Allied Blenders & Distillers

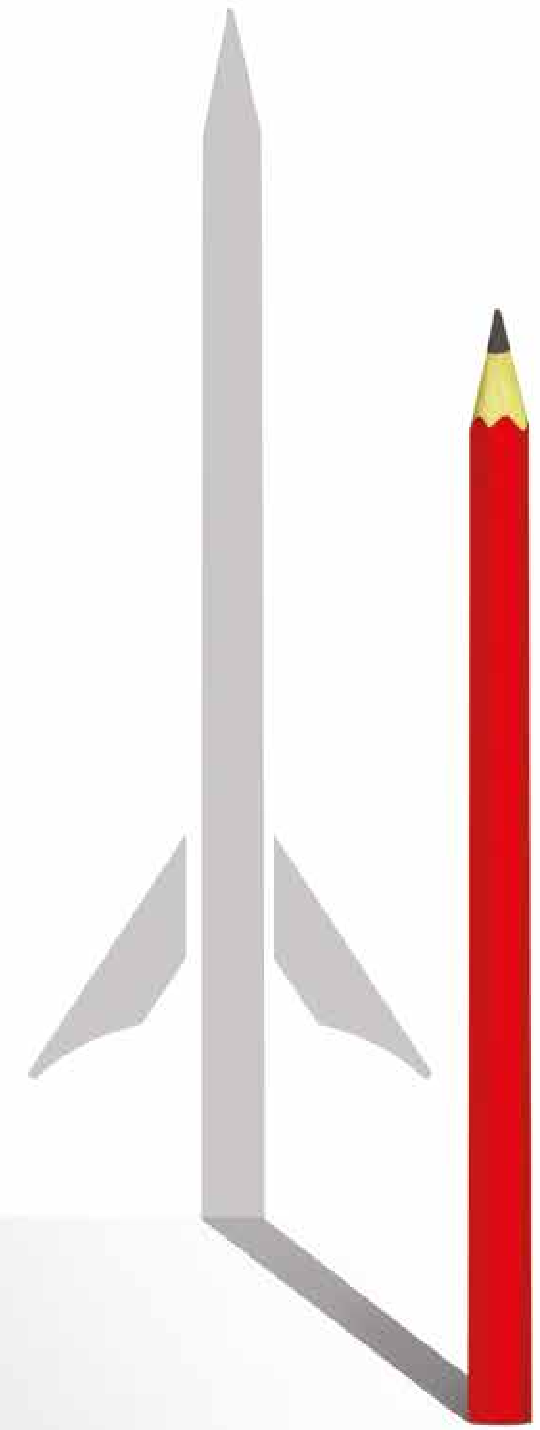
REGISTERED OFFICE

Allied Blenders and Distillers Pvt. Ltd. (CIN: U1551MH2008PTC187368)
394/C, Ground Floor, Lamington Chambers, Lamington Road,
Mumbai - 400 004, India.
Tel: +91 22-6777 9777 Fax: +91 22 6777 9725

CORPORATE OFFICE

Allied Blenders and Distillers Pvt. Ltd.
Ashford Centre, 3rd and 4th Floor, Shankarrao Naram Marg,
Lower Parel (West), Mumbai - 400 013, India.
Tel: +91 22 4300 1111 Fax: +91 22 4300 1116
Email: info@abdindia.com, Visit us at www.abdindia.com

Allied Blenders & Distillers



REIMAGINE EXCELLENCE

TRANSFORMING FROM WITHIN.
TRANSFORMING TO WIN.

ANNUAL REPORT 2019-20

Allied Blenders & Distillers

OUR VISION

TO BE THE MOST ADMIRED

SPIRITS COMPANY IN THE WORLD

OUR VALUES

TEAM WORK

We blend our efforts to forge our path to success. Our achievements stem from the collective intelligence of personnel across functions, which enables cohesive decision making.

CONSTANTLY INNOVATING

We strive to brew new and beneficial thoughts daily. We encourage an inventive work environment for constant innovation at every level.

EXCELLENCE IN EXECUTION

At ABD, we are collectively responsible for steering success with excellence. We thus inculcate a superior work culture that is founded on quality and finesse.

PROFESSIONAL AND PERSONAL INTEGRITY

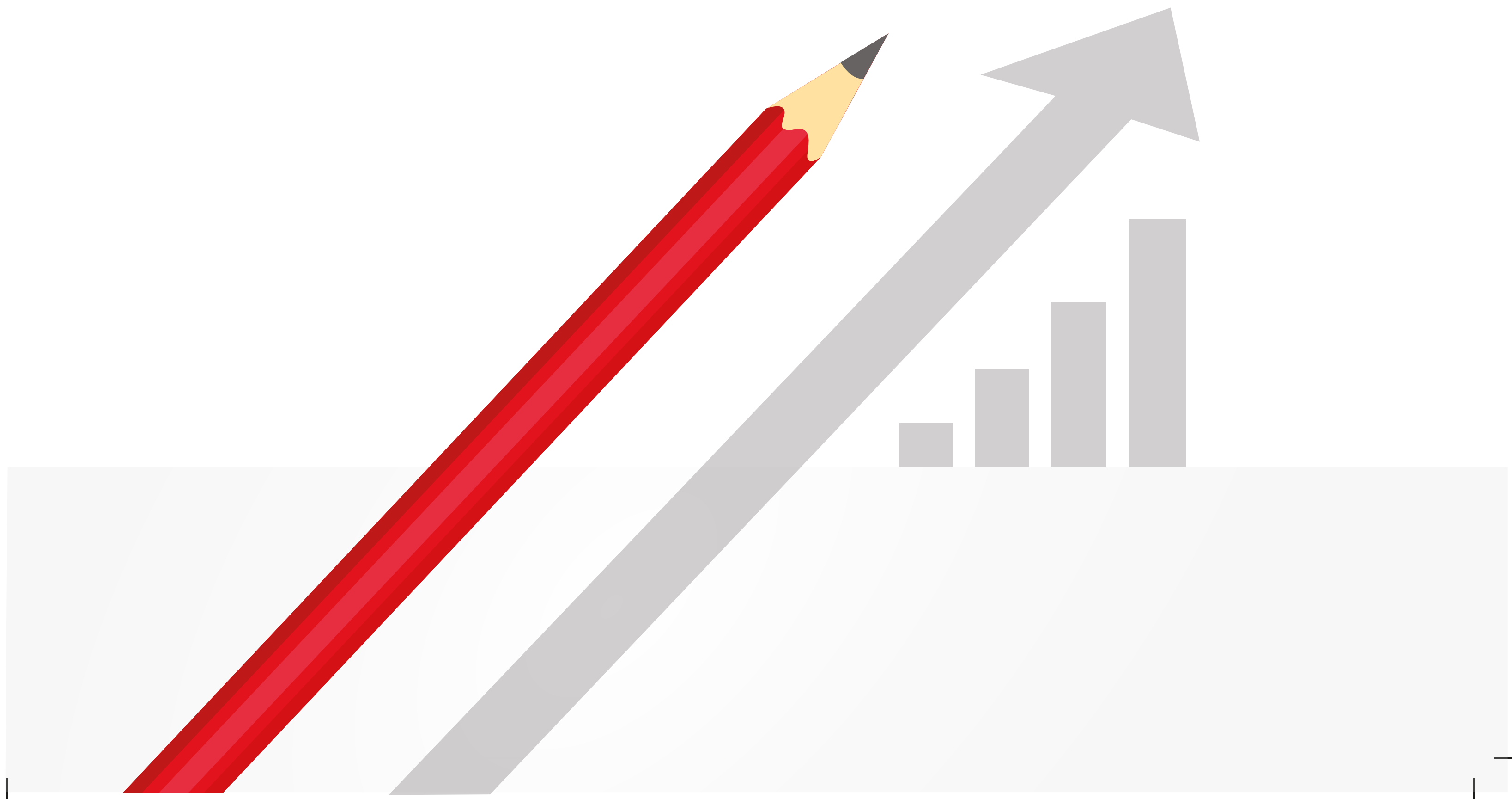
We strongly perpetuate both personal and professional integrity. Every employee at ABD is encouraged to be both, a custodian as well as a role-model of honesty and reliability.

PROUD OF WHAT WE DO

We reflect our pride through our work, which we do with great passion, repeated excellence, and positivity.

Allied Blenders & Distillers

CONTENTS



CHAIRMAN'S MESSAGE

REIMAGINE EXCELLENCE
TRANSFORM FROM WITHIN.
TRANSFORM TO WIN.

Dear Members,

I am pleased to share with you an update on your company's performance for the year 2019-20. Hope this note finds you safe and in good health. The year saw a challenging business environment with low GDP growth, slowdown in consumption patterns and the onslaught of Covid-19. The pandemic has not only affected human health but has also impacted businesses and the society at large. The virus outbreak intensified over the last quarter of FY 19-20 and its ripples are being felt in FY 20-21; the subsequent impact on business is widespread.

Against this backdrop, Allied Blenders & Distillers (P) Ltd (ABD) has performed quite well in the competition considering all challenges and derived the following results in its standalone financials for FY 19-20.

- EBITDA - Rs 251.58 Crs.
- PAT - Rs 14.91 Crs.

India as a country was fraught with multiple headwinds in FY 20 -

- Distress in financial services and banks
- Slowdown in consumption consequent to the above
- In addition, the distribution of liquor in India is largely (approx. 60%) controlled by the State or State-Owned Corporations resulting in stricter regulations across various States so as to have better control over prices, consumption and Excise duty.

Our Brands continued to live our purpose of making sustainable living commonplace directly and through our trade and channel partners.

- Officers Choice whisky- continues to be a dominant player in the regular segment, we are constantly innovating to remain ahead in the minds of the consumer.
- Despite the challenges in FY 19- Prestige and above segment has shown a growth of 3% with a salience of 39% in the total ABD portfolio in FY 19-20
- Sterling Reserve B7 continues to do better in a competitive environment. In FY20 the company sold 2.69 Million cases in the second year of its launch. We will continue to nurture, focus and grow this brand to the highest pinnacle of success.

ABD has a fully ingrained value engineering process in place. We have instituted PROJECT GARUDA/ MANTHAN which are basically value engineering process so that it is fully embedded and we measure what we actually get. We are cognizant of the fact that bottles and Extra Neutral Alcohol (ENA) remains our biggest cost element. However, we do feel that in FY 21 ABD along with other liquor players should not be impacted much as it was in FY 19. We are building a profitable roadmap by reducing the break-evens, improving cash generation and deleveraging the business.

Marketing spends are also levers we constantly monitor. Our Sterling reserve comedy project has seen resounding success. We have invested in many key activities like IPL in FY 19 and also in IPL FY 20 and continue to do so. Our strategy would be to maintain the level of marketing spends and use this as a lever to drive sales with increased usage of digital medium.

ABD has gone a long way in the compliance agenda. We have ingrained in our eco system a fully embedded and a robust Code of Conduct policy, Whistle Blower Policy,

CHAIRMAN'S MESSAGE

Anti-money laundering policy, POSH policy, Breach management policy, Risk management matrix to name a few. Over the years, ABD has developed and established a robust system of internal controls to ensure that assets are safeguarded and transactions are appropriately authorised, recorded and reported.

COVID 2019 and Way forward

- In a bid to contribute to the nation's fight against the novel Coronavirus, we started manufacturing sanitizers at the Rangapur distillery. We supplied sanitizers to primary healthcare centres, hospitals etc. as per the directive of the local government.
- We ensured that wages and other emoluments as directed by the various state governments were complied to in full and for the entire period.
- With the safety and well – being of our employees, consumers and partners as our priority, we have resumed operations at all our units after taking the requisite precautions when our manufacturing establishments opened up as a part of Unlock 1 and till date that is followed strictly.

The entire world today is reeling under the threat and aftermath of the novel coronavirus. Companies find themselves navigating a new reality, addressing issues from crisis response and business continuity to valuation and financial stress. ABD is no exception here. COVID has changed the way we live, work and use technology. Social distancing is a major blocker as it has lower footfall in bars, clubs, pubs, restaurants and banqueting scene. The demand scenario is expected to remain uncertain in the aftermath of the COVID 2019 pandemic. Accordingly, we continue to build agility to respond dynamically to the changing consumer behavior through increased connect with the consumers

As a fallout, various State Governments had imposed measures like high taxation which impacted the offtake in the industry. While some states have rolled back in some form in the later stages but all these have impacted demand, revenue and financials for FY 21. In addition, during the year under review for FY 19-20 Andhra Pradesh introduced a new alcohol policy which cancelled existing bar licenses and

reduced the number of retail outlets by about 40%. Such an approach poses a challenge for the Industry which we are reviewing as a part of our overall growth market strategy in select geographies.

Lifting of the lockdown and normalization is a positive step and with positive news of COVID vaccine I am optimistic of the future. With a young demographic base, growing preference and social acceptance for spirits and drinks there is and will be more positivity and increasing demand.

I am confident that in the future we will be competently placed and I thank each and every employee as well as those working with our partners across our value chain for their commitment and service to us at ABD. I would like to thank you for the overwhelming trust, support and confidence in ABD. On this note, we wish you and your family a very Happy New Year 2021.

