39,641.00	Permanent	M.A.	31	01-10-2015	61	Krishna Agencies Pvt. Ltd.	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 2019-20:

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	Amit Dahanukar	Chairman & Managing Director	4,23,95,400.00	Contractual	B.E.(Elec.), M.S. (U.S.A.)	19	07-11-2017	44	Tilaknagar Industries Ltd.	Yes, Spouse of Mrs. Shivani Amit Dahanukar
2	Shivani Dahanukar	Executive Director	2,82,71,351.00	Contractual	M.B.A., L.L.B	14	15-01-2018	43	Tilaknagar Industries Ltd.	Yes, Spouse of Mr. Amit Dahanukar

For and on behalf of the Board of Directors

Place: Mumbai
Date : November 06, 2020

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, 2020, 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	2019-20	May 19, 2018	Bottling Charges (Income) from Holding Company	147.18
2. **Brand Owners' Surplus (expense)** Tilaknagar Industries Ltd.	Holding Company	2019-20	May 19, 2018	Surplus on Brand Income to TI pursuant to tie-up arrangements	Nil
3. **Advance Given** Prag Distillery (P) Ltd.	Fellow Subsidiary	2019-20	May 19, 2018	Manufacturing brands of IMFL of Company by Prag Distillery (P) Ltd. Breweries Private Limited in the state of Andhra Pradesh	(948.98)

For and on behalf of the Board of Directors

Place : Mumbai
Date : November 06, 2020

Amit Dahanukar
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of **PUNJAB EXPO BREWERIES PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Qualified 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, 2020, 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 possible effects of the matter described in basis for qualified opinion paragraph below 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, 2020, its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note no. 39 of the Financial Statements, which states that the company has given advances amounting to Rs 2276.28 lakhs to **Prag Distillery (P) Ltd** ('the Prag') a fellow subsidiary to meet working capital requirement for bottling brands licensed to the Company. Prag is currently going through Corporate Insolvency Resolution process under Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal and is not in a position to repay the advances since the financial position is weak. In spite of this, the Company has not considered any provision / allowance for doubtful advances. Hence the Loss for the year is understated to the extent of the advances not provided.

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 no. 38 of the financial statements which indicates that the Company has incurred a net loss of Rs.967.35 lakhs during the current year. The Company has accumulated losses of Rs. 824.52 lakhs and its net worth has been fully eroded as at March 31, 2020. These conditions indicate that a material uncertainty exists that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

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, 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) The matter described in Basis for Qualified opinion and 'Material Uncertainty Related to Going Concern' section 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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) In our opinion and according to the information and 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 read with schedule V of the Act.

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 does not have any pending litigations that would impact it 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: September 12, 2020
ICAI UDIN: 20111749AAAADS1286

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 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. According to the information and explanations given to us, the company does not have / own any inventory hence provision of clause 3 (ii) is not applicable.

iii. The Company has not granted loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly clause 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. The Company has not provided and guarantees or security to parties covered under section 185 and 186 of the Act.

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. According to the information and explanations given to us, the Company has not maintained cost records as specified by the Central Government under section 148 of the Act, for the products of the Company.

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, 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 or dues to 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. According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Kaushal Mehta
Partner
Membership No. 111749

Date : September 12, 2020
Place : Mumbai
ICAI UDIN : 20111749AAAADS1286

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 PunjabExpo Breweries Private Limited ("the Company") as of 31 March 2020 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 2020, 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 : September 12, 2020
ICAI UDIN: 20111749AAAADS1286

PUNJABEXPO BREWERIES PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020	*(` in Lacs)* As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	702.80	748.37
Other Intangible Assets	2	0.03	0.03
Financial Assets			
Loan	3	-	0.12
Other Financial Assets	4	31.50	33.53
Deferred Tax Assets (Net)	5	-	33.22
Other Non-Current Assets	6	8.90	84.00
Non-Current Tax Assets (Net)	28	175.43	180.47
		918.66	**1,079.74**
Current Assets			
Inventories	7	-	172.37
Financial Assets			
Investment	8	-	201.69
Trade Receivables	9	-	1,034.78
Cash and Cash Equivalents	10a	35.10	12.67
Other Bank Balances	10b	105.10	97.79
Loan	3	-	0.60
Other Financial Assets	4	2,296.54	10,506.76
Other Current Assets	5	45.52	1,068.87
		2,482.26	**13,095.53**
Total		**3,400.92**	**14,175.27**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	560.00	560.00
Other Equity	12	(824.53)	140.96
		(264.53)	**700.96**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	4.12	13.15
Other Financial Liabilities	14	-	1,030.33
Provisions	15	56.85	39.91
Other Non-Current Liabilities	16	-	-
		60.97	**1,083.39**
Current Liabilities			
Financial Liabilities			
Borrowings	13	-	-
Trade Payables	17		
Total outstanding dues of micro enterprises and small enterprises		-	12.35
Total outstanding dues of creditors other than micro enterprises and small enterprises		18.59	1,054.92
Other Financial Liabilities	14	3,521.76	11,218.12
Provisions	15	2.73	2.41
Other Current Liabilities	16	61.40	103.12
		3,604.48	**12,390.92**
Total		**3,400.92**	**14,175.27**

Significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-42

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 & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

(` in Lacs)

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from Operations			
Sale of products (including Excise Duty)	18	-	21,290.41
Other Operating Income	19	218.67	3,633.13
Other Income	20	1,064.31	55.10
Total Income		**1,282.98**	**24,978.64**
EXPENSES			
Cost of Materials Consumed	21	-	4,185.39
(Increase) / Decrease in Stock	22	-	1,077.49
Excise duty		-	10,544.73
Employee Benefits Expense	23	960.23	691.91
Finance Costs	24	2.37	994.28
Depreciation	2	47.97	43.81
Other Expenses	25	1,185.40	7,321.21
Total expenses		**2,195.97**	**24,858.82**
Profit / (Loss) before tax		**(912.99)**	**119.82**
Less : Tax expense			
1) Current Tax		-	23.05
2) Taxes for earlier years		21.13	-
3) Deferred Tax		33.22	64.15
4) MAT credit (including earlier year)		-	(97.37)
Total Tax Expense		**54.35**	**(10.17)**
Profit / (Loss) after tax		**(967.34)**	**129.99**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefit plans		1.85	(1.40)
Tax on above		-	0.27
Items that will be reclassified to Profit and Loss		-	-
			-
Total Other Comprehensive Income / (Loss)		**1.85**	**(1.13)**
Total Comprehensive Income for the year		**(965.49)**	**128.86**
Earnings Per Share (`) Basic & Diluted	36	(17.27)	2.32
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-42		

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 & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2020

(` in Lacs)

		2019-2020		2018-2019	
A)	**Cash flow from Operating activities**				
	Net profit before tax		(912.99)		119.82
	Adjustment for:				
	Depreciation	47.97		43.81	
	Gain on sale of investments	(11.96)		(51.21)	
	Gain on Fair Value Investments			(1.69)	
	Interest expenses	2.37		992.07	
	Sundry balance written off	1,000.00		0.07	
	Sundry balance written back	(1,028.20)		(0.37)	
	Interest income	(24.15)		(1.83)	
	Operating Profit before working capital changes		(13.97)		980.85
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(8,769.10)		(8,706.82)	
	(Increase) / Decrease in loans and advances and other assets	8,311.43		(10,611.10)	
	(Increase) / Decrease in inventories	172.36		1,384.87	
	(Increase) / Decrease in trade receivables	1,034.78	749.47	7,260.92	(10,672.13)
	Direct taxes refund / (paid)		(16.08)		(287.33)
	Net Cash from Operating activities		**(193.57)**		**(9,858.79)**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(2.40)		(40.19)	
	Purchase of investments	-		(2,200.00)	
	Sale of investments	213.65		2,051.21	
	Interest received	24.15		1.83	
	(Increase) / Decrease in other bank balances	(7.32)		(73.85)	
	Net Cash from Investing Activities		**228.08**		**(261.00)**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	-		19,183.78	
	Repayment of borrowings including current maturities	(10.33)		(9,621.36)	
	Interest paid	(1.75)		(992.07)	
	Net Cash from Financing Activities		**(12.08)**		**8,570.35**
	Net increase in Cash & Cash equivalents		**22.43**		**(1,549.44)**
	Opening cash & cash equivalents		12.67		1,562.11
	Closing cash & cash equivalents		**35.10**		**12.67**

Notes :

(` Lacs)

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	12.78	11.64
	ii) Short-Term Bank Deposits (Maturity within 3 months)	22.26	-
	iii) Cash on Hand	0.06	1.03
		35.10	**12.67**

(` Lacs)

		As at April 01, 2019	Cash Flow (net)	Non Cash Changes	As at March 31, 2020
(b)	**Change in liability arising from financing activities**				
	Borrowings including current maturities (Refer Note 13 & 14)	25.25	(12.08)	1.75	14.92

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

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 & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

(` in Lacs)

	As at March 31, 2020	As at March 31, 2019
A) Equity Share Capital		
Balance at the beginning of the reporting year	**560.00**	**560.00**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**560.00**	**560.00**

B) Other Equity	Reserves and Surplus: Securities Premium Account	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Retained Earnings	Total
Balance as at April 01, 2018	**-**	**-**	**12.10**	**12.10**
Additions during the year :				
Profit / (Loss) for the year	-	-	129.99	**129.99**
Remeasurement of defined benefit plans	-	-	(1.40)	**(1.40)**
Tax on above	-	-	0.27	**0.27**
Balance as at March 31, 2019	**-**	**-**	**140.96**	**140.96**
Additions during the year :				
Profit / (Loss) for the year	-	-	(967.34)	**(967.34)**
Remeasurement of defined benefit plans	-	-	1.85	**1.85**
Tax on above	-	-	-	**-**
Balance as at March 31, 2020	**-**	**-**	**(824.53)**	**(824.53)**

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 Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Ms. Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

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 September 12, 2020.
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, 2020 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

As a lessee

The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of ` 11.15 lacs, accumulated amortisation of ` Nil and present value of lease liabilities of ` 11.15 lacs as on April 01, 2019.

In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of ` 0.45 lacs.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

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 inflationary cost increases.