Warm Regards,

Kishore R. Chhabria
Chairman-Allied Blenders & Distillers (P) Ltd

THE PATRONS

BOARD OF DIRECTORS

KISHORE R. CHHABRIA
Chairman

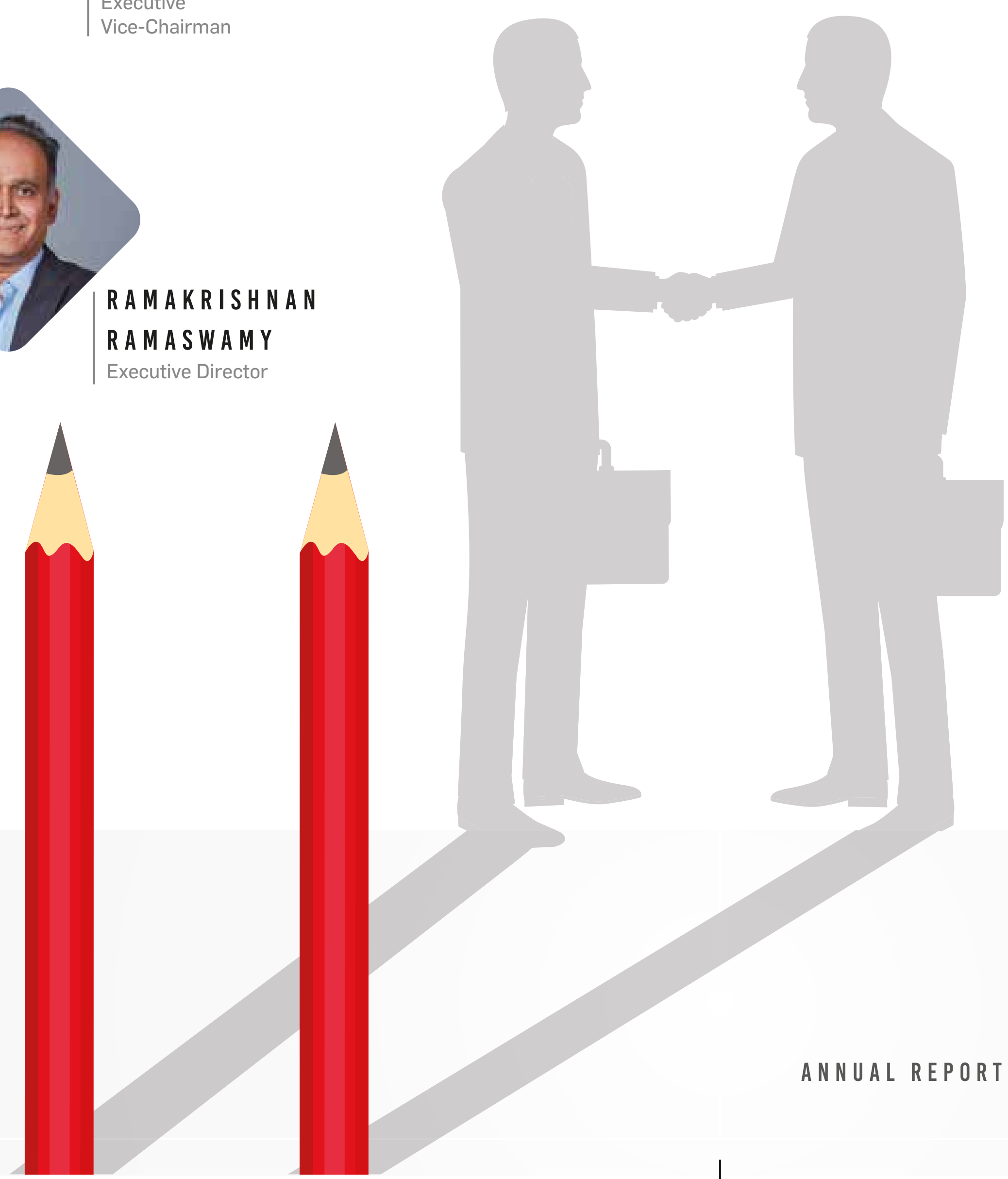
BINA K. CHHABRIA
Co-Chairperson

NICHOLAS BODO BLAZQUEZ
Executive Deputy Chairman

UTPAL K. GANGULI
Executive Vice-Chairman

DEEPAK ROY
Non-Executive Director

RAMAKRISHNAN RAMASWAMY
Executive Director



EXECUTIVE TEAM

RESHAM CHHABRIA
Executive Director

PRASANNA MOHILE
President - Corporate Affairs, Public Relation & CSR

ARUN BARIK
Head Manufacturing And Technical

ROOPAK CHATURVEDI
Chief Commercial Officer

ANUPAM BOKEY
Chief Marketing Officer

ASHOKE ROY
Audit & Compliance Director

GOPI NAMBIAR
Human Resource Director-Consultant And Executive Coach

RITESH SHAH
Company Secretary And Chief Legal Officer

AUDITORS

Walker Chandiok & Co. LLP | Ford Rhodes Parks & Co. LLP

BANKERS

Axis Bank | IDFC First Bank | IndusInd Bank | Lakshmi Vilas Bank
Rabo Bank | Saraswat Bank | State Bank of India | Standard Chartered Bank
South Indian Bank | Yes Bank

Allied Blenders & Distillers

A RENEWED SPIRIT OF EXCELLENCE

OFFICER'S CHOICE WHISKY
LEADING BY EXAMPLE

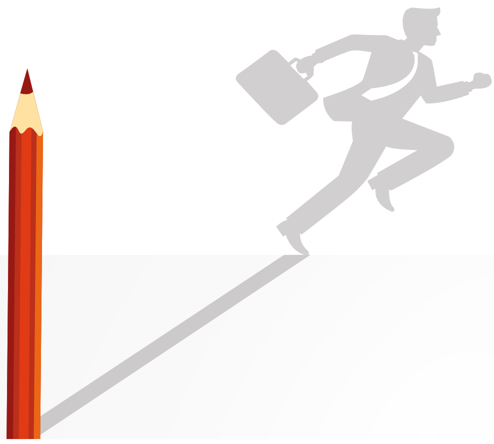
Launched in 1988, Officer's Choice is the flagship brand of Allied Blenders and Distillers. A proven market leader in the domestic circuit, it has wowed international audiences as well. The Brand retained the tag of 'Largest Selling Whisky in the World' for 6 years in a row from 2013 to 2018.

The brand character for Officer's Choice Whisky is anchored in righteousness urging its consumers to make honourable choices in life to awaken the 'officer' in them. This messaging is also mirrored in the iconic epaulette used as a key visual asset for the brand.

Officer's Choice explored Limited Editions and festive packs in different markets during the festive season. Special festive packs were launched in AP and Karnataka during Sankranti and Ugadi. The pack intricately showcased the different elements of the festival. Limited Edition cricket packs were also launched in a few markets. The packs found strong acceptance among trade and consumers alike, allowing the brand to participate in a relevant part of its audiences' lives.

Officer's Choice further enhanced its packaging by introducing Metallic Tetra packs for the state of Karnataka which thereby enhanced the visual imagery, superior shelf appeal and premium quality of the whisky.

Officer's Choice also executed various other regional, promotional and brand building initiatives such as movie tie ups, outdoors, print ads and other relevant trade engagement initiatives.



OFFICER'S CHOICE BLUE
A SALUTE TO BLUE

A premium offering in the deluxe segment, Officer's Choice Blue enjoys the prestige of being the perfect all-round whisky for every occasion. The blend is an engaging mix of rich Scotch malts and Indian grain spirits, suffused with subtle peaty & woody flavours to give it a lingering finish.

Officer's Choice Blue takes forward the mother-brand messaging of righteousness as its core communication plank. The brand line of 'Salute Toh Banta Hai' embodies the brand's belief in saluting everyday acts that restore our faith in humanity.

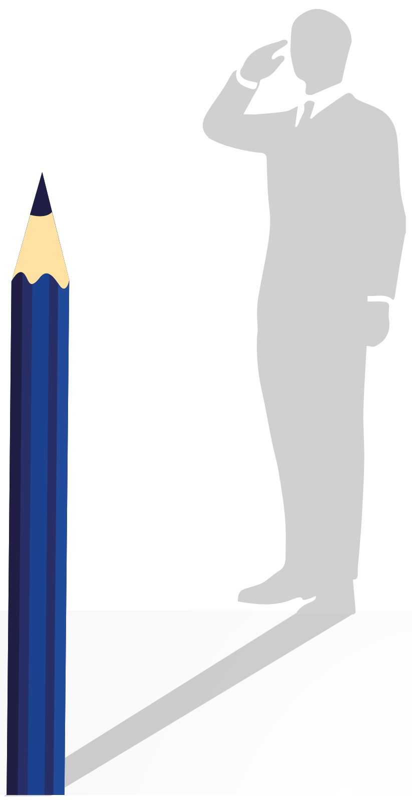
To drive salience and awareness, the brand started the year with a 360-degree Integrated Communication strategy which was executed across TV, outdoor, radio and digital. Various other on-ground promotional and brand building initiatives were kickstarted during the cricket season such a Limited Edition Cricket Pack and a Dynamic Display Contest, which were executed to enhance consumer engagement and increase on-shop visibility.

Officer's Choice Blue continued to partner with marquee events of Calcutta Football League (West Bengal) and Shillong Football League (Meghalaya). Being title sponsors of the event, the event was promoted through radio, outdoor and print besides in-stadium branding at the match venues. The brand gained handsomely from such association as it provided a unique emotional connect with the most-loved genre (sports) with the audience.

The Brand continued to partner with the Vivo Pro Kabaddi League frenzy as the main sponsor of the Dabang Delhi team. Through an integrated marketing communication plan, we reached out to new and younger audiences across the country.

Slugs of Officer's Choice Blue were placed in the sports columns of leading regional and national dailies across the year. These were authored by VVS Laxman, former batting legend of the Indian national cricket team and captain of the Deccan Chargers in the IPL.

Officer's Choice Blue is gearing up to emerge as a preferred brand of choice with a whole set of new trade and consumer initiatives to conquer new territories across the length and breadth of the country.



STERLING RESERVE
THE CHASE CONTINUES!

Since its launch in 2017, Sterling Reserve Premium Whiskies has taken huge strides in increasing its consumer choice numbers, firmly establishing the organisation's journey towards premiumisation.

In this financial year, Sterling Reserve range of premium whiskies was just shy of 3 million cases in sales. This phenomenal performance earned it the tag of the 'World's Fastest Growing Spirits Brand'. (Source: The Millionaires' Club 2019 by Drinks International).

The brand has also turned profitable within a short span of its launch with Sterling Reserve Blend 7 now being the third largest player in the semi-premium segment of the whisky category.

The Scotch malts for Sterling Reserve Blend 10 are sourced from distinct barrel origins, including bespoke bourbon oak casks. The blend is chill-filtered to perfect balance with a smooth finish and has ten unique tasting notes. The unique packaging style using canisters in all major sizes gives the brand a rich, premium feel whilst differentiating it from the rest.

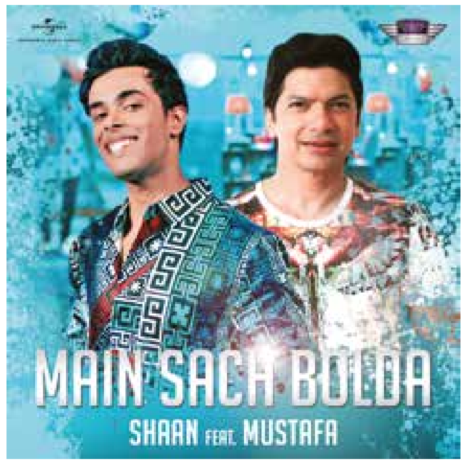
Sterling Reserve Blend 7 is crafted to perfection with Scotch malts from different barrel origins and carefully selected Indian grain spirits, with seven distinct tasting notes. The soft-toasted touch of charred oak gives it a luxurious texture and a smooth, well-rounded finish. The quarts (750ml) pack of Sterling Reserve Blend 7 is encased in a lock-bottom mono-carton.

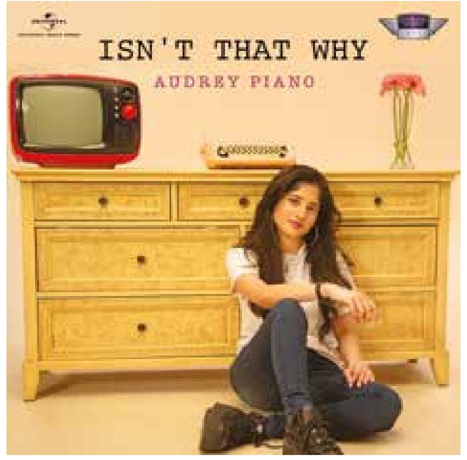
To drive salience and awareness, the brand leveraged impactful cricketing properties like the Indian Premier League (IPL) and the Cricket World Cup connecting with relevant audiences on TV and the digital space. This was followed by a strategic presence on select cricket tournaments through the year.

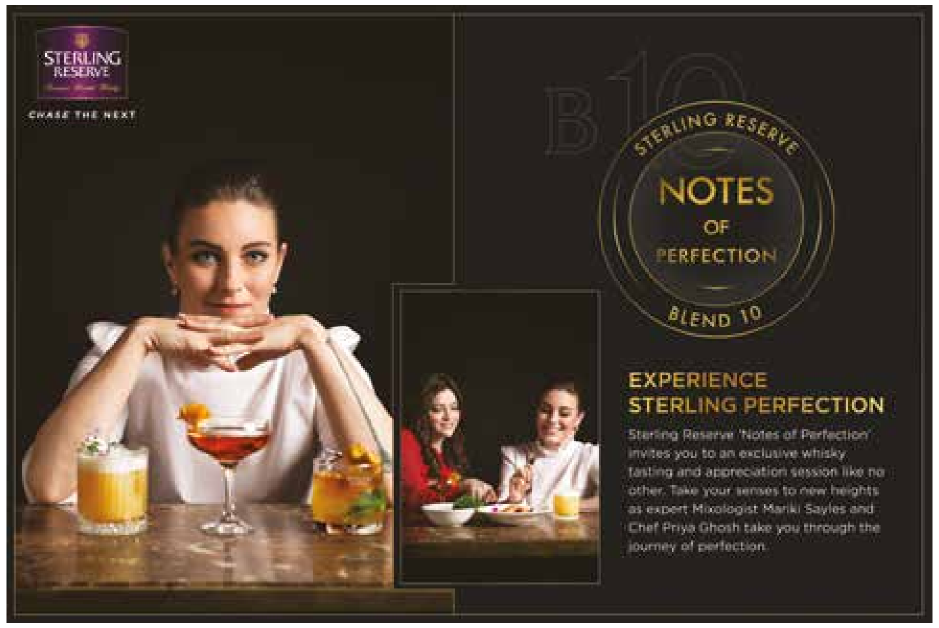
Sterling Reserve Projects launched its new property – Sterling Reserve Comedy Project – in association with Comedy Central India. This property leverages the popular plank of stand-up comedy to connect with younger audiences. The talent hunt, hosted by Varun Thakur and judged by audience votes, discovered new icons of stand-up comedy in the country and was aggressively promoted on-air and online.

Sterling Reserve Music Project continued to regale music connoisseurs with an eclectic mix of 8 tracks released in the year spanning multiple languages and genres. The channel crossed 100,000 subscribers on YouTube earning it a Silver Creator Award.

In a bid to establish the blend superiority of Sterling Reserve Blend 10, the brand curated a whisky appreciation session titled 'Notes of Perfection'. World renowned mixologist Mariki Sayles took select consumers on an enthralling journey across the Scottish highlands to discover the blends that go into creating the distinct tasting notes of Blend 10. The sessions were also conducted for the bartender community which featured signature cocktails made with Sterling Reserve Blend 10. The content was converted into an online series to reach a wider viewer set.







OFFICER'S CHOICE STAR
THE UNIQUE BLEND

Officer's Choice Star was launched in July '18 in Karnataka and select parts of Maharashtra. It is a contemporary blend, appreciated for its rich and smooth taste. The brand caters to the value conscious consumer, seeking a quality drink.

In a short span of time, the brand is already enjoying a loyal consumer franchise. Officer's Choice Star enhanced its packaging with the launch of Metallic Tetra packs. These packs are superior in quality and premium in look and feel.

Officer's Choice Star was extensively promoted through various visibility and promotional initiatives to ensure adequate demand for the brand.