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 Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) 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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -
(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.
(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

2 Property, Plant and Equipment

(` in Lacs)

Fixed Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	Deductions	For the year	Up to March 31, 2020	As at March 31, 2020	As at March 31,2019
Tangible Assets										
Land & Development	7.70	-	-	7.70	-	-	-	-	7.70	7.70
Factory Building	689.85	-	-	689.85	138.47	-	21.65	160.12	529.73	551.38
Plant and Equipment	206.56	-	-	206.56	101.08	-	11.74	112.82	93.74	105.48
Vehicles	80.78	-	-	80.78	12.08	-	8.74	20.82	59.96	68.70
Tools and Equipments	0.37	-	-	0.37	0.16	-	0.02	0.18	0.19	0.21
Furniture	1.07	-	-	1.07	0.68	-	0.11	0.79	0.28	0.39
Office Equipment	6.51	0.26	-	6.77	3.89	-	0.61	4.50	2.27	2.62
Computer	17.57	-	-	17.57	16.69	-	-	16.69	0.88	0.88
Electrical Installation	29.04	-	-	29.04	18.03	-	2.96	20.99	8.05	11.01
Total Tangible Assets	1,039.45	0.26	-	1,039.71	291.08	-	45.83	336.91	702.80	748.37
Right Of Use Asset										
Premises	11.15	-	9.01	2.14	-	-	2.14	2.14	-	-
Total Right of Use Asset	11.15	-	9.01	2.14	-	-	2.14	2.14	-	-
Intangible Assets										
Software	0.60	-	-	0.60	0.57	-	-	0.57	0.03	0.03
Total In Tangible Assets	0.60	-	-	0.60	0.57	-	-	0.57	0.03	0.03
Grand Total	1,051.20	0.26	9.01	1,042.45	291.65	-	47.97	339.62	702.83	748.40
Previous Year	*994.97*	*45.08*	-	*1,040.05*	*247.84*	-	*43.81*	*291.65*	*748.40*	

PUNJABEXPO BREWERIES PRIVATE LIMITED

Property, Plant and Equipment (Contd.) [For the previous year 2018-2019]

(` 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	29.97
Tools and Equipments	0.37	-	-	0.37	0.14	-	0.02	0.16	0.21	0.23
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	13.97
Total Tangible Assets	994.37	45.08	-	1,039.45	247.27	-	43.81	291.08	748.37	747.10
Software	0.60	-	-	0.60	0.57	-	-	0.57	0.03	0.03
Total In Tangible Assets	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	747.13
Previus Year	*967.37*	*27.60*	-	*994.97*	*209.41*	-	*38.43*	*247.84*	*747.13*	

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

Other Financial Assets	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term Bank Deposits (Maturity exceeding 12 months)	12.01	11.00	0.13	0.12
Advance to Employees	-	-	20.13	0.30
Deposits	19.49	22.53	-	-
Advances to Related party	-	-	2,276.28	10,506.34
	31.50	**33.53**	**2,296.54**	**10,506.76**

5 Deferred Tax Assets (Net)

Deferred Tax Assets (Net) (Refer Note 28)	-	33.22	-	-
	-	**33.22**	**-**	**-**

6 Other Assets	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advances to Suppliers	-	-	5.81	1,000.84
Balance with Government Authorities	80.10	84.00	9.47	35.53
Prepaid Expense	-	-	30.24	32.50
Less : Allowance for balances with government authorities	(71.20)	-	-	-
	8.90	**84.00**	**45.52**	**1,068.87**

6.1 Movement in loss allowance for balances with government authorities:

Particulars	March 31,2020	March 31,2019	March 31,2020	March 31,2019
Balance at the beginning of the year	-	-	-	-
Loss allowance (net)	71.20	-	-	-
Write off	-	-	-	-
Balance at the end of the year	**71.20**	**-**	**-**	**-**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

Current

		As at March 31, 2020	As at March 31, 2019
7	**Inventories**		
	(At lower of cost and net realisable value)		
	(Net of provision for non-moving and obsolete stocks)		
	Raw materials	-	2.65
	Stores and spares	-	127.65
	Work-In-Progress	-	37.26
	Finished goods	-	4.81
		-	**172.37**
8	**Current Investments**		
	Investments In Mutual Funds		
	At fair value through profit & loss		
	a) HDFC Low Duration Fund – Retail – Regular Plan – Growth	-	201.69
	(Units C.Y. Nil P.Y. 5,510.218)		
		-	**201.69**
9	**Trade Receivables**		
	Unsecured, considered good	-	1,034.78
	High credit risk	-	-
	Credit Impaired	-	-
		-	**1,034.78**
10	**Cash and bank balances**		
	a) Cash and Cash Equivalents		
	i) Balances with Banks		
	In Current Accounts	12.78	11.64
	ii) Short-Term Bank Deposits	22.26	-
	(Maturity within 3 months)		
	iii) Cash on Hand	0.06	1.03
		35.10	**12.67**
	b) Other Bank Balances		
	Short-term Bank Deposits	105.10	97.79
	(Maturity within 12 months)		
		105.10	**97.79**
		140.20	**110.46**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	(` in Lacs) As at March 31, 2019
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		
56,00,000 equity shares of ` 10/- each fully paid up	560.00	560.00
(P.Y. 56,00,000 equity shares of ` 10/- each fully paid up)		
	560.00	**560.00**

a) Reconciliation of the number of shares outstanding *(Nos in lacs)*

Number of equity shares at the beginning	56.00	56.00
Equity Shares issued during the period	-	-
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

(Nos in lacs)

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	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, 2020	(` in Lacs) As at March 31, 2019
12 Other Equity		
Retained Earnings		
As per last Balance Sheet	140.96	12.10
Add: Profit / (Loss) after tax for the year	(967.34)	129.99
		-
Less: Remeasurement of defined benefit plans	1.85	(1.40)
Add: Tax on above	-	0.27
	(824.53)	**140.96**

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

		Non-Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
13	**Borrowings**				
	Secured Loans				
	Hire Purchase Car Loans (with banker's lien on cars)	4.12	13.15	-	-
	From other parties	-	-	-	-
		4.12	**13.15**	**-**	**-**

		Non-Current		Current	
		As at	As at	As at	As at
14	**Other Financial Liabilities**	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Current Maturities of Long term borrowings	-	-	10.80	12.10
	Trade Deposits & Others (Unsecured)	-	1,030.33	-	-
	Employee dues	-	-	72.24	31.07
	Advance from Holding Company	-	-	3,436.87	10,098.56
	Other Payables	-	-	1.85	1,076.39
		-	**1,030.33**	**3,521.76**	**11,218.12**

		Non-Current		Current	
		As at	As at	As at	As at
15	**Provisions**	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Provision for Gratuity (Refer Note 32)	22.59	13.75	0.14	0.09
	Provision for Leave Encashment	34.26	26.16	2.59	2.32
		56.85	**39.91**	**2.73**	**2.41**

		Non-Current		Current	
		As at	As at	As at	As at
16	**Other Liabilities**	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Payable towards Statutory Liabilities	-	-	61.40	103.12
		-	**-**	**61.40**	**103.12**

		Non-Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
17	**Trade Payables**				
	Trade Payables (Refer Note 35)				
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	12.35
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	18.59	1,054.92
		-	**-**	**18.59**	**1,067.27**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

	Year ended March 31, 2020	*(` in Lacs)* Year ended March 31, 2019
18 Revenue from Operations		
Revenue from contracts with customers		
Sales of products	-	21,290.41
	-	**21,290.41**
Reconciliation of Gross Revenue with Revenue from Contracts with Customers		
Contract price	-	21,510.13
Less: Discount/Demurrage	-	219.72
Revenue recognised	**-**	**21,290.41**
19 Other Operating Income		
Sale of scrap	-	14.15
Income from contract manufacturing	147.18	2,963.25
Bottling charges Income	71.49	655.73
	218.67	**3,633.13**
20 Other Income		
Interest income	24.15	1.83
Sundry balance written back	1,028.20	0.37
Gain on Sale of Investments	11.96	51.21
Unrealised Profit on sale of Investments	-	1.69
	1,064.31	**55.10**
21 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	-	5.54
Add: Purchases	-	2,404.97
Less: Closing Stock	-	2.65
	-	**2,407.86**
ii) Packing Materials & Consumables	-	1,777.53
	-	**4,185.39**
22 (Increase) / Decrease in stock		
Opening Stock		
i) Work-In-Progress	-	149.93
ii) Finished goods	-	969.63
	-	**1,119.56**
Less : Closing Stock		
i) Work-In-Progress	-	37.26
ii) Finished goods	-	4.81
	-	**42.07**
(Increase)/Decrease in Stock	**-**	**1,077.49**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

		Year ended March 31, 2020	Year ended March 31, 2019
			(` in Lacs)
23	**Employee Benefit Expense**		
	Salary and wages	918.51	661.20
	Contribution to provident fund and family pension fund	18.10	8.53
	Staff welfare expenses	11.24	10.87
	Gratuity	12.38	11.31
		960.23	**691.91**
24	**Finance costs**		
	Interest	-	992.07
	Interest on Lease Liabilities	0.62	-
	Interest Others	1.75	2.21
		2.37	**994.28**
25	**Other Expenses**		
	Power and fuel	9.01	6.29
	Repairs & maintenance		
	i) Plant & Equipment	0.22	0.06
	ii) Others	1.39	1.93
	Insurance	0.38	2.09
	Rent	7.29	17.99
	Contract manufacturing cost	18.60	1,024.41
	Legal and professional charges	45.77	288.80
	Auditor's Remuneration (Refer Note 34)	3.89	1.09
	Rates and taxes	40.81	201.26
	Freight, transport charges & other expenses	-	338.96
	Selling expenses [Sales Promotion & Advertising etc.]	-	1,422.27
	Brand fees	-	3,722.45
	Travelling and conveyance expenses	12.71	35.60
	Printing and stationery	-	1.49
	Communication expenses	4.41	6.33
	Vehicle running expenses	0.90	0.75
	Advance Written off	1,000.00	-
	Donation		
	i)To Political Parties	-	100.00
	ii)Others	-	10.00
	Royalty Expense	3.03	71.69
	Miscellaneous expenses	36.99	67.75
		1,185.40	**7,321.21**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

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, 2020 *(` in Lacs)*

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Current Investment	-	-	-	-
Trade Receivables	-	-	-	-
Loan	-	-	-	-
	-	35.10	-	35.10
Other Bank Balances	-	105.10	-	105.10
Other Financial Assets	-	2,328.04	-	2,328.04
	-	**2,468.24**	**-**	**2,468.24**
Financial liabilities				
Borrowings	-	-	4.12	4.12
Trade Payables	-	-	18.59	18.59
Other Financial Liabilities	-	-	3,521.76	3,521.76
	-	**-**	**3,544.47**	**3,544.47**

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, 2019 *(` in 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	-	-	201.69
Trade Receivables	-	1,034.78	-	1,034.78
Loan	-	0.72	-	0.72
Cash and Cash Equivalents	-	12.67	-	12.67
Other Bank Balances	-	97.79	-	97.79
Other Financial Assets	-	10,540.29	-	10,540.29
	201.69	**11,686.25**	**-**	**11,887.94**
Financial liabilities				
Borrowings	-	-	13.15	13.15
Trade Payables	-	-	1,067.27	1,067.27
Other Financial Liabilities	-	-	12,248.45	12,248.45
	-	**-**	**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.

Fair Value Measurement Hierarchy :

(` in Lacs)

Particulars	As at 31-03-2020			As at 31-03-2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	-	-	-	-
Current Investment	-	-	-	-	201.69	-

Notes to Financial Statements for the year ended March 31, 2020

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 :-

(` in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	-	1,034.78
Cash and cash equivalents	35.10	12.67
Other bank balances	105.10	97.79
Other financial assets	2,328.04	10,540.29
Total	**2,468.24**	**11,685.53**

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.

(` in Lacs)

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2020	-	-	-
As at March 31, 2019	1,034.78	1,034.78	-

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, 2020

(` in Lacs)

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	4.12	-	4.12
Trade Payables	18.59	18.59	-
Other Financial Liabilities	3,521.76	3,521.76	-
	3,544.47	**3,540.35**	**4.12**

As at March 31, 2019 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	13.15	-	13.15
Trade Payables	1,067.27	1,067.27	-
Other Financial Liabilities	12,248.45	12,248.45	-
	13,328.87	**13,315.72**	**13.15**

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:

(` in Lacs)

	As at March 31, 2020	**As at March 31, 2019**
Fixed rate instruments		
Financial liabilities		
Borrowings	14.92	25.25
Total	**14.92**	**25.25**
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, 2020	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2019	
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 Deferred Tax Assets/ (Liabilities) : *(` in Lacs)*

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet :

Movement in deferred tax assets/ (liabilities) during the year	**Opening Balance as on April 01,2019**	**Recognised in Profit & loss**	**Closing balance as on March 31,2020**
Deferred Tax Liabilities in relation to			
Property Plant & Equipment	(83.83)	2.41	**(81.42)**
Unrealized gain On Investment	(0.56)	0.56	**-**
Total A	**(84.40)**	**2.98**	**(81.42)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	14.13	9.29	**23.42**
Provision/ Impairment for doubtful advances	-	22.21	**22.21**
MAT Credit	97.37	(64.76)	**32.61**
Business Loss	6.11	(2.93)	**3.18**
Total B	**117.62**	**(36.20)**	**81.42**
Total (A+B)	**33.22**	**(33.22)**	**-**

28.1 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 ` 895.24 lacs as on March 31, 2020 (Previous year: Nil)

28.2 Income Taxes *(` in Lacs)*

	As at March 31, 2020	**As at March 31, 2019**
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	23.05
Adjustments in respect of previous years	21.13	-
Deferred Tax	-	-
In respect of current year	33.22	64.15
Adjustments in respect of deferred tax of previous years	-	-
MAT credit (including earlier year)	-	(97.37)
Total	**54.35**	**(10.17)**
b) **Income tax expense recognised in Other Comprehensive Income**		
Tax expense on remeasurement of defined benefit plans	-	0.27
c) **Applicable corporate tax rate**	31.200%	33.384%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	175.43	180.47

29 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 Company monitors capital based on the following ratio :-

	As at March 31, 2020	**As at March 31, 2019**
Total Net Debt	Nil	12.58
Total Equity	(264.53)	700.96
Debt to Equity Ratio	Nil	0.02

30 Contingent Liability not provided for:

(` in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank guarantees issued on behalf of the Company	39.60	8.50
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

31 Operating Lease:

a) The Company has taken certain office premises and warehouse under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees.

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

Particulars	As at March 31, 2020
Carrying amount right-of-use assets at beginning of the year	11.15
Additions to right-of-use assets during the year	-
Deletions to right-of-use assets during the year	9.01
Amortisation of right-of-use assets during the year	2.14
Interest expense (unwinding of discount) on lease liabilities	0.62
Total cash outflows in respect of leases	2.30
Carrying amount right-of-use assets at year end	-

b) Lease rentals of ` 7.29 Lacs in respect of short term lease have been recognised in the statement of profit and loss as rent expense.

32 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 ` 18.10 Lacs (P.Y. ` 8.53 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, 2020 Unfunded Gratuity	As at March 31, 2019 Unfunded Gratuity
Present Value of obligation	22.73	13.84
Fair Value of Plans	-	-
Net Liability in the balance sheet	**22.73**	**13.84**
Defined Benefit Obligations		
Opening balance	13.84	2.27
Interest expenses	1.08	0.18
Current service cost	11.30	3.98
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	6.62
Benefit paid directly by the employer	(1.64)	(0.60)
Actuarial (gain) / loss-Due to change in Financial assumptions	2.31	0.07
Actuarial (gain) / loss- Due to Experience	(4.16)	1.34
Closing balance	**22.73**	**13.84**
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, 2020	**As at March 31, 2019**
	Unfunded Gratuity	**Unfunded Gratuity**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	11.30	3.98
Past service cost	-	-
Interest expense	1.08	0.18
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**12.38**	**4.16**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	(1.85)	1.40
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**(1.85)**	**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	0.14	0.09
2nd Following Year	0.16	0.10
3rd Following Year	0.27	0.11
4th Following Year	1.40	0.19
5th Following Year	0.96	0.96
Sum of Years 6 to 10	6.99	4.24
Sum of Years 11 and above	44.44	34.84
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	22.73	13.84
Delta Effect +1% Change in Rate of Discounting	(2.42)	(1.58)
Delta Effect -1% Change in Rate of Discounting	2.80	1.84
Delta Effect +1% Change in Rate of Salary Increase	0.96	1.47
Delta Effect -1% Change in Rate of Salary Increase	(0.89)	(1.63)
Delta Effect +1% Change in Rate of Employee Turnover	0.09	(0.20)
Delta Effect -1% Change in Rate of Employee Turnover	(0.18)	0.17
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.84%	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, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Present value of DBO	22.73	13.84	2.27	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	22.73	13.84	2.27	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

33 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. Srijit Mullick - Director
: Ms. Varsha Vyas - Company Secretary

(` in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2019-2020	2018-19	2019-2020	2018-19
Sales				
Tilaknagar Industries Ltd.	110.82	31.20	-	-
Prag Distillery (P) Ltd.	-	53.53		
Total	**110.82**	**84.73**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	26.49	224.75	-	-
Prag Distillery (P) Ltd.		10.57		
Total	**26.49**	**235.32**	**-**	**-**
Income from contract manufacturing				
Prag Distillery (P) Ltd.	147.18	2,963.25	-	-
Total	**147.18**	**2,963.25**	**-**	**-**
Bottling Charges Expenses				
Prag Distillery (P) Ltd.	-	356.85		
	-	**356.85**		
Bottling Charges Income				
Tilaknagar Industries Ltd.	71.03	655.73		
Total	**71.03**	**655.73**		
Surplus to brandowner				
Tilaknagar Industries Ltd.	-	3,722.45	-	-
Total	**-**	**3,722.45**	**-**	**-**
Royalty Income				
Tilaknagar Industries Ltd.	3.03	71.69	-	-
Total	**3.03**	**71.69**		
Payment to Key Managerial Personnel				
Mr. Amit Dahanukar	-	-	423.95	261.72
Mrs. Shivani Amit Dahanukar	-	-	275.51	196.29
Total	**-**	**-**	**699.46**	**458.01**
Net Loans & Advances				
Tilaknagar Industries Ltd.	6,661.69	(9,662.92)	-	-
Prag Distilleries Pvt. Ltd. Loan	(948.98)	3,225.26		
Total	**5,712.71**	**(6,437.66)**	**-**	**-**
Balance as on 31.03.2020				
Outstanding (Payable) Receivable				
Tilaknagar Industries Ltd.	(3,436.87)	(10,098.56)		
Prag Distilleries Pvt. Ltd. Loan	2,276.28	3,225.26		
	(1,160.59)	**(6,873.30)**		

Compensation of key management personnel of the Company **	2019-20	2018-19
Short-term employee benefits	699.46	458.01
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	-	-
Share-based payments	-	-
Total compensation of key management personnel of the Company	**699.46**	**458.01**

**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.

(` Lacs)

34 Auditor's remuneration charged to accounts:	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	1.77	0.77
Auditors remuneration in other matters	2.12	0.32
Reimbursement of expense	-	-
	3.89	**1.09**

35 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 :

(` Lacs)

Particulars	March 31, 2020	March 31, 2019
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	13.41
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	1.06
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(` Lacs)

36 Earnings per share:	March 31, 2020	March 31, 2019
Profit After Tax	(967.34)	129.99
Weighted average number of shares	56.00	56.00
Basic Earnings Per Share	(17.27)	2.32
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	56.00	56.00
Diluted Earnings Per Share	(17.27)	2.32
Face Value per Equity Share	10.00	10.00

37 The Company has entered into arrangements with Tilaknagar Industries Ltd. (referred as 'Holding Company) as Tie-up Manufacturing Unit (TMU), where-in the Company will manufacture and sell beverage alcohol on behalf of the Holding Company. Under such arrangements, the Holding Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the Company under such arrangements have been recorded as gross revenue, excise duty and expenses in the books of the Holding Company as if they were transactions of the Holding Company. The Holding Company also presents inventory, trade receivables and trade payables under such arrangements as its own inventory, trade receivables and trade payables. The net receivables from/ payable to Holding Company are recognised under other financial assets/ other financial liabilities respectively.