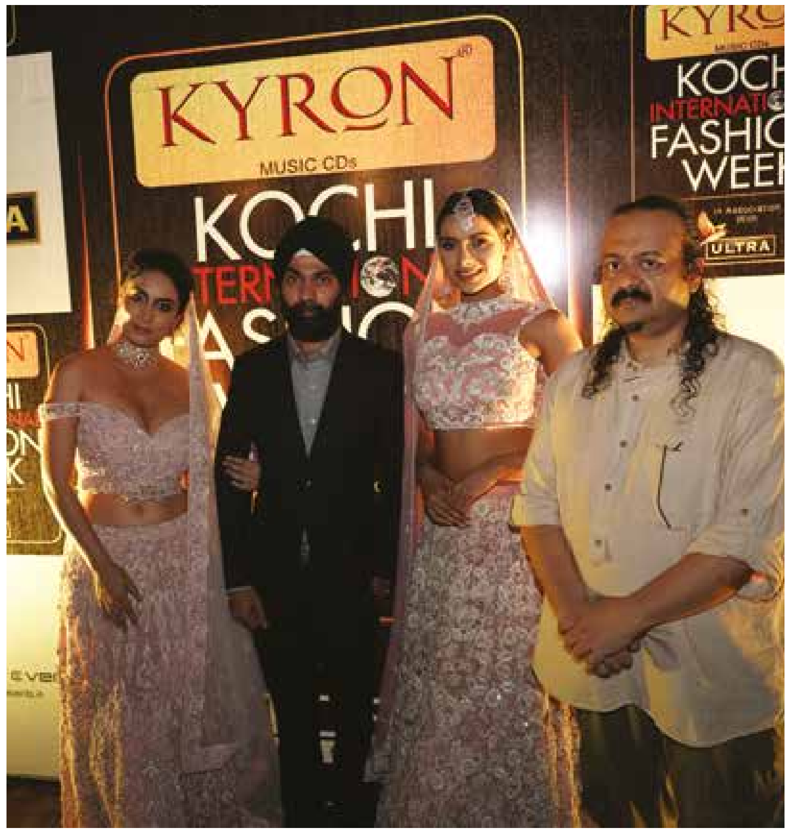
KYRON

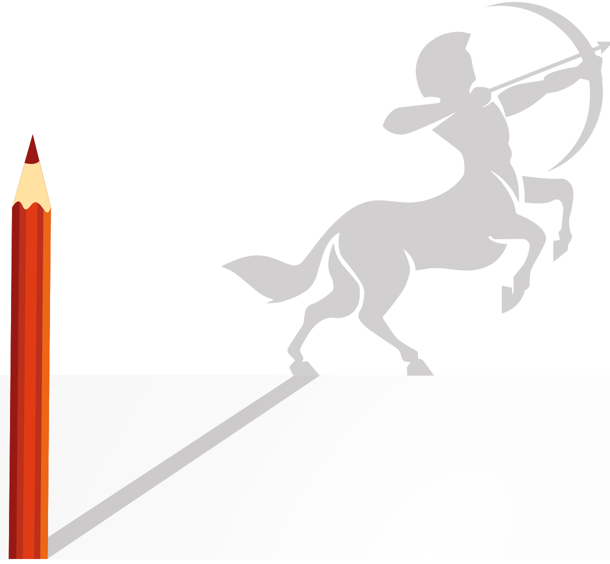
FABULOUSLY FRENCH

With its elegant French connection, Kyron offers a unique blend with unmatched quality in the premium brandy segment. This captivating spirit is a sublime combination of premium French brandy and exotic ingredients.

The bottle has an inimitable form, evocative of both class and heritage. The brand has carved a niche in the premium brandy segment owing to its splendid blend and stand-out packaging.

Taking forward Kyron's communication strategy built on upscale style, Kyron Kochi International Fashion Week (KKIFW) returned for another season of celebrating contemporary works of fashion. Kicking off with an exclusive boat party, the event brought together designers, models and the style-conscious swish set of the city. KKIFW was amplified through a combination of print, outdoor and digital initiatives.





OFFICER'S CHOICE BRANDY

BLENDED WITH TRUST

Concocted from handpicked grapes and the finest natural ingredients, Officer's Choice Brandy offers a distinct aroma and taste to consumers. Officer's Choice Brandy has had a rich run in Tamil Nadu, Kerala and Andhra Pradesh.

OFFICER'S CHOICE RUM

THE MAJESTIC RUM

Officer's Choice Rum is a pièce de résistance to tempt the palate of dark rum aficionados. It has a one-of-a-kind fruity rum quality at the core of its blend, making it an intricate, sweet, heavy, woody and full-bodied offering. Fashioned along the lines of revered Portuguese rums, the brand continues to make its presence felt in the leading rum-consuming markets of Odisha and Kerala.

LORD & MASTER

THE REAL SPIRIT OF SUBSTANCE

"True power never shouts. It roars."
Lord & Master Brandy boasts of a full-bodied blend of French grape spirit and exotic natural ingredients. Coupled with its exclusive packaging, the brand represents masculinity at its finest.

Its communication plank of 'Man of Substance' celebrates subtle superiority and an inherent sense of strength and balance.

JOLLY ROGER

VICTORY BEGINS WITH YOU

"The best victory is when you win against yourself."
Jolly Roger presents a unique offering in the dark rum segment. A blend of Jamaican pot-still rum and native spices, it offers supreme quality and a seductive taste. It comes in a handsomely designed family-shaped bottle with a tamper-proof non-refillable closure.

The brand positioning focuses on the youth of the country who are willing to push the envelope when it comes to experiencing life. The positioning also sits well with Jolly Roger's primary target audience - tenacious young strivers who live by their own rules irrespective of societal norms.

CLASS 21

CRAFTED FOR A FOREVER YOUNG FEEL

Class 21 is India's first grain vodka in the regular segment. Its contemporary, modern and immaculate packaging has broken new ground in the market in terms of design and uniqueness. Class 21 indulges the consumer in an exciting vodka journey, making them feel forever young.

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting their Annual Report and Audited Statement of Accounts for the financial year ended 31st March 2020.

1. FINANCIAL RESULTS:

(₹ in lakhs)

PARTICULARS	2019-2020	2018-2019
Revenue from Operations	813836.41	894685.99
Total Expenses	788677.98	863737.91
Profit Before Tax	255.86	3024.19
Less : Tax Expenses / (credit)	(1237.03)	1992.52
Profit after Tax	1490.89	1031.67
Add : Other Comprehensive Income for the year	0.83	21.57
Total Comprehensive Income	1491.72	1053.24
Reserve and Surplus		
at the Beginning of the year	8501.04	7447.80
Transitional adjustment of IndAS116-	(48.83)	-
Surplus carried forward to Balance Sheet	9943.93	8501.04

2. DIVIDEND AND RESERVES

The Board of Directors of your company, after considering the relevant circumstances and with a view to conserve the resources for future operations, has decided that it would be prudent not to recommend any dividend on equity shares and preference shares for the financial year under review.

During the year under review, no amount was transferred to General Reserve as per the Companies (Declaration and Payment of Dividend) Rules, 2014.

3. STATE OF COMPANY`S AFFAIRS AND REVIEW OF OPERATIONS:

Your Company has achieved sales of 32.8 million cases in FY'20 with a share of 8.9% of the IMFL industry. The Company made strong strides in the semi-premium and premium segments of the IMFL industry in line with our intent of premiumizing our portfolio to mirror changing consumer choices.

Officer's Choice Whisky, our flagship brand, achieved sales of 20.1 million cases and continues to be the market leader in the Regular whisky segment with a healthy share of 39%.

Officer's Choice Blue clocked sales of 8.35 million cases securing a market share of 11.9%. Mahendra Singh Dhoni continues as the face of the brand allowing for strong associations on our communication plank of righteousness. Officer's Choice Blue strengthened its connect with the high affinity sport of cricket through presence on the Indian Premiere League (IPL) 2019 and the ICC Cricket World Cup. In addition, we also continued with our association with the world of football through Calcutta Football League (CFL) and Shillong Premier League (SPL). The brand was also associated with the Pro Kabaddi League, India's 2nd most viewed sport after cricket and was the proud sponsor of the Delhi Dabang team, who narrowly missed the top spot in the finals of the tournament.

Sterling Reserve Premium Whiskies continued its phenomenal performance in FY'20 crossing the landmark 2 million cases mark in just 260 days. The brand ended the year just shy of the 3 million cases mark registering a growth of 131% making it the World's Fastest Growing Spirits brand as declared by Drinks International. With a 7% market share, Sterling Reserve is the 3rd largest selling brand in the semi premium segment. Sterling Reserve B10, operating in the Premium whisky segment, touched sales of 2.2 lakh cases. Sterling Reserve B7, operating in the Semi-Premium whisky segment, touched sales of 2.6 million cases. The blend, packaging and marketing efforts on Sterling Reserve have been widely appreciated by both consumers and trade resulting in numerous accolades for the brand.

Sterling Reserve continued its consumer connect initiatives through the umbrella platform of Sterling Reserve Projecs.

The Sterling Reserve Music Project crossed the 100,000 subscriber mark on its channel receiving the YouTube Silver Creator Award. With the launch of the Sterling Reserve Comedy Project, the brand imagery was enhanced through content creation in the ever-popular space of stand-up comedy.

Kyron Premium Brandy achieved sales of 1.45 lakh cases in FY'19 and has established itself as the brand of choice in the Premium Brandy segment.

Officer's Choice Brandy touched sales of 8.33 lakh cases in FY'19 while Officer's Choice Rum achieved sales of close to 2 lakh cases.

Officer's Choice Star, a value variant of Officer's Choice has been making gradual progress in Karnataka where it has been launched achieving sales of 1.77 lakh cases.

The other brands in our portfolio like Officer's Choice Black, Lord & Master Brandy, Class 21 Vodka and Jolly Roger Rum, continue to meet expectations and are making steady progress in their respective markets.

4. FINANCIAL HIGHLIGHTS AND CHANGE IN NATURE OF BUSINESS:

The Company is engaged in the business of manufacturing and marketing of IMFL products. There has been no change in the business of the Company during the financial year ended 31st March, 2020.

Your Company has recorded satisfactory performance during the year under review with revenues of ₹ 8138.36 crore as compared to ₹ 8946.86 crore during the previous year. The total expenses during the year were ₹ 7886.78 crore as compared to ₹ 8637.38 crore during the previous year.

Consequently, your Company's profit before tax for the year under review was ₹ 2.54 crore as compared to the previous year's profit before tax of ₹ 30.24 crore. After providing for income tax credit, profit after tax for the year under review was ₹ 14.91 crore as compared to ₹ 10.32 crore during the previous year.

5. MERGERS / AMALGAMATION, JOINT VENTURE, SUBSIDIARY AND ASSOCIATE COMPANIES :

Pursuant to the Scheme of Amalgamation sanctioned by the Hon`ble National Company Law Tribunal, Mumbai Bench vide its order dated 27th July 2020, Henkell & Company India Private Limited, Subsidiary Company of our Company was amalgamated with the Company with effect from the Appointed Date viz., 01st April 2019.

With this, the following are wholly owned subsidiaries of your Company:-

Sr. No.	Name of the Company	Status
1.	NV Distilleries & Breweries (AP) Private Limited (CIN: U15549MH2007PTC335436)	Subsidiary
2.	Deccan Star Distillers India Private Limited (CIN: U15492TG2013PTC090743)	Subsidiary
3.	Chitwan Blenders & Bottlers Private Limited (CIN: U15512BR1990PTC004097)	Subsidiary
4.	Sarthak Blenders & Bottlers Private Limited (CIN: U15311MH2011PTC337649)	Subsidiary

The highlights of performance of subsidiaries and their contribution to the overall performance of the Company is covered in Annexure 'A' as form AOC-1 & forms integral part of this report.

6. DIRECTORS:

Dr. Nicholas Bodo Blazquez (Dr. Blazquez) was appointed as Management Consultant with effect from 1st September 2019 in terms of the members approval in the Extraordinary General Meeting held on 30th August 2019. The Board of Directors at its meeting held on 26th November 2019, appointed Dr. Blazquez as Executive Director designated as Deputy Chairman in order to avail the benefit of his expertise in the alcobev industry spanning over 27 years. Dr. Blazquez continues to be a member of the Audit Committee and Nomination & Remuneration Committee.

Mr. Deepak Roy ceased to be Executive Vice Chairman of the Company consequent upon the expiry of his tenure on 30th June 2020. He has been appointed as Non-executive Director with effect from 1st July 2020 in order to continue to support the business in an advisory role. The Board places on record its sincere appreciation of the valuable services rendered by Mr. Deepak Roy during his tenure as Executive Vice Chairman & CEO of the Company. The Present composition of the Board is as under –

1. Mr. Kishore R Chhabria - Chairman
2. Mrs. Bina K Chhabria - Co – Chairperson
3. Dr. Nicholas Bodo Blazquez - Executive Deputy Chairman
4. Mr. Utpal K Ganguli - Executive Vice Chairman
5. Mr. Deepak Roy - Non-Executive Director
6. Mr. Ramakrishnan Ramaswamy - Executive Director

7. **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS :**

The Company has an internal control system and an all India integral audit team, commensurate with the size, scale and complexity of its operations. The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

8. **STATUTORY AUDITORS AND AUDITORS' REPORT :**

M/s. Walker Chandiok & Co LLP., Chartered Accountants, Mumbai (Firm Registration Number: 001076N / N500013) continue as Statutory Auditors of your Company for a period of five years till conclusion of the Annual General Meeting for the year ended 31st March 2023. Since the appointment is not subject to ratification by the members at every Annual General Meeting, no resolution is proposed at this Annual General Meeting, pursuant to the provisions of the amended Companies Act, 2013.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND RESEARCH & DEVELOPMENT :**

A. Conservation of Energy, Technology Absorption
The statement pursuant to section 134 (3) (m) of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 is given in the Annexure `B' and forms an integral part of this Report.

B. Foreign Exchange Earnings and Outgo
Earnings ₹ 6614.55 lakhs
Outgo ₹ 6503.69 lakhs

10. **PARTICULARS OF EMPLOYEES :**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. Any member interested in inspecting / seeking such details may write to the Company Secretary.

11. **RELATED PARTY TRANSACTIONS :**

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. No Material Related Party Transaction, i.e. transaction exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

12. **DEPOSITS:**

The Company has not accepted any deposits from the public during the year under review. The Company has received a short term advance of ₹ 13 crore from Mrs. Bina K Chhabria, Co-chairperson during the year under review and the same is in compliance with the applicable provisions of the Companies Act, 2013.

13. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY :**

There are no significant and / or material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

14. **NUMBER OF BOARD MEETINGS :**

During the year under review the Board of Directors of the Company met Seven times on 28th June 2019, 04th July 2019, 29th August 2019, 19th September 2019, 26th November 2019, 07th January 2020 and 10th March, 2020.

Name of Directors	During Financial Year 2019 - 2020	
	No. of meetings eligible to attend	No. of meetings attended
Mr. Kishore R Chhabria	7	6
Mrs. Bina K Chhabria	7	1
Dr. Nicholas Bodo Blazquez	7	5
Mr. Utpal K Ganguli	7	4
Mr. Deepak Roy	7	7
Mr. Ramakrishnan Ramaswamy	7	7

15. **COMMITTEES**

As on March 31, 2020, the Board had four committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Bank Operations Committee.

Procedure at Committee Meetings:
The Company's guidelines relating to the Board meetings are applicable to the Committee Meetings. Minutes of the proceedings of Committee meetings are circulated to the respective committee members and placed before the Board Meetings for noting. The composition and terms of reference of all the Committees are in compliance with the Companies Act, 2013 as applicable. The composition of all the Board Committees is as under:

Audit Committee:
Three Meetings of the Audit Committee were held during the year under review on 18th June, 2019, 29th August, 2019 & 19th September, 2019:

Name of Members	During Financial Year 2019- 2020	
	No. of meetings eligible to attend	No. of meetings attended
Dr. Nicholas Bodo Blazquez	3	3
Mr. Utpal K Ganguli	3	3
Mr. Deepak Roy	3	3
Mr. Shib S Sanyal	3	2

Nomination and Remuneration Committee:

Two Meetings of the Nomination and Remuneration Committee were held during the year under review on 21st May, 2019 & 26th June, 2019 which were attended by all members:

Name of Members	During Financial Year 2019 - 2020	
	No. of meetings eligible to attend	No. of meetings attended
Mr. Utpal K Ganguli	2	2
Dr. Nicholas Bodo Blazquez*	-	-
Mr. Deepak Roy	2	2
Mr. Ramakrishnan Ramaswamy	2	2
Mr. Ashoke Roy	2	2

*appointed with effect from 4th July 2019

Corporate Social Responsibility Committee:

The CSR Committee met once during the financial year under review which was attended by all members of the Committee.