(` in Lacs)

In Profit & Loss A/C	Year ended March 31, 2020
	Audited
Revenue from operations	1,103.83
Other Operating Income	-
Total Income	**1,103.83**
Cost of materials consumed /Changes in inventories of finished goods, stock-in-trade and work-in-progress	705.70
Excise Duty	-
Finance costs	-
Other expenses	434.53
Total expenses	**1,140.23**
Profit/(Loss)	**(36.40)**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2020

(` in Lacs)

In Balance Sheet	**As at March 31, 2020**
	Audited
Increase (Decrease)	
Inventory	191.44
Trade Receivables	458.59
Cash and Bank Balances	-
Other Financial Assets	-
Other Assets	5.84
Increase (Decrease)	
Trade Payables	179.55
Provisions	-
Other Liabilities	173.03

38 The net worth of the Company has eroded consequent to the losses incurred in the current year. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of the company. Moreover, the Company is also in the process of rationalization of its administrative overheads the effect of which is expected in the last quarter of 2020-21.The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above.

39 The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag"), a fellow subsidiary of the Company vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. Tilaknagar Industries Ltd ('Holding Company') has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. The impairment, if any, of the advances amounting to Rs 2,276.28 lacs given to Prag will be considered on completion of the liquidation process/ final settlement as the case may be.

40 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in June, 2020.
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

41 The standalone financial statements of the Company for the year ended March 31, 2019 were audited by another firm of Chartered Accountants.

42 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
Partner
Membership No. 111749

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Mr. Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
#

Ms. Varsha Vyas
Company Secretary

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 27th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, Company has earned total comprehensive income of Rs 3.33 Lacs as compared to total comprehensive loss of Rs. 0.49 Lacs in the previous year 2018-19.

2. DIVIDEND

The Directors have not recommended any dividend for the financial year ended March 31, 2020.

3. HOLDING COMPANY

Your 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 April 1, 2019 in terms of Section 161(1) of the Companies Act, 2013 (the Act), was appointed as Director of the Company by the Members in their Annual General Meeting (the AGM) held on September 11, 2019.

At the 26th AGM of the Company held on September 11, 2019, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

Mr. Srijit Mullick has resigned from the position of Director of the Company w.e.f. September 16, 2020. 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. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar were appointed as Additional Directors of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 27th AGM. The Company has received requisite notice under Section 160 of the the Act from a Member proposing the candidature of Mr. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar 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 Act Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing AGM 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 Act. 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 AGM.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2019-20 on April 1, 2019; June 14, 2019; August 8, 2019; December 2, 2019 and February 12, 2020.

6. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 26th AGM held on September 11, 2019 to hold office from the conclusion of the 26th AGM till the conclusion of the 31st AGM of the Company in place of retiring Statutory Auditors i.e. M/s. Deepak Jhanwar & Co., Chartered Accountants, whose term is expired at the said Meeting.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2020 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 Act 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 Act the Company has uploaded the Annual Return for the financial year ended March 31, 2020 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 Act has been made in the financial statements.

11. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act 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 year under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act 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 Act 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 year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. The Company has not transferred any amount to Reserves during the year under review;

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 Act is not applicable;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

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

vii. During the year under review, provisions of Section 178(2) of the Act 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 year under review, 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 year under review, 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 year under review, 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 year under review, 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 year under review; and

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act.

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 : November 6, 2020

Independent Auditor's Report

To,
The Members of
Kesarval Springs Distillers Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Kesarval Springs Distillers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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").

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, 2020, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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.

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.
That Board of Directors are also responsible for overseeing the company's financial reporting process.

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. 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.

Material Uncertainty related to Going Concern

We draw attention to Note 23 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.
    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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.
    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: September 12, 2020

Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Kesarval Springs Distillers 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 Kesarval Springs Distillers 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: September 12, 2020

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Balance Sheet as at March 31, 2020

	Note No.	As at March 31, 2020	(`) As at March 31, 2019
I ASSETS			
Non-Current Assets			
Other Financial Assets	2	-	4,83,630
		-	**4,83,630**
Current Assets			
Financial Assets			
Trade Receivables	3	17,49,672	17,49,672
Cash and Cash Equivalents	4	1,23,925	1,24,574
		18,73,597	**18,74,246**
Total		**18,73,597**	**23,57,876**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5	30,00,000	30,00,000
Other Equity	6	(4,01,67,712)	(4,05,00,438)
		(3,71,67,712)	**(3,75,00,438)**
Current Liabilities			
Financial Liabilities			
Borrowings	7	3,89,57,649	3,88,70,969
Trade Payables	8	19,345	40,165
Other Financial Liabilities	9	-	9,44,365
Current Tax Liabilities (Net)		61,500	-
Other Current Liabilities	10	2,815	2,815
		3,90,41,309	**3,98,58,314**
Total		**18,73,597**	**23,57,876**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-24		

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Profit and Loss for the year ended March 31, 2020

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019 (`)
INCOME			
Other Income	11	9,26,665	-
		9,26,665	**-**
EXPENSES			
Other Expenses	12	5,32,439	49,027
		5,32,439	**49,027**
Profit / (Loss) before taxation		**3,94,226**	**(49,027)**
Tax expenses			
Current Tax		61,500	-
		61,500	**-**
Profit / (Loss) after taxation		**3,32,726**	**(49,027)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**3,32,726**	**(49,027)**
Earnings Per Share (`) Basic & Diluted	21	**11.09**	**(1.63)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-24		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

For and on behalf of the Board

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Cash Flow for the year ended March 31, 2020

(`)

		2019-2020		2018-2019	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**3,94,226**		**(49,027)**
	Adjustment for:				
	Sundry balance written back	(9,26,665)		-	
	Operating Profit before working capital changes		(9,26,665)		-
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	22,980		8,335	
	(Increase) / Decrease in loans and advances and other assets	4,83,630		6,08,261	
			5,06,610		6,16,596
	Direct taxes refund / (paid)		(61,500)		-
	Net Cash from Operating activities		**(87,329)**		**5,67,569**
B)	**Cash Flow from Financing activities**				
	Proceeds from borrowings (Net)	86,680		(5,68,218)	
				-	
	Net Cash from Financing Activities		**86,680**		**(5,68,218)**
	Net increase in Cash & Cash equivalents		**(649)**		**(649)**
	Opening cash & cash equivalents		1,24,574		1,25,223
	Closing cash & cash equivalents		**1,23,925**		**1,24,574**

Notes :

(`)

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	1,23,925	1,24,574
	ii) Cash on Hand	-	-
		1,23,925	**1,24,574**

(`)

		As at April 01, 2019	Cash Flow (net)	As at March 31, 2020
(b)	**Change in liability arising from financing activities**			
	Borrowings	3,88,70,969	86,680	3,89,57,649

(c) 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

Girija Shankar Nayak
Partner
Membership No.049582

Place : Mumbai
Date : September 12, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Director
(DIN:00581678)

KESARVAL SPRINGS DISTILLERS PVT. LTD

Statement of Changes in Equity for the year ended March 31, 2020

	As at March 31, 2020	(`) As at March 31, 2019
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 April 01, 2018	**(4,04,51,411)**
Profit / (Loss) for the year	(49,027)
Balance as at March 31, 2019	**(4,05,00,438)**
Profit / (Loss) for the year	3,32,726
Balance as at March 31, 2020	**(4,01,67,712)**

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Notes to Financial Statements for the year ended March 31, 2020

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 financial statements were authorised for issue by the Company's Board of Directors on September 12, 2020.

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, 2020 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

As a lessee

The Company's leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

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 inflationary cost increases.

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 Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) 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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -
(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.
(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

(`)

		As at March 31, 2020	As at March 31, 2019
2	**Other Financial Assets**		
	Deposits	-	4,83,630
		-	**4,83,630**
3	**Trade Receivables**		
	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	1,23,925	1,24,574
	In Current Accounts		
	ii) Cash on Hand	-	-
		1,23,925	**1,24,574**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	(`) As at March 31, 2019
5 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, 2020**	**As at March 31, 2019**
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, 2020**		**As at March 31, 2019**	
	No. of equity shares	**As a % of total holding**	**No. of equity**	**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, 2020	(`) As at March 31, 2019
6 Other Equity		
Retained Earnings		
As per last Balance Sheet	(4,05,00,438)	(4,04,51,411)
Add: Profit / (Loss) after tax for the year	3,32,726	(49,027)
	(4,01,67,712)	**(4,05,00,438)**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

		(`)
	Current	
7 Borrowings	**As at March 31, 2020**	**As at March 31, 2019**
Unsecured loans		
From Holding Company	3,89,57,649	3,88,70,969
	3,89,57,649	**3,88,70,969**
8 Trade Payables		
Trade Payables	19,345	40,165
	19,345	**40,165**
9 Other Financial Liabilities		
Other Payables	-	9,26,665
Others	-	17,700
	-	**9,44,365**
10 Other Liabilities		
Payable towards Statutory Liabilities	2,815	2,815
	2,815	**2,815**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

	Year ended March 31, 2020	(`) Year ended March 31, 2019
11 Other Income		
Sundry balance written back	9,26,665	-
	9,26,665	**-**
12 Other Expenses		
Legal and professional charges	25,960	26,580
Auditors Remuneration [Refer Note No.20]	17,700	17,700
Rates and taxes	4,500	4,098
Miscellaneous expenses	4,84,279	649
	5,32,439	**49,027**

Notes to Financial Statements for the year ended March 31, 2020

13 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, 2020 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	17,49,672	-	17,49,672
Cash and Cash Equivalents	-	1,23,925	-	1,23,925
	-	**18,73,597**	**-**	**18,73,597**
Financial liabilities				
Borrowings	-	-	3,89,57,649	3,89,57,649
Trade Payables	-	-	19,345	19,345
	-	**-**	**3,89,76,994**	**3,89,76,994**

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, 2019 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	17,49,672	-	17,49,672
Cash and Cash Equivalents	-	1,24,574	-	1,24,574
Other Financial Assets	-	4,83,630	-	4,83,630
	-	**23,57,876**	**-**	**23,57,876**
Financial liabilities				
Borrowings	-	-	3,88,70,969	3,88,70,969
Trade Payables	-	-	40,165	40,165
Other Financial Liabilities	-	-	9,44,365	9,44,365
	-	**-**	**3,98,55,499**	**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.