Name of Members	During Financial Year 2019 - 2020	
	No. of meetings eligible to attend	No. of meetings attended
Mrs. Bina K Chhabria	1	1
Mr. Utpal K Ganguli	1	1
Mr. Deepak Roy	1	1

Bank Operations Committee:

Eleven Meetings of the Bank Operations Committee were held during the year. The Meetings were held on 17th April, 2019, 13th May, 2019, 29th May, 2019, 06th June, 2019, 5th July, 2019, 17th July, 2019, 19th August, 2019, 09th September, 2019, 20th September, 2019, 17th October, 2019 & 4th November, 2019

Name of Members	During Financial Year 2019 - 2020	
	No. of meetings eligible to attend	No. of meetings attended
Mr. Deepak Roy	11	10
Mr. Ramakrishnan Ramaswamy	11	11
Mr. Nilanjan Sarkar	11	11
Mr. I. D. Babu	11	11

16. **EXTRACT OF ANNUAL RETURN :**

In accordance with section 134 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the extract of Annual Return as provided under sub section 3 of section 92 under the Companies (Management and Administrative) Rules, 2014 is annexed hereto as Annexure 'C' in the prescribed form no. MGT-9.

17. **MATERIAL CHANGES AND COMMITMENTS :**

In terms of section 134 (3) (1) of Companies Act, 2013 no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year and the date of this report.

18. **LOANS, GUARANTEES AND INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

19. **RISK MANAGEMENT:**

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximise the realization of opportunities. The major risks have been identified by the Company and its mitigation process / measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

20. **POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members as well as diversity of the Board. The Company has a mix of Executive and Non-executive Director including Woman Director.

21. **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The current composition of the CSR Committee comprises Mrs. Bina K Chhabria, Mr. Utpal K Ganguli and Mr. Deepak Roy as members of the Committee. During the financial year under review, the Company has incurred expenditure of a sum of ₹ 23.21 lakhs for activities specified in Section 135 of the Companies Act, 2013.

The amount spent is lower than the amount required to be spent by the Company during the Financial Year. The shortfall in the CSR expenditure during the financial year under review relates to CSR project of ongoing nature undertaken by the Company spanning over longer period and the same is being spent by the Company across the life of these projects. The Company is also in the process of identifying right projects including the evaluation of focus areas for CSR activities and suitable implementing agency for the same.

The annual report on CSR activities is annexed herewith marked as Annexure-D.

22. **VIGIL MECHANISM:**

As required under Section 177 of the Companies Act, 2013, the Company has established the vigil mechanism for directors and employees to report genuine concerns through the Whistle Blower Policy of the Company.

The Whistle Blower Policy of the Company provides for adequate safeguards against victimisation of persons who use such vigil mechanism and makes provision for direct access to the vice chairman of the Company.

23. **PERSONNEL :**

Your Directors wish to place on record their appreciation of all employees of the Company for their sustained efforts and valuable contribution to the high level of performance and growth during the year. Industrial relations remained cordial throughout the year. The Company continues to enjoy cordial relations with employees at all levels.

24. **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year under review, there were no sexual harassment cases reported to the Company.

25. GENERAL :

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription / purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).

26. DIRECTOR'S RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation and that there are no material departures;

b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that financial year ended on that date;

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

d) that the annual financial statements have been prepared on a going concern basis; and

e) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

27. APPRECIATION :

The Directors acknowledge with gratitude the co-operation, understanding, support and assistance extended by its Customers, Dealers, Vendors, Bankers and all other Business Associates. Your Directors also take this opportunity to thank the various departments and agencies of the Central and State Governments for the co-operation, guidance and continued support provided throughout the year.

FOR AND ON BEHALF OF THE BOARD

Nicholas Blazquez
Executive Deputy Chairman
DIN: 06995779
London, United Kingdom
December 01, 2020

Utpal K Ganguli
Executive Vice Chairman
DIN: 00067083
Kolkata, India
December 01, 2020

<u>**Registered Office:**</u>
394-C, Ground Floor,
Lamington Chambers,
Lamington Road,
Mumbai – 400 004

ANNEXURE-A TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2020
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part - A Subsidiaries

1	Name of the subsidiary	:	NV Distilleries & Breweries (AP) Private Limited	Deccan Star Distilleries India Private Limited	Chitwan Blenders & Bottlers Private Limited	Sarthak Blenders and Bottlers Private Limited
2	The date since when subsidiary was acquired	:	17.06.2014	06.11.2014	15.03.2016	26.05.2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	:	N.A.	N.A.	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	N.A.	N.A.	N.A.	N.A.
5	Share capital	:	Authorised Share Capital : ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each Issued & Paid up Share Capital : ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each	Authorised Share Capital : ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each Issued & Paid up Share Capital : ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each	Authorised Share Capital : ₹ 25,00,000/- divided into 20,000 Equity shares of ₹ 100/- each and 5000, 12.5% Cumulative Redeemable Preference Share of ₹ 100/- each Issued & Paid up Share Capital : ₹ 24,98,000/- divided into 19,980 Equity shares of ₹ 100/- each and 5000, 12.5% Cumulative Redeemable Preference Share of ₹ 100/- each	Authorised Share Capital : ₹ 1,30,00,000/- divided into ₹ 13,00,000 Equity shares of ₹ 10/- each Issued & Paid up Share Capital : ₹ 52,21,000/- divided into 5,22,100 Equity shares of ₹ 10/- each

Name of the subsidiary	:	NV Distilleries & Breweries (AP) Private Limited	Deccan Star Distilleries India Private Limited	Chitwan Blenders & Bottlers Private Limited	Sarthak Blenders and Bottlers Private Limited
6 Reserves and surplus	:	(251.48)	(2.22)	(407.53)	(493.13)
7 Total assets	:	1428.78	-	473.12	875.88
8 Total Liabilities	:	1679.26	1.22	860.68	1316.80
9 Investments	:	-	-	-	-
10 Turnover	:	-	-	-	80.24
11 Profit before taxation	:	(105.21)	(0.31)	(6.26)	(164.45)
12 Provision for taxation	:	-	-	(0.25)	(0.89)
13 Profit after taxation	:	(105.21)	(0.31)	(6.01)	(163.55)
14 Proposed Dividend	:	-	-	-	-
15 Extent of shareholding (in percentage)	:	100	100	100	100

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

Part - B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate or Joint Ventures held by the company on the year end	
No. of Shares	
Amount of Investment in Associates or Joint Venture	
Extent of Holding (in percentage)	
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Networth attributable to shareholding as per latest audited Balance Sheet	
7. Profit or Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations – Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable

FOR AND ON BEHALF OF THE BOARD

Nicholas Blazquez
Executive Deputy Chairman
DIN: 06995779
London, United Kingdom
December 01, 2020

Utpal K Ganguli
Executive Vice Chairman
DIN: 00067083
Kolkata, India
December 01, 2020

Registered Office:
394-C, Ground Floor,
Lamington Chambers,
Lamington Road,
Mumbai – 400 004

ANNEXURE-B TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2020

POWER AND FUEL CONSUMPTION ELECTRICITY	CURRENT YEAR 31.03.2020	PREVIOUS YEAR 31.03.2019
A. Purchased Unit	31,04,345.50	33,12,555.75
Total Amount (Including rents of Meter & Others charges)	3,44,34,944.59	3,36,79,359.42
Rate Per Unit in Paisa	1,109.25	1,016.72
B. Own Generator		
I)Through Diesel Generator Unit	3,96,321.52	24,79,957.71
Unit per litre of Diesel (oil Cost Unit in Paisa)	2,407.69	2185.23
II)Through Stream Terbine / Generator Unit	2,61,98,000.00	1,83,51,684.00
Unit per litre of Fuel, oil, gas, Coal/unit Cost in Paisa	1,228.24	1,493.02
Coal (Specify quality & where used)	N.A	N.A
Quantity(Tonnes)		
Total Cost	33,13,17,791.88	32,81,86,723.61
Average Cost	1,245.82	1,575.42
Other/ Inter Generation (Please give details)	N.A	N.A
Quantity	N.A	N.A
Total Cost	36,57,52,736.47	36,18,66,083.03
Rate Per Unit	1,231.55	1498.77

Consumption per unit of Production	Standards if any	Current year 2019-20	Previous Year 2018-19
Indian Made Foreign Liquor (IMFL)			
Electricity (in Paisa per case)		1,834.40	1614.31
Furnace Oil		Nil	Nil
Coal (Specify quantity In MT)		-	-
Other (Specify)		Nil	Nil

FOR AND ON BEHALF OF THE BOARD

Nicholas Blazquez
Executive Deputy Chairman
DIN: 06995779
London, United Kingdom
December 01, 2020

Utpal K Ganguli
Executive Vice Chairman
DIN: 00067083
Kolkata, India
December 01, 2020

Registered Office:
394-C, Ground Floor,
Lamington Chambers,
Lamington Road,
Mumbai – 400 004

ANNEXURE-C TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(As on Financial Year Ended on March 31, 2020)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

CIN	U15511MH2008PTC187368
Registration Date	08/10/2008
Name Of The Company	Allied Blenders And Distillers Private Limited
Category/Sub-category of the Company	Company limited by Shares/Non-govt company
Address of the Registered office & contact details	394-C, Lamington Chambers, Lamington Road, Mumbai - 400004
Whether listed company	Unlisted
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacturing of Alcohol & Alcoholic products	1101	99.86

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Chitwan Blenders & Bottlers Private Limited	U15512BR1990PTC004097	Subsidiary	100%	2 (87) (ii)
2	Deccan Star Distilleries India Private Limited	U15492TG2013PTC090743	Subsidiary	100%	2 (87) (ii)
3	NV Distilleries & Breweries (AP) Private Limited	U15549MH2007PTC335436	Subsidiary	100%	2 (87) (ii)
4	Sarthak Blenders & Bottlers Private Limited	U15311MH2011PTC337649	Subsidiary	100%	2 (87) (ii)

Allied Blenders & Distillers
ALLIED BLENDERS AND DISTILLERS PRIVATE LIMITED
Directors' report

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A. Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
Equity	**Demat**	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	23,25,50,790	-	-	98.7197	23,25,50,790	-	-	98.7197	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7,09,375		7,09,375	99.0209	7,09,375		7,09,375	0.3012	
e) Banks / FI					-	-	-	-	-
f) Any other					-	-	-	-	-
Sub - total (A) (1):-	**23,32,60,165**		**23,32,60,165**	**99.0209**	**23,32,60,165**		**23,32,60,165**	**99.0209**	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**23,32,60,165**		**23,32,60,165**	**99.0209**	**23,32,60,165**		**23,32,60,165**	**99.0209**	
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs -	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non – Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2306500		2306500	0.9791	2306500		2306500	0.9791	-

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
Equity	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Others(specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub - total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	23,55,66,665		23,55,66,665	100	23,55,66,665		23,55,66,665	100	-

B. Shareholding of Promoter:-

Sr.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Bina K Chhabria	11,62,75,400	49.3599	-	11,62,75,400	49.3599		
2	Mrs. Resham CJ Hemdev	5,81,37,695	24.6799	-	5,81,37,695	24.6799		
3	Mrs. Neesha K Chhabria	5,81,37,695	24.6799	-	5,81,37,695	24.6799		
4	Bina K Chhabria Enterprises Private Limited	1,41,095	0.0599	-	1,41,095	0.0599	-	-
5	Officer's Choice Spirits Private Limited	1,615	0.0007	-	1,615	0.0007	-	-
6	Mr. Deepak Roy	23,06,500	0.9791		23,06,500	0.9791		
7	Oriental Radios Private Limited	5,66,665	0.2406	-	5,66,665	0.2406	-	-
	Total	23,55,66,665	100.000	-	23,55,66,665	100.000	-	-

C. Change in Promoters' Shareholding (please specify, if there is no change):

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	23,32,60,165	99.0209	-	-
Date Wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No changes during the year			
At the end of the year	23,32,60,165	99.0209	-	-

D. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):-

S. NO.	For Each of the Top 10 Shareholders	Shareholding at the beginning the beginning of the year		Shareholding at the beginning the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-	-	-

E. Shareholding of Directors and Key Managerial Personnel:-

Sr. NO.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
1.	Kishore R Chhabria	-	-	-	-	-	-
2.	Bina K Chhabria	11,62,75,400	49.3599	11,62,75,400	49.3599	-	-
3.	Utpal K Ganguli	-	-	-	-	-	-
4.	Deepak Roy	23,06,500	0.9791	23,06,500	0.9791	-	-
5.	Ramakrishnan Ramaswamy	-	-	-	-	-	-
	Total	11,62,75,400	50.339	11,62,75,400	50.339	-	-

V. INDEBTEDNESS:- Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
i) Principal Amount	1,27,147.95	5,716.67	-	1,32,864.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	217.69	-	-	217.69
Total (i+ii+iii)	**1,27,365.64**	**5,716.67**	**0.00**	**1,33,082.31**
Change in Indebtedness during the financial year	**(27,659.88)**	**(2,579.15)**	**0.00**	**(30,239.03)**
* Addition	11,328.12	-	-	-
* Reduction	(41,810.27)	-	-	-
IND AS Adjustment	243.11	-	-	-
Net Change	**(30,239.03)**	**-**	**-**	**-**
Indebtedness at the end of the financial year				
i) Principal Amount	99,586.80	3,137.52	-	1,02,724.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	118.97	-	-	118.97
Total (i+ii+iii)	**99,705.76**	**3,137.52**	**-**	**1,02,843.28**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Kishore R Chhabria	Mr. Utpal Kumar Ganguli	Mr. Deepak Roy	Mr. Ramakrishnan Ramaswamy	
	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,81,00,100	5,26,17,027	5,48,55,749	2,45,67,844	50,01,40720
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13,49,000	2,64,600	4,00,471	10,800	20,24,871
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit					
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	36,94,49,100	5,28,81,627	5,52,56,220	2,45,78,644	50,21,65,591
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	-	-	-
	Fee for attending board & committee meetings	-	-	-
	Commission			
	Others, please specify		N. A.	
	Total (1)	-		-
2.	Others Non-Executive Directors	-	-	-
	Fee for attending board & committee meetings			
	Commission			
	Others, please specify		N. A.	
	Total (2)	-		-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS – Ritesh Shah	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	64,79,292	-	64,79,292
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	-	39,600	-	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		**65,18,892**	**-**	**65,18,892**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-		-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD

NICHOLAS B BLAZQUEZ
EXECUTIVE DEPUTY CHAIRMAN
DIN: 06995779
LONDON, UNITED KINGDOM
DECEMBER 01, 2020

UTPAL K GANGULI
EXECUTIVE VICE CHAIRMAN
DIN: 00067083
KOLKATA, INDIA
DECEMBER 01, 2020

Registered Office:
394-C, Ground Floor,
Lamington Chambers,
Lamington Road,
Mumbai – 400 004

ANNEXURE-D TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2020

ANNUAL REPORT ON CSR ACTIVITIES

1. The CSR vision of Allied Blenders and Distillers Private Limited (ABDPL) is to serve and give back to the communities within which it works. In line with Companies Act, 2013, ABDPL pledges 2% of average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

2. The present Composition of the CSR Committee.
   (i) Mrs. Bina K Chhabria
   (ii) Mr. Utpal K Ganguli
   (iii) Mr. Deepak Roy

3. Average net profit of the Company for last three financial years. ₹ 2358.75/- Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 47.17/- Lakhs

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year: ₹ 23.21 Lakhs-
   (b) Amount unspent, if any; ₹ 23.96/- Lakhs
   (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through Implementing (₹ in lakhs)
1.	Donation for Check dam Project	Schedule VII (i) and (x)	Chityala Vagu, Chityala Village, Wanaparty District	-	15	15	15
2.	Donation to Military Literature Festival	Schedule VII (vi)	Chandighar	-	5	5	5
3.	Plantation Activities	Schedule VII (x)	Rangapur		0.50	0.50	0.50
4.	Hand Sanitizers	Schedule VII	-	-	2.71	2.71	2.71
				Total	23.21	23.21	23.21

Reason for Unspent CSR Amount: The amount spent is lower than the amount required to be spent by the Company during the Financial Year. The Company stays committed to its Corporate Social Responsibility and intends to make concerted efforts to spend the shortfall in the next Financial Year over the prescribed CSR amount for that year

FOR AND ON BEHALF OF THE BOARD

Nicholas Blazquez
Executive Deputy Chairman
Din: 06995779
London, United Kingdom
December 01, 2020

Utpal K Ganguli
Executive Vice Chairman
Din: 00067083
Kolkata, India
December 01, 2020

Registered Office:
394-C, Ground Floor,
Lamington Chambers,
Lamington Road,
Mumbai – 400 004

Independent Auditor's Report

To the Members of Allied Blenders and Distillers Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Allied Blenders and Distillers Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter-Recoverability of dues receivable from a customer

4. We draw attention to the matter stated in Note 48 (o) to the accompanying standalone financial statements which indicates that the Company is in the process of recovering dues receivable from a customer – Canteen Stores Department, amounting to Rs. 3,402.95 lakhs as at 31 March 2020, which have been withheld by the customer pursuant to a debit memorandum amounting to Rs. 3,661.44 lakhs raised on the Company on account of differential trade rates for sales made to the customer during the period from 1 March 2012 to 31 October 2017, which is being contested by the Company. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone 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.

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

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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

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

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

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

13. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) the matter described in paragraph 4 under the Emphasis of Matter section, 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed unmodified opinion; and

    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: **20108840AAAAFU3925**

Place: Mumbai
Date: 1 December 2020

Annexure A to the Independent Auditor's Report of even date to the members of Allied Blenders and Distillers Private Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of these assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has, during the year, granted unsecured loans to its wholly owned subsidiaries (WOS) and employee directors (under the Company's employee loan scheme) covered in the Register maintained under Section 189 of the Act and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not materially, prima facie, prejudicial to the company's interest.

(b) the schedule of repayment of principal and payment of interest has been stipulated in the case of loans granted to the employee directors and the repayment/receipts of the principal amount and the interest are regular. In the case of loans granted to companies, the schedule of repayment of principal and interest has been stipulated wherein these amounts are repayable on demand and the repayments have been regular. Further, to the extent such repayments have not been demanded, in our opinion, repayment of the principal and interest amounts are also considered to be regular. However, in the case of loans given to a wholly owned subsidiary, the Company has recognized a provision for amounts towards principal and interest aggregating to Rs. 361.58 lakhs and Rs.92.32 lakhs, respectively, as at 31 March 2020.

(c) in view of our comments in (b) above, there are no amounts considered to be overdue in respect of loans granted to such companies or other parties. However, in case of loans provided, we have been informed that no steps have been taken by the Company for recovery of the principal and interest. There is no overdue amount in respect of loans granted to other parties.

(iv) In respect of loans and investments, the provisions of Section 185 and 186 of the Act have been complied with by the Company. The Company has not given any guarantees or security within the meaning of Section 185 and 186 of the Act.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of sales-tax, goods and service tax and duty of customs that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, service-tax, duty of excise and value added tax on account of disputes are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues (Including interest and penalty, as the case may be)	Amount (Rs. in lakhs)	Amount paid/ adjusted under protest (Rs. in lakhs)	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	276.56	55.12	221.44	AY 2014-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	17.34	-	17.34	AY 2016-2017	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	505.75	-	505.75	AY 2010-2011 AY 2011-2012	Bombay High Court
Finance Act 1994	Service Tax	538.08	20.11	517.97	April 2011 to March 2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act 1994	Service Tax	6.97	0.24	6.73	August 2014 to July 2015	Commissioner, Customs, Central Excise and Service Tax, Aurangabad
Central Excise Act, 1944	Excise Duty	286.02	71.50	214.52	2016-2017	High Court of Madhya Pradesh, Jabalpur
MVAT Act, 2002	MVAT	3,248.90	9.87	3,239.03	2011-2012	Maharashtra Sales Tax Appellate Tribunal
Bombay Prohibition Act 1949	Excise Duty-License Fee	32.80	32.80	-	FY 2007-2008	High Court of Judicature of Bombay, Aurangabad Bench

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any borrowings from government or any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year, were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has made a private placement of preference shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: **20108840AAAAFU3925**

Place: Mumbai
Date: 1 December 2020

Annexure B to the Independent Auditor's Report of even date to the members of Allied Blenders and Distillers Private Limited, on the standalone financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

1. In conjunction with our audit of the standalone financial statements of Allied Blenders and Distillers Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: **20108840AAAAFU3925**

Place: Mumbai
Date: 1 December 2020

(₹ in lakhs)

	Particulars	Notes	As at 31 March 2020	As at 31 March 2019
	ASSETS			
I	**Non-current assets**			
	Property, plant and equipment	5	42,276.49	58,222.44
	Capital work-in-progress	5A	4,338.29	3,114.19
	Right of use assets	6	13,473.87	-
	Goodwill	7	366.31	366.31
	Other intangible assets	7	5,961.02	6,119.43
	Intangibles under development	7A	-	4.54
	Investments in subsidiaries and joint ventures	8A	226.73	215.70
	Financial assets			
	(i) Investments	8B	0.36	0.36
	(ii) Loans	9	2,066.50	2,362.35
	(iii) Other financial assets	10	2,353.36	2,159.43
	Deferred tax assets (net)	11	2,248.54	1,024.90
	Income tax (current tax) assets (net)	12	859.07	751.85
	Other non-current assets	13	12,521.96	12,313.89
	Total non-current assets		**86,692.50**	**86,655.39**
II	**Current assets**			
	Inventories	14	36,964.11	41,654.28
	Financial assets			
	(i) Trade receivables	15	93,474.54	1,13,914.67
	(ii) Cash and cash equivalents	16	7,184.94	1,879.80
	(iii) Other bank balances	17	3,757.78	2,445.80
	(iv) Loans	18	1,431.23	1,298.31
	(v) Other financial assets	19	3,460.72	3,231.26
	Other current assets	20	7,403.76	11,834.99
	Total current assets		**1,53,677.08**	**1,76,259.11**
	TOTAL ASSETS		**2,40,369.58**	**2,62,914.50**
	EQUITY AND LIABILITIES			
III	**Equity**			
	Equity share capital	21	4,711.33	4,711.33
	Equity component of non-cumulative convertible preference shares	21	681.82	-
	Other equity	22	33,295.47	25,034.40
	Total equity		**38,688.62**	**29,745.73**
	Liabilities			
IV	**Non-current liabilities**			
	Financial liabilities			
	(i) Borrowings	23	24,810.69	26,849.21
	(ii) Lease liabilities	24	1,256.15	-
	Provisions	25	1,160.80	1,136.45
	Total non-current liabilities		**27,227.64**	**27,985.66**
V	**Current liabilities**			
	Financial liabilities			
	(i) Borrowings	26	70,817.03	95,794.90
	(ii) Lease liabilities	27	625.33	-
	(iii) Trade payables	28		
	Dues of micro and small enterprises		16,745.33	-
	Dues of creditors other than micro and small enterprises		26,549.66	41,081.81
	(iv) Other financial liabilities	29	38,607.10	40,502.47
	(v) Share application money	57	-	7,500.00
	Other current liabilities	30	19,581.97	18,526.30
	Provisions	31	1,450.61	1,419.73
	Current tax liabilities (net)	32	76.29	357.90
	Total current liabilities		**1,74,453.32**	**2,05,183.11**
	TOTAL LIABILITIES		**2,01,680.96**	**2,33,168.77**
	TOTAL EQUITY AND LIABILITIES		**2,40,369.58**	**2,62,914.50**

Summary of significant accounting policies and other explanatory information 2

The accompanying notes form an integral part of the standalone financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840
Place : Mumbai

Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	33	8,11,470.46	8,93,466.88
Other income	34	2,365.95	1,219.11
Total Income		**8,13,836.41**	**8,94,685.99**
Expenses			
Cost of materials consumed	35	1,84,512.04	1,83,510.42
Purchases of stock-in-trade	36	518.14	512.67
Changes in inventories of finished goods, work-in-progress and stock-in-trade	37	1,756.08	(3,106.43)
Excise duty		5,12,311.50	5,86,745.56
Employee benefit expense	38	17,765.93	17,629.31
Other expenses	41	71,814.29	78,446.38
Total expenses		**7,88,677.98**	**8,63,737.91**
Profit before depreciation, finance costs and exceptional items and tax		**25,158.43**	**30,948.08**
Finance costs	39	18,019.06	18,625.17
Depreciation and amortisation expenses	40	6,885.51	7,530.59
Profit before exceptional items and tax		253.86	4,792.32
Exceptional item	56	-	1,768.13
Profit before tax		**253.86**	**3,024.19**
Tax expense/(credit), net			
(i) Current tax	42	-	861.37
(ii) Deferred tax expense	42	(1,197.86)	1,079.25
(iii) Tax adjustments in respect of earlier years	42	(39.17)	51.90
		(1,237.03)	**1,992.52**
Profit after tax		**1,490.89**	**1,031.67**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans - gain	41B	1.27	33.16
Income tax relating to these items		(0.44)	(11.59)
Other comprehensive income for the year, net of tax		**0.83**	**21.57**
Total comprehensive income for the year		**1,491.72**	**1,053.24**
Earnings per equity share:	**50**		
Basic (in ₹)		0.63	0.44
Diluted (in ₹)		0.62	0.44
Face value per share (in ₹)		2.00	2.00

Summary of significant accounting policies and other explanatory information 2

The accompanying notes form an integral part of the standalone financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840
Place : Mumbai

Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**253.86**	**3,024.19**
Adjustments for :			
Depreciation/amortisation		6,885.51	7,530.59
Provision for doubtful debts		88.86	434.70
Bad debts and advances written-off		411.33	-
Provision for doubtful advances		375.00	942.94
Provision for inventory		207.43	70.68
Unrealised foreign loss		75.49	254.47
Finance costs		18,019.06	18,625.17
Legal and professional fees (capital raising) (exceptional item)		-	1,768.13
Impairment of investments/ assets		-	30.49
Provision against receivables, written back on account of merger	-	(16.28)	
Fair value changes of investments measured at fair value through profit and loss	-	(1.61)	
(Profit)/loss on sale of property, plant and equipment		56.65	(26.42)
Profit on sale of investment		(1.35)	-
Liabilities no longer required written back		(1,625.21)	(628.96)
Provision for earlier year written back		(101.12)	(10.49)
Interest income from investing activities		(332.82)	(345.05)
Operating profit before working capital changes		**24,312.69**	**31,652.55**
Adjustments for working capital:			
Decrease/(Increase) in inventories		4,482.74	(11,259.17)
Decrease/(Increase) in trade receivables		20,059.36	(21,621.45)
Decrease/(Increase) in long term and current assets		3,586.50	(2,223.92)
Increase in liabilities and provisions		7,142.10	19,833.74
Cash generated from operating activities		**59,583.39**	**16,381.76**
Direct taxes paid (net)		(350.10)	(665.36)
Net cash generated from operating activities	**(A)**	**59,233.29**	**15,716.40**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale of investments		1.35	10.45
Investment in group companies and others through loan (net)		-	313.48
Purchase of property, plant and equipment		(4,439.91)	(15,828.67)
Sale of property, plant and equipment		58.38	107.86
Investment in bank fixed deposits (net)		(1,311.98)	(1,009.09)
Interest received		211.66	299.36
Net cash used in investing activities	**(B)**	**(5,480.50)**	**(16,106.61)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings		11,328.12	15,364.74
Repayment of long term borrowings		(17,005.51)	(23,149.35)
(Repayment of)/Proceeds from short term borrowings (net)		(24,977.87)	21,426.55
Finance costs paid		(17,578.98)	(18,343.44)
Legal and professional fees (capital raising) (exceptional item)		-	(1,768.14)
Repayment of lease obligations		(213.41)	-
Share application money received (Refer note 57)		-	7,500.00
Net cash (used in)/generated from financing activities	**(C)**	**(48,447.65)**	**1,030.36**
Net increase in cash and cash equivalents	**(A+B+C)**	**5,305.14**	**640.15**
Opening balance of cash and cash equivalents		1,879.80	1,212.80
Adjustment on account of Henkell merger	54	-	26.85
Closing balance of cash and cash equivalents		**7,184.94**	**1,879.80**
Components of cash and cash equivalents:			
Cash on hand		157.99	19.83
Balances with banks in current accounts		7,026.95	1,859.97
Cash and cash equivalents	**16**	**7,184.94**	**1,879.80**

Note:
The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Summary of significant accounting policies and other explanatory information 2
The accompanying notes form an integral part of the standalone financial statements
This is the standalone statement of cash flow referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840
Place : Mumbai

Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020

a) Equity share capital

Particulars	Number of shares	(₹ in lakhs)
Issued, subscribed and paid-up:		
As at 1 April 2018	**4,71,13,333**	**4,711.33**
Sub-division of one share of face value ₹10 each into 5 shares of face value ₹2 each (Refer note 21)	23,55,66,665	-
As at 31 March 2019	**23,55,66,665**	**4,711.33**
Issue of shares	-	-
As at 31 March 2020	**23,55,66,665**	**4,711.33**

b) Other equity
(Refer note 22)

(₹ in lakhs)

Particulars	Reserve and Surplus: Capital reserve	Securities premium	General reserve	Balance surplus in the statement of profit and loss (Retained Earnings)	Total
Balance as at 1 April *2018	**0.80**	**11,027.80**	**5,504.76**	**7,447.80**	**23,981.16**
Profit for the year	-	-	-	1,031.67	1,031.67
Other comprehensive income for the year	-	-	-	21.57	21.57
Balance as at 31 March 2019	**0.80**	**11,027.80**	**5,504.76**	**8,501.04**	**25,034.40**
Transitional adjustment of Ind AS-116 (Refer note 55)				(48.83)	(48.83)
Profit for the year	-	-	-	1,490.89	1,490.89
Other comprehensive income for the year	-	-	-	0.83	0.83
Issue of shares at premium	-	6,818.18	-	-	6,818.18
Balance as at 31 March 2020	**0.80**	**17,845.98**	**5,504.76**	**9,943.93**	**33,295.47**

* Refer note 7 "Intangible assets".

Summary of significant accounting policies and other explanatory information (Refer note 2)
The accompanying notes form an integral part of the standalone financial statements
This is the standalone statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840

Place : Mumbai
Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary
Place : Mumbai
Date: 1 December 2020

Summary of significant accounting policies and other explanatory information

1. Company information

Allied Blenders and Distillers Private Limited ("the Company" or "ABD Pvt Ltd") is a private limited company domiciled and headquartered in Mumbai, Maharashtra, India. It is incorporated under the Companies Act, 1956. The Company is engaged in the business of manufacture, purchase and sale of Alcoholic Beverages/ liquids.
The Standalone financial statements (' the financial statements') of the Company for the year ended 31 March 2020 were authorised for issue in accordance with the resolution of Board of Directors on 1 December 2020.