Notes to Financial Statements for the year ended March 31, 2020

14 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, 2020	As at March 31, 2019
Trade receivables	17,49,672	17,49,672
Cash and cash equivalents	1,23,925	1,24,574
Other financial assets	-	4,83,630
Total	**18,73,597**	**23,57,876**

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.

(`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2020	17,49,672	17,49,672	-
As at March 31, 2019	17,49,672	17,49,672	-

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, 2020

(`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	3,89,57,649	3,89,57,649	-
Trade payables	19,345	19,345	-
	3,89,76,994	**3,89,76,994**	**-**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

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	40,165	-
Other financial liabilities	9,44,365	9,44,365	-
	3,98,55,499	**3,98,55,499**	**-**

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.

15 Income Taxes

		As at March 31, 2020	(`) As at March 31, 2019
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%	26.000%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	61,500	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	-	-

16 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, 2020	As at March 31, 2019
Net Debt *	-	-
Total Equity	(3,71,67,712)	(3,75,00,438)
Debt to Equity Ratio	-	-

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

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

17 There is no contingent liability as on March 31, 2020.

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

19 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 Srijit Mullick - Director

(`)

Nature of Transaction (excluding reimbursements)	**Parties refered in (a) above**	
	March 31, 2020	**March 31, 2019**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	86,680	40,043
Total	**86,680**	**40,043**
Outstanding Payable		
Tilaknagar Industries Ltd.	3,89,57,649	3,88,70,969
Total	**3,89,57,649**	**3,88,70,969**

( )

20 Auditor's remuneration charged to accounts:	**March 31, 2020**	**March 31, 2019**
Audit fees	17,700	17,700
	17,700	**17,700**

( )

21 Earnings per share:	**March 31, 2020**	**March 31, 2019**
Profit After Tax	3,32,726	(49,027)
Weighted average number of shares	30,000	30,000
Basic Earnings Per Share	11.09	(1.63)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	30,000	30,000
Diluted Earnings Per Share	11.09	(1.63)
Face Value per Equity Share	100.00	100.00

22 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in June, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financials may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

23 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.

24 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 Mullick** *Director* (DIN:00581678)

Place : Mumbai
Date : September 12, 2020

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 12th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 90,742/- during the year as compared to total comprehensive loss of Rs. 75,763/- 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, 2020.

3. HOLDING COMPANY

Your 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 April 1, 2019 in terms of Section 161(1) of the Companies Act, 2013 (the Act), was appointed as Director of the Company by the Members in their Annual General Meeting (the AGM) held on September 11, 2019.

At the 11th AGM of the Company held on September 11, 2019, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

Mr. Srijit Mullick has resigned from the position of Director of the Company w.e.f. September 16, 2020. 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. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar were appointed as Additional Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 12th AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar 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 Act Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing AGM 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 Act. 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 AGM.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2019-20 on April 1, 2019; June 14, 2019; August 8, 2019; December 2, 2019 and February 12, 2020.

6. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 11th AGM held on September 11, 2019 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2020 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 Act 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 Act the Company has uploaded the Annual Return for the financial year ended March 31, 2020 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 year under review, 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 Act. Hence, disclosure under Section 134(3)(g) of the Act is not applicable.

11. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act 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 under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act 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 Act 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 year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, 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 Act is not applicable;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

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

vii. During the year under review, provisions of Section 178(2) of the Act 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 year under review, 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 year under review, 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 year under review, 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 year under review, 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 year under review; and

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act.

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 : November 6, 2020

Independent Auditor's Report

To,
The Members of
Mykingdom Ventures Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

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, 2020, 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").

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, 2020, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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.

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.
That Board of Directors are also responsible for overseeing the company's financial reporting process.

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. 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.

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.
    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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.
    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: September 12, **2020**

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: September 12, **2020**

MYKINGDOM VENTURES PVT.LTD.

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2	1,40,861	1,40,782
Total		**1,40,861**	**1,40,782**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	1,00,000	1,00,000
Other Equity	4	(7,50,916)	(6,60,174)
		(6,50,916)	**(5,60,174)**
Liabilities			
Current Liabilities			
Financial Liabilities			
Borrowings	5	7,27,895	6,27,320
Other Financial Liabilities	6	-	17,700
Trade Payables	7	57,964	51,504
Other Current Liabilities	8	5,918	4,432
		7,91,777	**7,00,956**
Total		**1,40,861**	**1,40,782**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-22		

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

MYKINGDOM VENTURES PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Finance Cost	9	59,180	44,323
Other Expenses	10	31,562	31,440
Total expenses		**90,742**	**75,763**
Profit / (Loss) before tax		**(90,742)**	**(75,763)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(90,742)**	**(75,763)**
Other Comprehensive Income		**-**	**-**
Total Other Comprehensive Income		**(90,742)**	**(75,763)**
Earnings Per Share (`) Basic & Diluted	18	**(9.07)**	**(7.58)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-22		

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

MYKINGDOM VENTURES PVT.LTD.

Statement of Cash Flow for the year ended March 31, 2020

(`)

		2019-2020	2018-2019
A)	**Cash flow from Operating activities**		
	Net profit before tax	**(90,742)**	**(75,763)**
	Interest paid	59,180	44,323
	Net Cash from Operating Activities	**(31,562)**	**(31,440)**
	Adjustment for:		
	(Decrease)/ Increase in current liabilities, and other financial liabilities	(9,754)	(19,26,437)
	Net Cash from Operating activities	**(41,316)**	**(19,57,877)**
B)	**Cash Flow from Investing activities**		
	Purchase of investments	-	-
	Sale of investments	-	-
		-	**-**
C)	**Cash Flow from Financing activities**		
	Proceeds from borrowings (Net)	1,00,575	3,52,200
	Interest paid	(59,180)	(44,323)
	Net Cash from Financing Activities	**41,395**	**3,07,877**
	Net increase in Cash & Cash equivalents	**79**	**(16,50,000)**
	Opening cash & cash equivalents	1,40,782	17,90,782
	Closing cash & cash equivalents	**1,40,861**	**1,40,782**

Notes :

(`)

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	Balance with Banks in Current Accounts	1,40,861	1,40,782
		1,40,861	**1,40,782**

		As at April 01, 2019	Cash Flow (net)	Non Cash Flow(Net)	As at March 31, 2020
(b)	**Change in liability arising from financing activities**				
	Borrowings	6,27,320	41,395	59,180	7,27,895

(c) 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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

MYKINGDOM VENTURES PVT. LTD.

Statement of Changes in Equity for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
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 April 01, 2018	**(5,84,411)**
Profit / (Loss) for the year	(75,763)
Balance as at March 31, 2019	**(6,60,174)**
Profit / (Loss) for the year	(90,742)
Balance as at March 31, 2020	**(7,50,916)**

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

MYKINGDOM VENTURES PVT. LTD.

Notes to financial statments of the year ended March 31,2020

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 September 12, 2020.

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, 2020 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.

MYKINGDOM VENTURES PVT. LTD.

Notes to financial statments of the year ended March 31,2020

3 Significant Accounting Policies

i) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) Dividend

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

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.

Notes to financial statments of the year ended March 31,2020

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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

Notes to financial statments of the year ended March 31,2020

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.

MYKINGDOM VENTURES PVT. LTD.

Notes to Financial Statements for the year ended March 31, 2020

		(`)
	Current	
	As at March 31, 2020	**As at March 31, 2019**
2 Cash and Bank Balances		
Cash and Cash equivalents		
Balance with Banks in Current Account	1,40,861	1,40,782
	1,40,861	**1,40,782**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

		As at March 31, 2020	As at March 31, 2019
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

	As at March 31, 2020	As at March 31, 2019
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

	As at March 31, 2020	As at March 31, 2019
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, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
4	**Other Equity**		
	Retained Earnings		
	As per last Balance Sheet	(6,60,174)	(5,84,411)
	Add: Profit / (Loss) after tax for the year	(90,742)	(75,763)
		(7,50,916)	**(6,60,174)**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

(`)

		Current	
		As at March 31, 2020	**As at March 31, 2019**
5	**Borrowings**		
	Unsecured Loan		
	From Holding Company	7,27,895	6,27,320
		7,27,895	**6,27,320**
6	**Other Financial Liabilities**		
	Other	-	17,700
		-	**17,700**
7	**Trade Payables**		
	Other Payables	57,964	51,504
		57,964	**51,504**
8	**Other Liabilities**		
	Payable towards Statutory Liabilities	5,918	4,432
		5,918	**4,432**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

		Year ended March 31, 2020	(`) Year ended March 31, 2019
9	**Finance Cost**		
	Interest on Borrowings	59,180	44,323
		59,180	**44,323**
10	**Other Expenses**		
	Auditors Remuneration [Refer Note No.17]	17,700	17,700
	Rates and taxes	4,422	2,500
	Legal and professional charges	9,440	11,240
		31,562	**31,440**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

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, 2020 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,40,861	-	1,40,861
	-	**1,40,861**	**-**	**1,40,861**
Financial liabilities				
Borrowings	-	-	7,27,895	7,27,895
Trade Payable	-	-	57,964	57,964
	-	**-**	**7,85,859**	**7,85,859**

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, 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
Trade Payable	-	-	51,504	51,504
Other financial liabilities	-	-	17,700	17,700
	-	**-**	**6,96,524**	**6,96,524**

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.

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Cash and cash equivalents	1,40,861	1,40,782
Total	**1,40,861**	**1,40,782**

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.

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.

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, 2020 (`)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	7,27,895	7,27,895	-
Trade Payable	57,964	57,964	-
	7,85,859	**7,85,859**	**-**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

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	-
Trade Payable	51,504	51,504	-
Other financial liabilities	17,700	17,700	-
	6,96,524	**6,96,524**	**-**

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.

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2020

13 Income Taxes

		(`)	
		As at March 31, 2020	**As at March 31, 2019**
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%	26.00%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
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, 2020	**As at March 31, 2019**
Net Debt *	-	-
Total Equity	(6,50,916)	(5,60,174)
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, 2020

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.
	: Studd Projects P. Ltd.
	: Srirampur Grains Private Limited
	: Shivprabha Sugars Ltd.
b) Key Managerial Personnel	: Mr. Amit Dahanukar - Chairman
	: Mr Srijit Mullick - Director
	: Mrs. Shivani Amit Dahanukar - Non Executive Director

(`)

Nature of Transaction	Parties refered in (a) above	
	March 31, 2020	**March 31, 2019**
Other Expenses		
Tilaknagar Industries Ltd.	59,180	44,323
Total	**59,180**	**44,323**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	1,00,575	2,47,700
Total	**1,00,575**	**2,47,700**
Outstanding Payable		
Tilaknagar Industries Ltd.	7,27,895	6,27,320
Total	**7,27,895**	**6,27,320**

17 Auditor's remuneration charged to accounts:	**March 31, 2020**	**March 31, 2019**
Audit Fees	17,700	17,700
	17,700	**17,700**

18 Earnings Per Share (EPS)	**March 31, 2020**	**March 31, 2019**
Profit/ (Loss) After Tax	(90,742)	(75,763)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(9.07)	(7.58)
Face Value per Equity Share	10	10

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 There is no contingent liability as on March 31, 2020.

21 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations.
The operations/despatches have partially resumed at certain locations of the Company in compliance with Government
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financials may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

22 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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 12th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 244/- during the year as compared to total comprehensive loss of Rs. 1,21,006/- 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, 2020.

3. HOLDING COMPANY

Your 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 April 1, 2019 in terms of Section 161(1) of the Companies Act, 2013 (the Act), was appointed as Director of the Company by the Members in their Annual General Meeting (the AGM) held on September 11, 2019.

At the 11th AGM of the Company held on September 11, 2019, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

Mr. Srijit Mullick has resigned from the position of Director of the Company w.e.f. September 16, 2020. 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. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar were appointed as Additional Director of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 12th AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar 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 Act Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing AGM 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 Act. 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 AGM.

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]

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2019-20 on April 1, 2019; June 14, 2019; August 8, 2019; December 2, 2019 and February 12, 2020.

6. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 11th AGM held on September 11, 2019 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2020 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 Act 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 Act the Company has uploaded the Annual Return for the financial year ended March 31, 2020 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 Act.

11. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act 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 year under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act 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 Act 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 year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, 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 Act is not applicable;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

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

vii. During the year under review, provisions of Section 178(2) of the Act 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 year under review, 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 year under review, 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 year under review, 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 year under review, 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 year under review; and

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act.

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 : November 6, 2020

Independent Auditor's Report

To,
The Members of
Studd Projects Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

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, 2020, 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").

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, 2020, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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.

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.
That Board of Directors are also responsible for overseeing the company's financial reporting process.

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. 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.

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.
    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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.
    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: September 12, 2020

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: September 12, 2020

STUDD PROJECTS P. LTD.

BALANCE SHEET AS AT MARCH 31, 2020

		Note No.	As at March 31, 2020	(`) As at March 31, 2019
I	**ASSETS**			
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	2	1,97,324	1,97,796
	Total		**1,97,324**	**1,97,796**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	3	1,00,000	1,00,000
	Other Equity	4	(12,95,699)	(12,95,455)
			(11,95,699)	**(11,95,455)**
	Liabilities			
	Current Liabilities			
	Financial Liabilities			
	Borrowings	5	13,69,942	12,21,843
	Other Financial Liabilities	6	-	11,800
	Trade Payables	7	11,800	11,540
	Other Current Liabilities	8	11,281	9,287
	Current Tax Liabilities (Net)	13	-	1,38,781
			13,93,023	**13,93,251**
	Total		**1,97,324**	**1,97,796**

Summary of significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-22

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

STUDD PROJECTS P. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020	(`) Year ended March 31, 2019
INCOME			
		-	-
Total Income		**-**	**-**
EXPENSES			
Finance Cost	9	1,12,813	94,166
Other Expenses	10	26,212	26,840
Total expenses		**1,39,025**	**1,21,006**
Profit / (Loss) before tax		**(1,39,025)**	**(1,21,006)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		(1,38,781)	-
3) Deferred Tax		-	-
Total Tax Expense		**(1,38,781)**	**-**
Profit / (Loss) after tax		**(244)**	**(1,21,006)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(244)**	**(1,21,006)**
Earnings Per Share (`) Basic & Diluted	18	**(0.02)**	**(12.10)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-22		

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

STUDD PROJECTS P. LTD.

Statement of Cash Flow for the year ended March 31, 2020

(`)

			2019-2020	2018-2019
A)	**Cash flow from Operating activities**			
	Net profit before tax		(1,39,025)	(1,21,006)
	Interest paid		1,12,813	92,868
	Net Cash from Operating Activities		**(26,212)**	**(28,138)**
	Adjustment for:			
	(Decrease)/ Increase in current liabilities, and other financial liabilities		(1,48,327)	(94,268)
	Direct taxes refund / (paid)		1,38,781	-
	Net Cash from Operating activities		**(35,758)**	**(1,22,406)**
B)	**Cash Flow from Investing activities**			
	Purchase of investments		-	-
	Sale of investments		-	-
			-	**-**
C)	**Cash Flow from Financing activities**			
	Proceeds from borrowings (Net)		1,48,099	2,23,976
	Interest paid		(1,12,813)	(92,868)
	Net Cash from Financing Activities		**35,286**	**1,31,108**
	Net increase in Cash & Cash equivalents		**(472)**	**8,702**
	Opening cash & cash equivalents		1,97,796	1,89,094
	Closing cash & cash equivalents		**1,97,324**	**1,97,796**

Notes :

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	Balance with Bank in Current Account	1,97,324	1,97,796
		1,97,324	**1,97,796**

		As at 01 April, 2019	Cash Flow (net)	Non-cash changes	As at 31 March, 2020
(b)	**Change in liability arising from financing activities**				
	Borrowings	12,21,843	35,286	1,12,813	13,69,942

(c) 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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

STUDD PROJECTS P. LTD.

Statement of Changes in Equity for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
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 April 01, 2018	**(11,74,449)**
Profit / (Loss) for the year	(1,21,006)
Balance as at March 31, 2019	**(12,95,455)**
Profit / (Loss) for the year	(244)
Balance as at March 31, 2020	**(12,95,699)**

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Notes to Financial Statements for the year ended March 31, 2020

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 September 12, 2020.
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, 2020 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

Notes to Financial Statements for the year ended March 31, 2020

i) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) Dividend

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

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.

Notes to Financial Statements for the year ended March 31, 2020

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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

		(`)
	Current	
	As at March 31, 2020	**As at March 31, 2019**
2 Cash and Cash Equivalents		
Balance with Bank in Current Account	1,97,324	1,97,796
	1,97,324	**1,97,796**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
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	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	**As at March 31, 2020**	**As at March 31, 2019**
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, 2020**		**As at March 31, 2019**	
	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, 2020	As at March 31, 2019
4 Other Equity		
Retained Earnings		
As per last Balance Sheet	(12,95,455)	(11,74,449)
Add: Profit / (Loss) after tax for the year	(244)	(1,21,006)
	(12,95,699)	**(12,95,455)**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
		(`)
5 Borrowings		
Unsecured Loan		
From Holding Company	13,69,942	12,21,843
	13,69,942	**12,21,843**
6 Other Financial Liabilities		
Other	-	11,800
	-	**11,800**
7 Trade Payables		
Other Payables	11,800	11,540
	11,800	**11,540**
8 Other Liabilities		
Payable towards Statutory Liabilities	11,281	9,287
	11,281	**9,287**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

		Year ended March 31, 2020	Year ended March 31, 2019
9	**Finance Cost**		
	Interest on Borrowings	1,12,813	92,868
	Bank charges	-	1,298
		1,12,813	**94,166**
10	**Other Expenses**		
	Auditors Remuneration [Refer Note No.17]	11,800	11,800
	Rates and taxes	4,500	3,500
	Legal and professional charges	9,440	11,540
	Miscelleneous Expenses	472	-
		26,212	**26,840**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

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, 2020 *(`)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,97,324	-	1,97,324
	-	**1,97,324**	**-**	**1,97,324**
Financial liabilities				
Borrowings	-	-	13,69,942	13,69,942
	-	**-**	**13,69,942**	**13,69,942**

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, 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
	-	**-**	**12,21,843**	**12,21,843**

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 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, 2020**	**As at March 31, 2019**
Cash and cash equivalents	1,97,324	1,97,796
Total	**1,97,324**	**1,97,796**

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.

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.

Notes to Financial Statements for the year ended March 31, 2020

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, 2020 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	13,69,942	13,69,942	-
Trade Payable	11,800	11,800	-
	13,81,742	**13,81,742**	**-**

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	-
Trade Payable	11,540	11,540	-
Other financial liabilities	11,800	11,800	
	12,45,183	**12,45,183**	**-**

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.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

13 Income Taxes

	As at March 31, 2020	As at March 31, 2019 (`)
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	(1,38,781)	-
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%	26.00%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	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, 2020	As at March 31, 2019
Net Debt *	-	-
Total Equity	(11,95,699)	(11,95,455)
Debt to Equity Ratio	-	-

* Long term debt less cash and bank balances

Notes to Financial Statements for the year ended March 31, 2020

15 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises De
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
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 Srijit Mullick - Director
	: Mrs. Shivani Amit Dahanukar - Non Executive

Nature of Transaction	**Parties refered in (a) above**	
	March 31, 2020	**March 31, 2019**
Interest Expense		
Tilaknagar Industries Ltd.	1,12,813	92,868
Total	**1,12,813**	**92,868**
Net Loans & Advances taken		
Tilaknagar Industries Ltd.	1,48,099	2,23,976
Total	**1,48,099**	**2,23,976**
Outstanding Payable		
Tilaknagar Industries Ltd.	13,69,942	12,21,843
Total	**13,69,942**	**12,21,843**

17 Auditor's remuneration charged to accounts:	**March 31, 2020**	**March 31, 2019**
Audit Fees	11,800	11,800
	11,800	**11,800**

18 Earnings Per Share (EPS)	**March 31, 2020**	**March 31, 2019**
Profit /(Loss) After Tax	(244)	(1,21,006)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(0.02)	(12.10)
Face Value per Equity Share	10	10

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2020

19 The Company's net worth has eroded. However, the Company is actively considering various alternatives lik fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts a going concern basis.