2. Significant accounting policies

a. Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, except for amendments applicable from a specified date.

The financial statements have been prepared on an accrual basis and on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (which is a period not exceeding twelve months) and other criteria set out in Schedule III to Companies Act, 2013.

b. Investment in subsidiaries, associates and joint ventures

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. On disposal of investments the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of profit and loss.

c. Foreign Currency Transactions

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on their settlement and restatement are recognized in the Statement of Profit and Loss.
Non-monetary assets and liabilities that are recorded in terms of historical cost are not retranslated.

d. Revenue Recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the Company in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
ii. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
iii. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products are recognised by the Company at a point in time on which the performance obligation is satisfied.

Revenue from sale of products

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

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

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), wherein TMUs manufacture and sell 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 lying with TMU's under such arrangements as its own inventory.

The net receivables from/payable to TMUs are recognised under other financial assets/other financial liabilities as due from tie up units or due to tie up units respectively.

Interest

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

e. Income tax

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted in relation to the reporting period.

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to utilise deferred income tax assets. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

f. Leases

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note g for impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce Property plant and equipment) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Allied Blenders & Distillers
ALLIED BLENDERS AND DISTILLERS PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information to the standalone financial statements

The Company's lease liabilities are included in financial liability

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv. Transition to Ind AS 116

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective method. The Company has opted to apply the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities and accordingly recognised right-of-use assets (after adjusting prepaid and outstanding lease rent) by adjusting retained earnings by ₹ 48.83 lakhs (net of tax), as at the aforesaid date. The Company has elected not to apply the requirements of Ind AS 116 to short-term leases.

In the profit or loss for the current period, operating lease expenses which were recognized as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application or low value leases;
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

g. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date to confirm if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.
After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i. **Trade receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

j. **Inventories**

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realisable value. Damaged, non-moving / obsolete stocks are suitably written down/provided for.

In determining cost of raw materials, packing materials, work-in-progress and finished goods, weighted average cost method is used. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes and all other costs incurred in bringing the inventory to their present location and condition.

Cost of work-in-progress and finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

k. **Investments and financial assets**

Classification
The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Measurement of equity instruments
The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit and loss are recognised in other gain/ (losses) in the statement of profit and loss.

Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

De-recognition of financial assets
A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

l. **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

m. **Property plant and equipment (including Capital Work-in-Progress)**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is attributable to the acquisition/ construction and all other costs (including borrowing related to qualifying assets), that are not refundable and are necessary to bring the asset to its working condition of use as intended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation / Amortisation:
Depreciation is charged on written down value method as prescribed in Schedule II to the Companies Act, 2013 keeping a residual value of assets at 5% of the original cost, except in case of computers and data processing units where residual value is estimated at 1% of the original cost. Depreciation is calculated pro-rata from the date of addition/ disposal, as the case may be.

Capital costs in respect of upgradation of leased premises has been amortized over the initial lease period or its useful lives whichever is lower.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

n. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is attributable to the acquisition/ development of the intangible assets including cost necessary to bring the asset to its intended use or sale.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Software and related implementation costs are capitalized where it is expected to provide enduring economic benefits and are amortized over a period of 5 years starting from the month of addition.

Manufacturing License acquisition cost are carried at deemed cost and is tested for impairment annually.

Patent, trademarks and design, and license other than manufacturing license acquisition cost are amortised over a period of 10 years from the month of acquisition

Goodwill arising on business combination is carried at deemed cost and is tested for impairment annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

o. Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of profit and loss over the period of the borrowings using the effective interest method. Subsequently all borrowings are measured at amortised cost using the effective interest rate method.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

p. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in statement of Profit and Loss in the period in which they are incurred.

q. Provisions, Contingent Liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation where outflow of resources is not probable or where outflow is probable but reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements. However, they are disclosed only when an inflow of economic benefits is probable.

r. Employee Benefits

A) Short term employee benefits: All employee benefits which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

B) Post-employment benefits

i. Defined Contribution Plans: Company's contribution to the state governed provident fund scheme, superannuation scheme, Employees State Insurance Corporation (ESIC) etc. are recognised during the year in which the related service is rendered.

ii. Gratuity: The Company has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

iii. Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

C) Termination Benefits: These are recognised as an expense in the Statement of Profit and Loss of the year in which they are incurred.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split (sub-division) and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

t. Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

3. Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires estimates and assumptions to be made by the Management of the Company that affect the reported amounts of assets and liabilities and amounts disclosed as contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

The Management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Examples of such estimates include the useful life of property, plant and equipment, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, impairment of investments/assets, etc.

i) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013 or otherwise are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

ii) Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

iii) Contingencies:

Management has estimated the possible outflow of resources, if any at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication that an individual asset / group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal / external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

vi) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in the notes to the financial statements.

vii) Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

4. Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) has on 24 July 2020 amended the Companies (Indian Accounting Standards) Rules, 2015. The key amendments have been made in the following:

i. Ind AS - 103 Business combinations

The amendment relates to change in definition of 'business'. The entity shall apply the same to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Company does not expect any impact of the amendment on its financial statements.

ii. Ind AS 107 – Financial Instruments: Disclosures

The amendment pertains to hedging relationships to which an entity applies due to which an entity has to disclose the below –

(i) the significant interest rate benchmarks to which the entity's hedging relationships are exposed;
(ii) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;
(iii) how the entity is managing the process to transition to alternative benchmark rates;
(iv) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
(v) the nominal amount of the hedging instruments in those hedging relationships.

The Company does not expect any impact from this amendment.

iii. Ind AS 109 – Financial Instruments

The amendments relate to temporary exceptions from applying specific hedge accounting requirements, the same are applicable from annual periods beginning on or after the 01 April 2020.

The Company does not expect any impact from this amendment.

iv. Ind AS 116 - Leases

The amendments pertain to concessions in rent due to COVID-19 pandemic and only if all the conditions below are met

i. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

ii. Any reduction in lease payments affects only payments originally due on or before the 30th June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June 2021 and increased lease payments that extend beyond the 30th June 2021); and

iii. There is no substantive change to other terms and conditions of the lease

The Company does not expect any material impact from this amendment.

v. Ind AS 1 – Presentation of Financial Statements

The definition of the term 'material' has been changed. The same is effective for annual reporting periods from on or after 01 April 2020.

The Company does not expect any material impact from this amendment.

vi. Ind AS 10 – Events occurring after Reporting period

An entity shall disclose the following for each material category of non-adjusting event after the reporting period –
a) The nature of the event; and
b) An estimate of its financial effect, or a statement that such an estimate cannot be made.
The same is effective 01 April 2020

The Company does not expect any material impact from this amendment.

5 Property, plant and equipment

(₹ in lakhs)

Particulars	Freehold land	Leasehold land	Building	Factory road	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Office equipment	Computers	Server and network	Lab processing equipments	Moulds	Total
Gross carrying value														
As at 1 April 2018	**8,142.28**	**12,772.27**	**24,875.28**	**392.49**	**27,496.56**	**1,596.50**	**3,171.96**	**1,505.79**	**1,310.14**	**504.21**	**274.46**	**157.25**	**150.31**	**82,349.50**
Additions	48.82	-	1,032.73	-	1,800.29	79.71	778.50	73.74	203.46	27.33	11.19	8.74	10.86	4,075.37
Adjustments*	-	-	-	-	230.73	-	-	(230.73)	-	-	-	-	-	-
Deductions	-	-	20.09	-	105.12	0.60	292.34	-	1.87	16.63	-	0.12	-	436.77
Merger of Henkell & Company India Private Limited (Refer note 54)	-	-	-	-	3.71	-	-	-	-	-	-	-	-	3.71
As at 31 March 2019	**8,191.10**	**12,772.27**	**25,887.92**	**392.49**	**29,426.17**	**1,675.61**	**3,658.12**	**1,348.80**	**1,511.73**	**514.91**	**285.65**	**165.87**	**161.17**	**85,991.81**
Additions	437.40	-	4.62	-	1,526.69	19.95	136.72	38.21	93.00	26.31	-	17.00	-	2,299.90
Adjustments*	-	-	-	-	(569.12)	-	-	567.72	2.79	(2.79)	-	1.40	-	0.00
Reclassified on account of adoption of Ind AS 116 'Leases' (Refer note 55)	-	(12,772.27)	-	-	-	-	-	-	-	-	-	-	-	(12,772.27)
Deductions	-	-	10.61	-	249.53	271.40	35.25	14.85	181.38	99.64	2.76	9.05	138.14	1,012.61
As at 31 March 2020	**8,628.50**	**-**	**25,881.93**	**392.49**	**30,134.21**	**1,424.16**	**3,759.59**	**1,939.88**	**1,426.14**	**438.79**	**282.89**	**175.22**	**23.03**	**74,506.83**
Accumulated depreciation/ amortisation														
As at 1 April 2018 -		**850.39**	**4,984.27**	**173.87**	**9,690.50**	**1,226.26**	**1,580.25**	**608.86**	**930.11**	**476.59**	**197.86**	**94.43**	**119.11**	**20,932.50**
Charge for the year	-	86.15	2,618.42	85.90	3,107.33	117.98	638.97	240.11	176.21	30.88	43.11	23.87	23.28	7,192.21
Adjustments*	-	-	-	-	119.17	-	-	(119.17)	-	-	-	-	-	-
Deductions	-	-	20.10	-	74.16	0.36	242.26	-	1.78	16.59	-	0.09	-	355.34
As at 31 March 2019	**-**	**936.54**	**7,582.59**	**259.77**	**12,842.84**	**1,343.88**	**1,976.96**	**729.80**	**1,104.54**	**490.88**	**240.97**	**118.21**	**142.39**	**27,769.37**
Charge for the year	-	-	2,279.62	49.75	2,618.02	109.01	537.17	451.83	181.45	26.04	23.58	14.38	4.24	6,295.09
Adjustments*	-	-	-	-	(282.08)	-	-	281.32	2.73	(2.73)	-	0.76	-	(0.00)
Reclassified on account of adoption of) Ind AS 116 'Leases' (Refer note 55	-	(936.54)	-	-	-	-	-	-	-	-	-	-	-	(936.54)
Deductions	-	-	4.05	-	183.01	250.23	34.30	13.36	172.77	98.05	2.66	7.87	131.28	897.58
As at 31 March 2020	**-**		**9,858.16**	**309.52**	**14,995.77**	**1,202.66**	**2,479.83**	**1,449.59**	**1,115.95**	**416.14**	**261.89**	**125.48**	**15.35**	**32,230.34**
Net carrying value														
Balance as at 31 March 2019	**8,191.10**	**11,835.73**	**18,305.33**	**132.72**	**16,583.33**	**331.73**	**1,681.16**	**619.00**	**407.19**	**24.03**	**44.68**	**47.66**	**18.78**	**58,222.44**
Balance as at 31 March 2020	**8,628.50**	**-**	**16,023.77**	**82.97**	**15,138.44**	**221.50**	**1,279.76**	**490.29**	**310.19**	**22.65**	**21.00**	**49.74**	**7.68**	**42,276.49**

* The Company has conducted physical verification of their property, plant and equipment, based on physical verification report the Company has reclassified certain asset into different classes.

Refer note 23 and note 26 for assets pledged as security.

5A Capital work-in-progress (₹ in lakhs)

Particulars	Amount
Balance as at 1 April 2018	**1,309.94**
Additions	3,057.37
Capitalised during the year	(1,253.12)
Balance as at 31 March 2019	**3,114.19**
Additions	2,299.34
Capitalised during the year	(1,075.24)
Balance as at 31 March 2020	**4,338.29**

6 Right of use assets (₹ in lakhs)

Particulars	Right of use assets			Total
	Land	Building	Machinery	
Gross carrying value				
As at 1 April 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116 'Leases' (Refer note 55)*	11,885.30	-	-	11,885.30
Transition impact on account of adoption of Ind AS 116 'Leases' (Refer note 55)	18.56	44.06	1,952.58	2,015.20
Additions	-	1.21	-	1.21
Deductions	-	-	-	-
As at 31 March 2020	**11,903.86**	**45.27**	**1,952.58**	**13,901.71**
Accumulated depreciation/amortisation				
As at 1 April 2019	-	-	-	-
Charge for the year	89.44	27.33	311.07	427.84
Adjustments	-	-	-	-
Deductions	-	-	-	-
As at 31 March 2020	**89.44**	**27.33**	**311.07**	**427.84**
Net carrying value				
Balance as at 31 March 2020	**11,814.42**	**17.94**	**1,641.51**	**13,473.87**

* Amount of ₹ 11,835.73 lakhs has been re-classified from property, plant and equipment and amount ₹ of 49.57 lakhs has been reclassified from prepaid expenses

7 Intangible assets (₹ in lakhs)

Particulars	Software	License fees	Patent, trademark and design	Total	Goodwill
Gross carrying value					
Balance as at 1 April 2018	**1,718.53**	**6,033.17**	**-**	**7,751.70**	**555.13**
Adjustments#	-	(51.51)	51.51	-	-
Additions	17.54	-	-	17.54	-
Deductions	-	-	-	-	-
Merger of Henkell & Company India Private Limited (Refer note 54)	-	-	-	-	309.62
Balance as at 31 March 2019	**1,736.07**	**5,981.66**	**51.51**	**7,769.24**	**864.75**
Additions	4.17	-	-	4.17	-
Deductions	3.27	-	-	3.27	-
Balance as at 31 March 2020	**1,736.97**	**5,981.66**	**51.51**	**7,770.14**	**864.75**
Accumulated amortisation					
Balance as at 1 April *2018	**1,044.23**	**267.20**	**-**	**1,311.43**	**188.82**
Adjustments#	-	(2.84)	2.84	-	-
Charge for the year*	326.41	5.88	6.09	338.38	-
Deductions	-	-	-	-	-
Impairment	-	-	-	-	309.62
Balance as at 31 March 2019	**1,370.64**	**270.24**	**8.93**	**1,649.81**	**498.44**
Charge for the year	150.06	7.23	5.29	162.58	-
Deductions	3.27	-	-	3.27	-
Balance as at 31 March 2020	**1,517.43**	**277.47**	**14.22**	**1,809.12**	**498.44**
Net carrying value					
Balance as at 31 March 2019	**365.43**	**5,711.42**	**42.58**	**6,119.43**	**366.31**
Balance as at 31 March 2020	**219.54**	**5,704.19**	**37.29**	**5,961.02**	**366.31**

* During the current year, the Company has reassessed the useful lives of licenses acquired by the Company for its manufacturing units. Based on management estimate and conditions stipulated in the license document issued by the statutory authorities, the useful life has been assessed to be indefinite for the said licenses. On account of revision in useful lives of licenses fees, amortisation expenses for the previous year (FY 19-2018) have reduced by ₹ 593.64 lakhs, tax expenses for the previous year (FY 19-2018) have increased by ₹ 207.42 lakhs, profits for the previous year are higher by ₹ 386.22 lakhs and equity of the Company as on 1 April 2018 is higher by ₹ 347.97 lakhs (net of taxes of ₹ 186.87 lakhs).

Based on internal evaluation, the management of the Company has reclassified Patent, trade marks and design as separate class of assets.