20 There is no contingent liability as on March 31, 2020.

21 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/de administrative offices of the Company were scaled down or shut down for certain days beginning from March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time a of full-fledged operations will depend upon directives issued by the Government authorities. The Compan closely monitor the situation and take appropriate action in due compliance with the applicable reg operations/despatches have partially resumed at certain locations of the Company in compliance with Goverr The Company has considered the possible effects that may result from the pandemic relating to COVID-19 amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcon COVID-19 on the Company's financials may differ from that estimated as at the date of approval of statements, however, as per the current assessment of the management, the carrying amounts of these asse

22 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 Mullick** *Director* (DIN:00581678)

Place : Mumbai
Date : September 12, 2020

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 12th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 220,410/- during the year as compared to total comprehensive loss of Rs. 192,267/- 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, 2020.

3. HOLDING COMPANY

Your 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 April 1, 2019 in terms of Section 161(1) of the Companies Act, 2013 (the Act), was appointed as Director of the Company by the Members in their Annual General Meeting (the AGM) held on September 11, 2019.

At the 11th AGM of the Company held on September 11, 2019, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

Mr. Srijit Mullick has resigned from the position of Director of the Company w.e.f. September 16, 2020. 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. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar were appointed as Additional Directors of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 12th AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar 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 Act Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing AGM 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 Act. 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 AGM.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2019-20 on April 1, 2019; June 14, 2019; August 8, 2019; December 2, 2019 and February 12, 2020.

6. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 11th AGM held on September 11, 2019 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2020 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 Act 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 Act the Company has uploaded the Annual Return for the financial year ended March 31, 2020 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 year under review, 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 Act. Hence, disclosure under Section 134(3)(g) of the Act is not applicable.

11. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act 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 under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act 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 Act 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.

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15. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, 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 Act is not applicable;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

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

vii. During the year under review, provisions of Section 178(2) of the Act 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 year under review, 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 year under review, 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 year under review, 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 year under review, 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 year under review; and

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act.

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 : November 6, 2020

Independent Auditor's Report

To,
The Members of
Srirampur Grains Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

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, 2020, 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").

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, 2020, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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.

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.
That Board of Directors are also responsible for overseeing the company's financial reporting process.

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. 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.

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.
    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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.
    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: September 12, 2020

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: September 12, 2020

SRIRAMPUR GRAINS PVT.LTD

BALANCE SHEET AS AT MARCH 31, 2020

(`)

	Note No.	As at March 31, 2020	As at March 31, 2019
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	(22,52,308)	(20,31,898)
		(21,52,308)	**(19,31,898)**
Liabilities			
Current Liabilities			
Financial Liabilities			
Borrowings	5	22,16,944	19,88,088
Other Financial Liabilities	6	-	23,600
Trade Payables	7	23,600	11,240
Other Current Liabilities	8	18,287	15,493
		22,58,831	**20,38,421**
Total		**1,06,523**	**1,06,523**

Summary of significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-22

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

SRIRAMPUR GRAINS PVT.LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019 (`)
INCOME			
Other Income		-	-
		-	-
EXPENSES			
Finance Cost	9	1,82,870	1,54,927
Other Expenses	10	37,540	37,340
		2,20,410	**1,92,267**
Profit / (Loss) before tax		**(2,20,410)**	**(1,92,267)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		-	-
Profit / (Loss) after tax		**(2,20,410)**	**(1,92,267)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(2,20,410)**	**(1,92,267)**
Earnings Per Share (`) Basic & Diluted	18	(22.04)	(19.23)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-22		

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 Mullick** *Director* (DIN:00581678)

Place : Mumbai
Date : September 12, 2020

SRIRAMPUR GRAINS PVT.LTD

Statement of Cash Flow for the year ended March 31, 2020

(`)

			2019-2020	2018-2019
A)	**Cash flow from Operating activities**			
	Net profit before tax		(2,20,410)	(1,92,267)
	Interest paid		1,82,870	1,54,927
	Net Cash from Operating Activities		**(37,540)**	**(37,340)**
	Adjustment for:			
	(Decrease)/ Increase in current liabilities, and other financial liabilities		(8,446)	13,141
	Net Cash from Operating activities		**(45,986)**	**(24,199)**
B)	**Cash Flow from Financing activities**			
	Proceeds from borrowings (Net)		2,28,856	1,79,126
	Interest paid		(1,82,870)	(1,54,927)
	Net Cash from Financing Activities		**45,986**	**24,199**
	Net increase in Cash & Cash equivalents		-	-
	Opening cash & cash equivalents		1,06,523	1,06,523
	Closing cash & cash equivalents		**1,06,523**	**1,06,523**

Notes :

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	Balance with Banks in Current Accounts	1,06,523	1,06,523
		1,06,523	**1,06,523**

		As at April 01, 2019	Cash Flow (net)	Non Cash Change	As at March 31, 2020
(b)	**Change in liability arising from financing activities**				
	Borrowings	19,88,088	45,986	1,82,870	22,16,944

(c) 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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

SRIRAMPUR GRAINS PVT LTD.

Statement of Changes in Equity for the year ended March 31, 2020

	As at March 31, 2020	(`) As at March 31, 2019
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 April 01, 2018	**(18,39,631)**
Profit / (Loss) for the year	(1,92,267)
Balance as at March 31, 2019	**(20,31,898)**
Profit / (Loss) for the year	(2,20,410)
Balance as at March 31, 2020	**(22,52,308)**

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

SRIRAMPUR GRAINS PVT LTD.

Notes to Financial Statements for the year ended March 31, 2020

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 September 12, 2020.
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, 2020 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

SRIRAMPUR GRAINS PVT LTD.

Notes to Financial Statements for the year ended March 31, 2020

i) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) Dividend

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

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.

SRIRAMPUR GRAINS PVT LTD.

Notes to Financial Statements for the year ended March 31, 2020

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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

SRIRAMPUR GRAINS PVT LTD.

Notes to Financial Statements for the year ended March 31, 2020

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.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

			(`)
		Current	
	As at March 31, 2020		**As at March 31, 2019**
2	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balance with Banks in Current Account	1,06,523	1,06,523
		1,06,523	**1,06,523**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019 (`)
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	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	10,000

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
4 Other Equity		
Retained Earnings		
As per last Balance Sheet	(20,31,898)	(18,39,631)
Add: Profit / (Loss) after tax for the year	(2,20,410)	(1,92,267)
	(22,52,308)	**(20,31,898)**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

			(`)
		Current	
		As at March 31, 2020	**As at March 31, 2019**
5	**Borrowings**		
	Unsecured Loan		
	From Holding Company	22,16,944	19,88,088
		22,16,944	**19,88,088**
6	**Other Financial Liabilities**		
	Other	-	23,600
		-	**23,600**
7	**Trade Payables**		
	Other Payables	23,600	11,240
		23,600	**11,240**
8	**Other Liabilities**		
	Payable towards Statutory Liabilities	18,287	15,493
		18,287	**15,493**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

		Year ended March 31, 2020	Year ended March 31, 2019
			(`)
9	**Finance Cost**		
	Interest on Borrowings	1,82,870	1,54,927
		1,82,870	**1,54,927**
10	**Other Expenses**		
	Auditors Remuneration [Refer Note No.17]	23,600	23,600
	Rates and taxes	4,500	2,500
	Legal and professional charges	9,440	11,240
		37,540	**37,340**

Notes to Financial Statements for the year ended March 31, 2020

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, 2020 (`)

	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	-	-	22,16,944	22,16,944
	-	**-**	**22,16,944**	**22,16,944**

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, 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
	-	**-**	**19,88,088**	**19,88,088**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

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 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, 2020	As at March 31, 2019
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.

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.

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, 2020 (`)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
Borrowings	22,16,944	22,16,944	-
Trade Payable	23,600	23,600	

	22,40,544	**22,40,544**	**-**

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	-
Trade Payable	11,240	11,240	-
Other financial liabilities	23,600	23,600	-
	20,22,928	**20,22,928**	**-**

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.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

			(`)
13	**Income Taxes**	**As at March 31, 2020**	**As at March 31, 2019**
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%	26.00%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
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, 2020	**As at March 31, 2019**
Net Debt *	-	-
Total Equity	(21,52,308)	(19,31,898)
Debt to Equity Ratio	-	-

* Long term debt less cash and bank balances

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

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.
: Studd Projects P. Ltd.
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Mr Srijit Mullick - Director
: Mrs. Shivani Amit Dahanukar - Non Executive Director

(`)

Nature of Transaction	Parties refered in (a) above	
	March 31, 2020	March 31, 2019
Interest Expense		
Tilaknagar Industries Ltd.	1,82,870	1,54,927
Total	**1,82,870**	**1,35,918**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	2,28,856	1,79,126
Total	**2,28,856**	**3,27,101**
Outstanding Payable		
Tilaknagar Industries Ltd.	22,16,944	19,88,088
Total	**22,16,944**	**18,08,962**

17 Auditor's remuneration charged to accounts:	**March 31, 2020**	**March 31, 2019**
Audit Fees	23,600	23,600
	23,600	**23,600**

18 Earnings Per Share (EPS)	**March 31, 2020**	**March 31, 2019**
Profit /(Loss) After Tax	(2,20,410)	(1,92,267)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(22.04)	(19.23)
Face Value per Equity Share	10	10

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 There is no contingent liability as on March 31, 2020.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2020

21 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in June, 2020.
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financials may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

22 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 Mullick** *Director* (DIN:00581678)

Place : Mumbai
Date : September 12, 2020

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 14th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred net loss of Rs. 103,953/- during the year as compared to net loss of Rs. 41,240/- 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, 2020.

3. HOLDING COMPANY

Your Company is 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 April 1, 2019 in terms of Section 161(1) of the Companies Act, 2013 (the Act), was appointed as Director of the Company by the Members in their Annual General Meeting (the AGM) held on September 11, 2019.

At the 13th AGM of the Company held on September 11, 2019, Mrs. Shivani Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

Mr. Srijit Mullick has resigned from the position of Director of the Company w.e.f. September 16, 2020. 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. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar were appointed as Additional Directors of the Company by the Board on September 16, 2020 for the term expiring at the ensuing 14th AGM. The Company has received requisite notice under Section 160 of the Act from a Member proposing the candidature of Mr. Ajit Anant Sirsat and Mr. Shankar Chintu Pawar 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 Act Mr. Shivaji Baburao Disle, Director of the Company is retiring by rotation at the ensuing AGM 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 Act. 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 AGM.

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]

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2019-20 on April 1, 2019; June 14, 2019; August 8, 2019; December 02, 2019 and February 12, 2020.

6. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 13th AGM held on September 11, 2019 to hold office from the conclusion of the 13th AGM till the conclusion of the 18th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2020 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 Act 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 Act the Company has uploaded the Annual Return for the financial year ended March 31, 2020 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 year under review, 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 Act. Hence, disclosure under Section 134(3)(g) of the Act is not applicable.

11. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act 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 under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act 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 Act 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 year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, 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 Act is not applicable;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

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

vii. During the year under review, provisions of Section 178(2) of the Act 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 year under review, 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 year under review, 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 year under review, 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 year under review, 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 year under review; and

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act.

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 : November 6, 2020

Independent Auditor's Report

To,
The Members of
Shivprabha Sugars Limited

Report on the Standalone Ind AS Financial Statements

Opinion

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, 2020, 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").

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, 2020, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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.

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.
That Board of Directors are also responsible for overseeing the company's financial reporting process.

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. 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.

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.
    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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.
    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: September 12, 2020

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) 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: September 12, 2020

SHIVPRABHA SUGARS LTD.

BALANCE SHEET AS AT MARCH 31, 2020

		Note No.	As at March 31, 2020	(`) As at March 31, 2019
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
	Other Financial Assets	4	10,000	-
			65,434	**55,434**
	Total		**15,99,674**	**15,89,674**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	5	5,00,000	5,00,000
	Other Equity	6	(1,48,80,416)	(1,47,76,463)
			(1,43,80,416)	**(1,42,76,463)**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	7	1,59,47,050	1,58,25,697
	Other Financial Liabilities	8	-	29,500
	Trade Payables	9	33,040	10,940
			1,59,80,090	**1,58,66,137**
	Total		**15,99,674**	**15,89,674**

Summary of significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-22

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

SHIVPRABHA SUGARS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
			(`)
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Other Expenses	10	1,03,953	41,240
Total expenses		**1,03,953**	**41,240**
Profit / (Loss) before tax		**(1,03,953)**	**(41,240)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
		-	**-**
Profit / (Loss) after tax		**(1,03,953)**	**(41,240)**
Other Comprehensive Income			
Total Other Comprehensive Income		**(1,03,953)**	**(41,240)**
Earnings Per Share (`) Basic & Diluted	18	**(2.08)**	**(0.82)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-22		

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 Mullick** *Director* (DIN:00581678)

Place : Mumbai
Date : September 12, 2020

SHIVPRABHA SUGARS LTD.

Statement of Cash Flow for the year ended March 31, 2020

(`)

			2019-2020	2018-2019
A)	**Cash flow from Operating activities**			
	Net profit before tax		(1,03,953)	(41,240)
	Net Cash from Operating Activities		**(1,03,953)**	**(41,240)**
	Adjustment for:			
	(Decrease)/ Increase in other financial liabilities		(7,400)	10,940
	(Increase) / Decrease in other financial assets		(10,000)	-
	Net Cash from Operating activities		**(1,21,353)**	**(30,300)**
B)	**Cash Flow from Financing activities**			
	Proceeds from borrowings (Net)		1,21,353	30,300
	Net Cash from Financing Activities		**1,21,353**	**30,300**
	Net increase in Cash & Cash equivalents		**-**	**-**
	Opening cash & cash equivalents		55,434	55,434
	Closing cash & cash equivalents		**55,434**	**55,434**

Notes :

		As at March 31, 2020	As at March 31, 2019
(a)	**Cash and cash equivalents comprises of**		
	Balance with Bank in Current Account	55,434	55,434
		55,434	**55,434**

		As at April 01, 2019	Cash Flow (net)	As at March 31, 2020
(b)	**Change in liability arising from financing activities**			
	Borrowings	1,58,25,697	1,21,353	1,59,47,050

(c) 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

Girija Shankar Nayak
Partner
Membership No.049582

Place : Mumbai
Date : September 12, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Director
(DIN:00581678)

SHIVPRABHA SUGARS LTD.

Statement of Changes in Equity for the year ended March 31, 2020

(`)

	As at March 31, 2020	As at March 31, 2019
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**

B) Other Equity

	Reserves and Surplus
	Retained Earnings
Balance as at April 01, 2018	**(1,47,35,223)**
Profit / (Loss) for the year	(41,240)
Balance as at March 31, 2019	**(1,47,76,463)**
Profit / (Loss) for the year	(1,03,953)
Balance as at March 31, 2020	**(1,48,80,416)**

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 Mullick
Director
(DIN:00581678)

Place : Mumbai
Date : September 12, 2020

Notes to Financial Statements for the year ended March 31, 2020

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 September 12, 2020.

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, 2020 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.

Notes to Financial Statements for the year ended March 31, 2020

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) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

Notes to Financial Statements for the year ended March 31, 2020

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) 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.

d) Dividend

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

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.

Notes to Financial Statements for the year ended March 31, 2020

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.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

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.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for the year ended March 31, 2020

2 Property, Plant and Equipment

(`)

FIXED ASSETS	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2019	Additions	Deductions	As At March 31, 2020	As At April 01, 2019	Deductions	For the year	As At March 31, 2020	As At March 31, 2020	As At March 31,2019
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***	

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for the year ended March 31, 2020

			(`)
		Current	
		As at March 31, 2020	**As at March 31, 2019**
3	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balance with Bank in Current Account	55,434	55,434
		55,434	**55,434**
4	**Other Financial Assets**		
	Deposits	10,000	-
		10,000	**-**

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for the year ended March 31, 2020

(`)

	As at March 31, 2020	As at March 31, 2019
5 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

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, 2020**	**As at March 31, 2019**
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, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
6 Other Equity		
Retained Earnings		
As per last Balance Sheet	(1,47,76,463)	(1,47,35,223)
Add: Profit / (Loss) after tax for the year	(1,03,953)	(41,240)
	(1,48,80,416)	**(1,47,76,463)**

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for the year ended March 31, 2020

		(`)
	Current	
	As at March 31, 2020	**As at March 31, 2019**
7 Borrowings		
Unsecured Loan		
From Holding Company	45,47,050	44,25,697
From Director	1,14,00,000	1,14,00,000
	1,59,47,050	**1,58,25,697**
8 Other Financial Liabilities		
Other	-	29,500
	-	**29,500**
9 Trade Payables		
Other Payables	33,040	10,940
	33,040	**10,940**

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for the year ended March 31, 2020

	Year ended March 31, 2020	(`) Year ended March 31, 2019
10 Other Expenses		
Auditors Remuneration [Refer Note No.17]	36,580	29,500
Rates and taxes	36,300	800
Legal and professional charges	31,073	10,940
	1,03,953	**41,240**

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, 2020 (`)

	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	-	-	1,59,47,050	1,59,47,050
	-	**-**	**1,59,47,050**	**1,59,47,050**

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, 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
	-	**-**	**1,58,25,697**	**1,58,25,697**

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 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, 2020	As at March 31, 2019
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.

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.

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.

<u>**As at March 31, 2020**</u>

(`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,59,47,050	1,59,47,050	-
Trade Payable	33,040	33,040	-
	1,59,80,090	**1,59,80,090**	**-**

As at March 31, 2019

(`)

	Carrying amount	Contractual cash flows Less than one year	More than 1 year
Borrowings	1,58,25,697	1,58,25,697	-
Trade Payable	10,940	10,940	-
Other financial liabilities	29,500	29,500	-
	1,58,66,137	**1,58,66,137**	**-**

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.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for the year ended March 31, 2020

			(`)
13	**Income Taxes**	**As at March 31, 2020**	**As at March 31, 2019**
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)	-	-

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, 2020	As at March 31, 2019
Net Debt *	-	-
Total Equity	(1,43,80,416)	(1,42,76,463)
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, 2020

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.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Mr Srijit Mullick - Director
: Mrs. Shivani Amit Dahanukar - Non Executive Director

(`)

Nature of Transaction	Parties refered in (a) above	
	March 31, 2020	**March 31, 2019**
Net Loans & Advances taken / (given)		
Tilaknagar Industries Ltd.	1,21,353	30,300
Total	**1,21,353**	**30,300**
Outstanding Payable		
Tilaknagar Industries Ltd.	45,47,050	44,25,697
Total	**45,47,050**	**44,25,697**

17 Auditor's remuneration charged to accounts:	**March 31, 2020**	**March 31, 2019**
a) Audit fees	33,040	29,500
b) Auditors remuneration in other capacity	3,540	-
	36,580	**29,500**

18 Earnings Per Share (EPS)	**March 31, 2020**	**March 31, 2019**
Profit /(Loss) After Tax	(1,03,953)	(41,240)
Weighted average number of shares	50,000	50,000
Basic & Diluted Earnings Per Share	(2.08)	(0.82)
Face Value per Equity Share	10	10

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 There is no contingent liability as on March 31, 2020.

21 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in June, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financials may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

22 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	**For and on behalf of the Board**	
Chartered Accountants		
Firm Registration No. 118915W		
Girija Shankar Nayak	**Amit Dahanukar**	**Srijit Mullick**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:00581678)

Place : Mumbai
Date : September 12, 2020