7A Intangibles under development

Balance as at 1 April 2018	**-**
Additions	4.54
Capitalised during the year	-
Balance as at 31 March 2019	**4.54**
Additions	
Deletion during the year	(4.54)
Balance as at 31 March 2020	**-**

8 Investments (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
A) Investment in subsidiaries and joint ventures - measured at cost		
Investment in equity instruments (unquoted at deemed cost, fully paid-up)		
Subsidiaries		
NV Distilleries & Breweries (AP) Private Limited		
31 March 2020 - 10,000 (31 March 2019- 10,000) equity shares of ₹ 10 each fully paid up	1.00	1.00
Sarthak Blenders and Bottlers Private Limited		
31 March 2020- 522,100 (31 March 2019- 522,100) equity shares of ₹ 10 each fully paid up	167.70	167.70
Chitwan Blenders and Bottlers Private Limited		
31 March 2020- 19,980 (31 March 2019- 19,980) equity shares of ₹ 100 each fully paid up	73.93	73.93
Less : Provision for diminution in the value of investment	(73.93)	(73.93)
Deccan Star Distillers India Private Limited		
31 March 2020- 10,000 (31 March 2019- 10,000) equity shares of ₹ 10 each fully paid up	1.00	1.00
Sub-total (i)	**169.70**	**169.70**
Equity component of investment in inter-corporate deposit in subsidiary*		
- NV Distilleries & Breweries (AP) Private Limited*	57.03	46.00
Sub-total (ii)	**57.03**	**46.00**
Joint ventures		
Allied Blenders and Distillers International General Trading LLC (Refer note 59)		
31 March 2020- Nil (31 March 2019- 147) shares of DHS 1,000 each fully paid up, unquoted	-	24.67
Less : Provision for diminution in the value of investment	-	(24.67)
Sub-total (iii)	-	-
Investment in preference shares, unquoted		
Subsidiaries		
Chitwan Blenders and Bottlers Private Limited		
31 March 2020- 5,000 (31 March 2019- 5,000) preference shares of ₹ 100 each fully paid up	8.93	8.93
Less : Provision for diminution in the value of investment	(8.93)	(8.93)
Sub-total (iv)	-	-
Total (A) (i + ii+iii+iv)	**226.73**	**215.70**
Aggregate amount of impairment in value of investments	**82.86**	**107.53**

B) Investment Others		
Investment in equity shares measured at fair value through profit and loss account		
Un-quoted, fully paid-up		
Sanguine New Media & Advisory Private Limited		
31 March 2020- 2,941 (31 March 2019- 2,941) equity shares of ₹ 10 each fully paid up	20.00	20.00
Less : Provision for diminution in the value of investment	(20.00)	(20.00)
Saraswat Co-Operative Bank Limited		
31 March 2020- 2,500 (31 March 2019- 2,500) equity shares of ₹ 10 each fully paid up	0.25	0.25
Jankalyan Sahkari Bank Limited (#)		
31 March 2020- 10 (31 March 2019- 10) equity shares of ₹ 10 each fully paid up	0.00	0.00
Sub-total (i)	**0.25**	**0.25**
Investment in government securities measured at amortized cost, unquoted		
National savings certificates	0.11	0.11
Sub-total (ii)	**0.11**	**0.11**
Total (B) (i + ii)	**0.36**	**0.36**
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	**0.36**	**0.36**
Aggregate amount of impairment in value of investments	**20.00**	**20.00**

*Loan given to subsidiary is accounted at Fair value and the difference between the fair value and transaction price is recognised as deemed investment as per Ind AS 109. Such investments will be derecognised on disposal of control in the subsidiary.

#Amount less than ₹ 1 thousand.

9 Loans (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured considered good (unless otherwise stated)		
Security deposits	566.31	998.68
Loans and advances to related parties (Refer note 46) :		
Considered good#		
NV Distilleries & Breweries (AP) Private Limited	1,249.84	1,139.71
Deccan Star Distillers India Private Limited	0.35	0.31
Credit impaired		
Chitwan Blenders and Bottlers Private Limited*	453.90	453.90
Less : Provision for expected credit loss - loans and advances	(453.90)	(453.90)
Loans and advances to others		
Considered good	-	0.01
Credit impaired	94.27	94.27
Less : Provision for expected credit loss	(94.27)	(94.27)
Loans to employees	250.00	223.64
Total	**2,066.50**	**2,362.35**
*Company in which Director is a Director		
#Disclosure as per Section 186 of the Companies Act, 2013		
Balance as at the year end	1,704.09	1,593.92
For working capital purpose	1,704.09	1,593.92
Break up of security details :		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	2,066.50	2,362.35
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	548.17	548.17

10 Other non-current financial assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Due from tie-up units	2,353.36	2,159.43
Total	**2,353.36**	**2,159.43**

11 Deferred tax assets (net) (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities arising on account of:		
Difference between book depreciation and depreciation as per Income Tax Act, 1961	647.03	894.33
Financial assets and financial liabilities at amortised cost	310.43	391.21
Others	65.16	62.60
Total deferred tax liabilities (A)	**1,022.62**	**1,348.14**
Deferred tax asset arising on account of :		
MAT credit entitlement	1,405.00	698.61
Employee benefits	955.37	917.21
Provision for expected credit loss	784.71	655.42
Difference in book values and tax base values of ROU assets and lease liabilities	45.15	-
Others	80.93	101.80
Total deferred tax assets (B)	**3,271.16**	**2,373.04**
Deferred tax assets (net) (B-A)	**2,248.54**	**1,024.90**

12 Income tax (current tax) assets (net) (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax	859.07	751.85
[net of provision - ₹ 5,389.79 lakhs (31 March 911.61 ₹ - 2019 lakhs)]		
Total	**859.07**	**751.85**

13 Other non-current assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Capital advances		
- Related party (Refer note 46)	11,100.00	11,100.00
- Others	255.76	172.04
- Credit impaired	20.00	20.00
Less : Provision for doubtful advances	(20.00)	(20.00)
Prepayments-Non Current	159.05	48.27
Balance with statutory authorities	1,007.15	993.58
Total	**12,521.96**	**12,313.89**

14 Inventories (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	7,984.78	10,061.15
Packing materials	5,760.09	7,037.96
Finished goods	21,071.09	21,445.16
Stock in transit		
Raw materials	379.42	218.94
Provision for value of raw materials and packing materials	(1,314.23)	(1,106.80)
Sub-total	**33,881.15**	**37,656.41**
Work-in-progress	2,510.37	3,509.04
Stock-in-trade	32.47	22.32
Stores, spares and consumables	540.12	466.51
Total	**36,964.11**	**41,654.28**

Allowance for obsolete inventories for the year amounted to ₹ 207.43 lakhs (31 March 70.68 ₹ :2019 lakhs) has been recognised as an expense during the year and is included in cost of materials consumed in the statement of profit and loss.

15 Trade receivables (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Trade receivables		
- Related party (Refer note 46)*	8.93	8.01
- Others	93,489.70	1,13,930.75
- Credit impaired	1,553.57	1,464.71
Less: Provision for expected credit loss (including good debts)	-1,577.66	(1,488.80)
Total	**93,474.54**	**1,13,914.67**
*Companies in which director is a director.		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	93,498.63	1,13,938.76
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,553.57	1,464.71

16 Cash and cash equivalents (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	157.99	19.83
Balances with banks		
in current accounts	7,026.95	1,859.97
Total	**7,184.94**	**1,879.80**

Note : There are no repatriation restrictions with respect to cash and bank balances held by the Company.

17 Other bank balances (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
In fixed deposits (original maturity period more than 3 months but less than 12 months)*	1,484.66	1,435.04
In fixed deposits (original maturity period more than 12 months, but less than 12 months from reporting date)*	2,276.12	1,013.76
Less : Provision for doubtful deposits	(3.00)	(3.00)
	2,273.12	1,010.76
Total	**3,757.78**	**2,445.80**

* Fixed deposits shown above are kept under lien with various statutory authorities of ₹ 1,767.56 lakhs and short term borrowings availed from banks of ₹ 508.57 lakhs.

18 Loans (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless otherwise stated		
Security deposits	345.27	521.47
Loans and advances to related parties (Refer note 46) :		
Considered good		
Surji Agro Foods Private Limited *	125.38	125.38
Sarthak Blenders and Bottlers Private Limited	889.20	596.60
Credit impaired		
Chitwan Blenders and Bottlers Private Limited *	-	101.12
Less : Provision for expected credit loss	-	(101.12)
Loans and advances to employees	70.86	53.56
Others - loans	0.52	1.30
Total	**1,431.23**	**1,298.31**
*Company in which Director is a Director		
Break up of security details :		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	1,431.23	1,298.31
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	101.12

19 Other current financial assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Due from tie-up units- related party (Refere note 46)	-	1,011.99
Due from tie-up units	2,526.29	1,679.27
Receivable from related party (Refer note 46)	530.00	540.00
Others	404.43	-
Total	**3,460.72**	**3,231.26**

20 Other current assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Export entitlements receivables	611.82	1,281.48
Advance to suppliers		
- Related party (Refer note 46)	1,398.69	1,607.19
- Others	894.79	2,337.92
- Credit impaired	851.10	492.58
Less: Provision for doubtful advances	(851.10)	(492.58)
Balance with statutory authorities	1,749.62	2,234.74
Prepayments	2,530.86	4,309.79
Other current assets		
Considered good	217.97	63.87
Credit impaired	8.80	8.80
Less : Provision for expected credit loss	(8.80)	(8.80)
Total	**7,403.76**	**11,834.99**

Allied Blenders & Distillers
ALLIED BLENDERS AND DISTILLERS PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information to the standalone financial statements

21 Equity share capital (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised share capital		
Equity shares		
247,150,000 (31 March 2019 - 282,150,000) equity shares of ₹ 2 each	4,943.00	5,643.00
Non-cumulative convertible preference shares (NCCPS)		
7,000,000 (31 March 2019 - Nil) 0.01% Non-cumulative convertible preference shares (NCCPS) of ₹ 10 each	700.00	-
Issued, subscribed and fully paid-up		
Equity shares		
235,566,665 (31 March 2019 - 235,566,665) equity shares of ₹ 2 each	4,711.33	4,711.33
Non-cumulative convertible preference shares (NCCPS)		
6,818,180 (31 March 2019 - Nil) 0.01% Non-cumulative convertible preference shares (NCCPS) of ₹ 10 each	681.82	-
Total	**5,393.15**	**4,711.33**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2020		As at 31 March 2019	
(i) Equity Shares	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Balance as at the beginning of the year	23,55,66,665	4,711.33	4,71,13,333	4,711.33
Add: Shares issued	-	-	-	-
	23,55,66,665	4,711.33	4,71,13,333	4,711.33
Sub-division of one share of face value ₹10 each into 5 shares of face value ₹2 each *	-	-	23,55,66,665	-
Balance outstanding at the end of the year	**23,55,66,665**	**4,711.33**	**23,55,66,665**	**4,711.33**

* With effect from 29 September 2018, the equity shares of the Company having the face value of ₹ 10 each have been subdivided into 5 equity shares of ₹ 2 each.

The earning per share in respect of current and previous year has been restated considering the aforesaid sub division of shares.

Particulars	As at 31 March 2020		As at 31 March 2019	
(ii) Non-cumulative convertible preference shares (NCCPS)	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Balance as at the beginning of the year	-	-	-	-
Add: Shares issued	68,18,180	681.82	-	-
Balance outstanding at the end of the year	**68,18,180**	**681.82**	-	-

(b) Shareholders holding more than 5% of the equity shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares (of ₹ 2 each)	% of holding	No. of shares (of ₹ 2 each)	% of holding
(i) Equity Shares				
Bina K Chhabria	11,62,75,400	49.36%	11,62,75,400	49.36%
Resham Chhabria	5,81,37,695	24.68%	5,81,37,695	24.68%
Neesha Chhabria	5,81,37,695	24.68%	5,81,37,695	24.68%
Total	**23,25,50,790**	**98.72%**	**23,25,50,790**	**98.72%**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares (of ₹10 each)	% of holding	No. of shares (of ₹10 each)	% of holding
(ii) Non-cumulative convertible preference shares (NCCPS)				
Ashoka Liquors Private Limited	68,18,180	100.00%	-	-
Total	**68,18,180**	**100.00%**	**-**	**-**

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

(c) **Rights, preferences and restrictions attached to each class of shares:**

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of directors is subject to the approval of the stakeholders in ensuing Annual General Meeting, except in the case of interim dividend.

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

(d) The Company has issued 3,33,333 shares as fully paid-up for consideration other than cash during the period of five years immediately preceding the reporting date.

(e) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

(f) During the previous year, equity shares of the face value of ₹ 10 each were sub-divided into 5 shares of the face value ₹ 2 each.

(g) There are no bonus shares issued, or shares bought back during the period of five years immediately preceding the reporting date.

(h) **Terms of NCCPS of ₹ 10 each fully paid-up :**

During the year ended 31 March 2020, the Company issued 6,818,180 NCCPS of ₹ 10 each fully paid-up at a premium of ₹ 100 per share. The preferential dividend shall be non-cumulative, and accordingly, if and to the extent that the profits available for distribution are not sufficient to pay the full amount (or any part thereof) of the preferential dividend due for payment in any financial year, then the investor(s) shall not have the right to receive the unpaid preferential dividend in the future financial years.

NCCPS shall be entitled to receive dividend (if any declared by the Company) or repayment of capital in priority to any payment of dividend or repayment of capital to the holders of any other class of shares.

Each NCCPS will be convertible into one fully paid-up equity shares of ₹ 2 each in the paid-up share capital of the Company solely at the option of the Board of Directors of the Company. The holders of NCCPS shall not have any right to opt for conversion at any time during the period of maturity.

If the NCCPS are not converted into equity shares, each NCCPS will be redeemed at such price and at the option of the Company after the expiry of 20 years from the date of allotment.

NCCPS shall be redeemed only out of the profits of the Company which would otherwise be available for dividends or out of proceeds of fresh issue of preference shares made for the purpose of redemption.

(i) Subsequent to balance sheet date, Board of Directors has proposed dividend on NCCPS amounting to ₹ 6,818

22 Other equity (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve	0.80	0.80
Securities premium	17,845.98	11,027.80
General reserve	5,504.76	5,504.76
Surplus in the statement of profit and loss (retained earnings)	9,943.93	8,501.04
Total	**33,295.47**	**25,034.40**

Nature and purpose of reserves

(i) **Capital reserve**

Capital reserve represents capital surplus. The reserve is not for any specific purpose but the utilisation will be in accordance with provisions of Companies Act 2013.

(ii) **Securities premium**

Securities premium represents the premium received on the issue of shares. The reserve is to be utilised in accordance with the provisions of Companies Act, 2013.

(iii) **General reserve**

General reserve is created by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

(iv) **Surplus in the statement of profit and loss**

Surplus in the statement of profit and loss pertain to the accumulated earnings made by the Company over the years.

Change in balance of capital reserve (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	0.80	0.80
Balance at the end of the year	**0.80**	**0.80**

Change in balance of securities premium (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	11,027.80	11,027.80
Issue of shares at premium	6,818.18	-
Balance at the end of the year	**17,845.98**	**11,027.80**

Change in balance of general reserve (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	5,504.76	5,504.76
Balance at the end of the year	**5,504.76**	**5,504.76**

Surplus in the statement of profit and loss (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year (profit and loss)	8,501.04	7,447.80
Add: Profit for the year	1,490.89	1,031.67
Transition impact on account of adoption of Ind AS 116 'Leases'	(75.05)	-
Tax impact on account of adoption of Ind AS 116 'Leases'	26.22	-
Actuarial gains / (loss) on defined benefit obligations (net of tax)	0.83	21.57
Balance at the end of the year	**9,943.93**	**8,501.04**

23 Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Term loans, Secured		
Vehicle loans from banks (Refer note (a))	215.45	390.22
Vehicle loans from financial institutions	-	181.08
Indian rupee term loans from banks (Refer note (b)(i))	12,522.64	17,872.60
Foreign currency term loans from banks (Refer note (b)(ii))	1,315.05	1,627.40
Indian rupee term loans from financial institutions (Refer note (b)(iii))	9,457.55	5,477.91
Unsecured		
Loans from related parties (Refer Note 46)		
Others corporate*	1,300.00	1,300.00
Total	**24,810.69**	**26,849.21**

a) **Nature of securities and terms of repayment**

The vehicle loans from banks and others are secured against specific vehicles. The loans are repayable in monthly instalments ranging from ₹ 0.62 lakhs to ₹ 9.55 lakhs (31 March 2019 - ₹ 0.62 lakhs to ₹ 9.55 lakhs), the last instalment being due in December 2023. The rate of interest on these loans varies between 8.01% to 9.17% p.a.

b) **Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities :**

(₹ in lakhs)

	Name of the Lender	Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2020	As at 31 March 2019
(i)	**Indian rupee term loans from banks**					
	Lakshmi Vilas Bank Limited	First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders.	1.45% above base rate. Effective rate of interest being 11.75% p.a. as on 31 March 2020 (31 March 2019 : 13.15% p.a.)	20 quarterly instalments, last instalment due in October 2022	4,290.00	5,850.00
	South Indian Bank Limited	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (ii) Second charge on entire current assets of the Company; and ; (iii) Corporate guarantee of M/s Tracstar Distillers Private Limited. (Refer note 46)	2.80% spread over and above 12 month MCLR -12.80% p.a. as on 31 March 2020 (31 March 2019 : 11.18% p.a.)	28 quarterly instalments, last instalment due in April 2024	3,523.81	4,415.47
	Yes Bank Limited	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (ii) Second charge on entire current assets of the Company; and ; (iii) Corporate guarantee of M/s Tracstar Distillers Private Limited. (Refer note 46)	Effective rate of interest as on 31 March 2020 is 11.65% p.a.. (31 March 2019 : 11.65% to 12.45% p.a.)	16 quarterly instalments, last instalment due in July 2021	3,517.97	12,647.41
	IndusInd Bank Limited	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; and ; (ii) Second charge on entire current assets of the Company.	1.00% spread over and above 1 year MCLR - 9.95% p.a. as on 31 March 2020.(31 March 2019 : 10.20% p.a.)	23/9/15 quarterly instalments, last instalment due in March 2023	6,622.20	3,535.59
(ii)	**Indian rupee term loans from financial institutions**					
	Aditya Birla Finance Limited (ABFL)	(i) Exclusive charge at commercial property located at Ashford Centre, Floor No. 1,2,3,4,7 ; and ; (ii) Exclusive charge at Industrial Property spread across land area of 6.73 acres owned by Ashoka Liquors Private Limited. (Refer note 46)	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 17.85%. Spread at present is - 6.15% to -6.60%. Effective rate of interest as on 31 March 2020 is 11.25 -11.70 %. p.a. (31 March 2019 : 11.25% p.a.)	85/121 quarterly instalments, last instalment due in May 2029	10,278.74	6,397.09
(iii)	**Foreign currency term loans from banks**					
	Axis Bank Limited (Foreign Currency)	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (ii) Second charge on entire current assets of the Company ; and ; (iii) Personal guarantee of Mr. Kishore Chhabria (Refer note 46)	LIBOR plus 3.75% - 6.67% p.a. as on 31 March 2020. (31 March 2019 : LIBOR plus 3.75% p.a.)	28 quarterly instalments, last instalment due in September 2023	1,830.57	2,257.75

*Unsecured loan from related party is chargeable at a fixed rate of interest at 15%. p.a and repayable during financial year 2022-23.

(c) Reconciliation of liabilities arising from financing activities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	7,184.94	1,879.80
Lease liabilities	1,881.48	-
Non-current borrowings (including current maturities)	31,578.73	36,781.44
Current borrowings	70,817.03	95,794.90

(₹ in lakhs)

Particulars	Cash and cash equivalents	Lease liabilities	Non-current borrowings (including current maturities)	Current borrowings	Others#	Total
Balance as at 1 April 2018	**1,212.80**	**-**	**44,284.13**	**74,368.35**	**-**	**1,17,439.68**
Cash flows (net)	640.15	-	-	-	-	(640.15)
On account of merger of Henkell	26.85	-	-	-	-	(26.85)
Unrealised loss	-	-	506.17	-	-	506.17
Proceeds/repayment of borrowings (net)	-	-	(7,784.61)	21,426.55	-	13,641.94
Finance costs	-	-	5,060.91	12,195.00	1,369.26	18,625.17
Finance costs paid	-	-	(5,285.16)	(12,195.00)	(1,369.26)	(18,849.42)
Balance as at 31 March 2019	**1,879.80**	**-**	**36,781.44**	**95,794.90**	**-**	**1,30,696.54**
Transition impact on account of adoption of Ind AS 116 'Leases'	1,896.71	-	-	-	-	1,896.71
Cash flows (net)	5,305.14	-	-	-	-	(5,305.14)
Unrealised loss	-	-	173.10	-	-	173.10
Proceeds/repayment of borrowings (net)	-	-	(5,375.80)	(24,977.87)	-	(30,353.68)
Addition of lease liabilities	-	1.21	-	-	-	1.21
Repayment of lease liabilities	-	(213.41)	-	-	-	(213.41)
Finance costs	-	196.97	4,593.90	11,417.22	1,810.97	18,019.06
Finance costs paid	-		(4,593.90)	(11,417.22)	(1,810.97)	(17,822.09)
Balance as at 31 March 2020	**7,184.94**	**1,881.48**	**31,578.73**	**70,817.03**	**-**	**97,092.31**

Represents liabilities other than borrowings / leases for which the Company has incurred finance costs.

24 Lease liabilities

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease obligation (Refer note 55)	1,881.48	-
Less: Current maturities of lease obligation	(625.33)	-
Total	**1,256.15**	**-**

25 Provisions (non-current)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity (Refer note 47)	819.85	784.53

26 Current borrowings

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Cash credit/working capital demand loan from banks (repayable on demand) (Refer note (i) below)	35,275.10	45,142.15
Bill discounting (repayable on demand) (Refer note (ii))	33,704.41	46,236.08
Unsecured		
From banks	-	1,366.67
From related party (Director) (repayable on demand)^ (Refer note 46)	1,200.00	1,300.00
From related party^^ (Refer note 46)	637.52	1,750.00
Total	**70,817.03**	**95,794.90**

Details of repayment, rate of interest and security for loans : (₹ in lakhs)

Name of the Bank	Nature of securities	As at 31 March 2020	As at 31 March 2019
(i) Cash credit/working capital demand loan from banks (repayable on demand)			
Axis Bank Limited	Primary - First pari passu hypothecation charge on entire current assets. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited;	1,984.51	6,468.62
Axis Bank Limited	(ii) Second pari passu charge on all movable and immovable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders; Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46)."	4,200.00	-
State Bank Of India	Primary - First pari passu hypothecation charge on entire current assets. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on fixed assets or mortgaged properties of the Company present and future except land/ building / vehicle which are exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46)."	9,061.58	9,487.04
Yes Bank Limited	Second pari passu charge over all movable fixed assets of the Company except assets which are exclusively charged to term loan lenders.	5,029.16	5,099.96
South Indian Bank Limited	Primary - First pari passu hypothecation charge on entire current assets. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all immovable fixed asset of the Company excluding exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46)."	4,522.31	4,525.70

Rabo Bank	(i) First pari passu charge by way of hypothecation of all present and future current assets; (ii) Second pari passu charge on all immovable fixed assets present and future of the Company ; and ; (iii) Pari passu security from existing chargeholders of all current assets and all immovable properties."	5,985.80	11,127.68
Saraswat Co-operative Bank Ltd.	Primary - First pari passu charge on entire current assets of the Company. Collateral - (i) Second hypothecation charge on pari passu basis on all movable and immovable assets of the Company (except vehicle, freehold land of Ambala and office premises); (ii) Second Pari passu charge on factory land and building of M/s Tracstar Distilleries Private Limited. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	3,983.17	3,963.35
Punjab National Bank	Secured against fixed deposit.	508.57	-
(ii) Bill discounting (repayable on demand)			
IDFC First Bank	Primary - Exclusive charge over Telangana State Beverage Corporation Ltd. (TSBCL) cash flows. Collateral - Second pari passu charge on immovable assets of the Company. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	17,606.03	29,959.99
IndusInd Bank Limited	(i) First pari passu hypothecation charge on entire current assets. (ii) Second pari passu charge on all fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders. (iii) Updated cheque for the entire facility amount.	6,467.90	6,459.65
Yes Bank Limited	(i) First pari passu hypothecation charge on entire current assets. (ii) Second pari passu charge on all movable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders. (iii) Extension of second pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets of the company located at plot no. 5,6,7 and 7A, MIDC, Industrial Area, Aurangabad. (iv) Extension of first pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets belonging to M/s Tracstar Distillers Private Limited. (v) Corporate guarantee of M/s Tracstar Distillers Private Limited (Refer note 46).	9,630.48	9,816.44

27 Current lease liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease obligation (Refer note 56)	625.33	-
Total	**625.33**	**-**

28 Trade payables (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
Dues of micro and small enterprises	16,745.33	-
Dues of creditors other than micro and small enterprises	26,549.66	41,081.81
Total	**43,294.99**	**41,081.81**

Note - The dues to micro and small enterprises as required under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED) to the extent information available with the Company is given below :

(₹ in lakhs)

	Particulars	As at 31 March 2020	As at 31 March 2019
(a)	Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 :		
	Principal amount due to micro and small enterprises	16,745.33	-
	Interest due on above		
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006. (Refer note 48(t))	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

29 Other current financial liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debts	6,768.04	9,932.23
Current maturities of vehicle loans from banks	447.51	505.98
Employees related liabilities	1,333.60	1,749.17
Due to tie-up units	8,896.08	11,528.44
Trade deposits	7,033.78	3,064.44
Other payables for expenses	13,481.90	12,243.45
Payable towards capital expenses	646.19	1,478.76
Total	**38,607.10**	**40,502.47**

30 Other current liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	17,127.66	16,611.32
Advances from customers	2,454.31	1,914.98
Total	**19,581.97**	**18,526.30**

31 Current Provisions (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity (Refer note 47)	303.03	222.67
Compensated absences	1,101.90	1,175.84
Superannuation	45.68	21.22
Total	**1,450.61**	**1,419.73**

32 Current tax liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for tax	76.29	357.90
[net of advance tax of ₹ 835.32 lakhs (31 March 503.47₹ :2019 lakhs)]		
Total	**76.29**	**357.90**

33 Revenue from operations (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from contracts with customer		
Sale of goods		
IIndian made foreign liquor (IMFL)	7,99,621.90	8,84,162.88
Extra neutral spirit (ENA)	4,552.24	2,626.60
By-products	5,628.16	4,535.45
Revenue from contracts with customer	**8,09,802.30**	**8,91,324.93**
Other operating revenue		
Royalty	98.57	83.36
Export entitlements	511.20	919.05
Scrap and other sales	1,058.39	1,139.54
Total	**8,11,470.46**	**8,93,466.88**

34 Other income (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on financial assets measured at amortised cost:		
Interest on deposits with bank	207.80	128.82
Interest on loans to related party (Refer note 46)	106.19	164.63
Interest on deposits and advances	7.80	40.84
Deemed interest on inter-corporate deposit to subsidiary	11.03	10.76
Interest on refund of income tax	84.32	-
Profit on sale of investment	1.35	-
Liabilities no longer required written back	1,625.21	628.96
Profit on sale of property, plant and equipment	-	26.42
Provision no longer required written back	101.12	10.49
Provision against receivables, written back on account of merger of Henkell (net of Impairment of goodwill of ₹ 309.62 lakhs. (Refer note 54)	-	16.28
Fair value changes of investments measured at fair value through profit and loss	-	1.61
Miscellaneous income	221.13	190.30
Total	**2,365.95**	**1,219.11**

35 Cost of materials consumed (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Raw materials consumed	90,487.68	81,667.80
Packing materials consumed	94,024.36	1,01,842.62
Total	**1,84,512.04**	**1,83,510.42**

36 Purchases of stock-in-trade (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of Indian made foreign liquor (IMFL)	518.14	494.67
Other purchases	-	18.00
Total	**518.14**	**512.67**

37 Changes in inventories of finished goods, work-in-progress and stock-in-trade (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock		
Finished goods	21,445.16	15,863.24
Work-in-progress	3,509.04	2,012.50
Stock-in-trade	22.32	26.25
	24,976.52	**17,901.99**
Less:		
Closing stock		
Finished goods	21,071.09	21,445.16
Work-in-progress	2,510.37	3,509.04
Stock-in-trade	32.47	22.32
	23,613.93	**24,976.52**
Increase/ (Decrease) in inventories	1,362.59	(7,074.53)
Increase in excise duty on finished goods	393.49	3,968.10
Total	**1,756.08**	**(3,106.43)**

38 Employee benefit expense (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	16,620.68	16,326.03
Contribution to provident and other funds (Refer note 47)	973.81	954.27
Staff welfare expenses	171.44	349.01
Total	**17,765.93**	**17,629.31**

39 Finance costs (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
On financial liabilities measured at amortised cost		
Term loans	4,593.90	5,060.91
On working capital facility from bank	11,050.53	12,007.69
On lease liabilities	196.97	-
Interest on delay in payment of statutory dues	960.53	986.03
Interest on loan from related party (Refer note 46)	366.69	187.31
Interest others	850.44	383.23
Total	**18,019.06**	**18,625.17**

40 Depreciation and amortisation expenses (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	6,295.09	7,192.21
Depreciation of right to use assets	427.84	-
Amortisation of intangible assets	162.58	338.38
Total	**6,885.51**	**7,530.59**

41 Other expenses (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	1,846.51	2,062.65
Power and fuel	3,534.83	3,400.98
Rent	1,042.82	1,413.93
Contract labour charges	5,854.24	5,968.73
Repairs to building	32.73	37.69
Repairs to machinery	671.16	733.74
Repairs others	717.65	704.60
Insurance	304.49	266.10
Security charges	436.61	407.34
Rates and taxes	4,445.10	4,171.58
Excise levies and escort charges	12,118.58	11,450.56
Import fee	24.47	23.90
Bottling charges	5,901.68	6,515.77
Water charges	220.63	134.05
Travelling expenses	1,840.09	2,230.66
Legal and professional fees	2,735.27	2,464.44
Merger expenses	0.52	102.13
Auditors' remuneration (Refer note 41(A))	130.93	131.00
Selling and distribution expenses	10,003.39	11,285.59
Sales and business promotion	13,290.04	16,859.02
Commission	4,642.09	4,718.24
Conference and seminar	56.00	76.22
Provision for doubtful debts	88.86	434.70
Provision for doubtful advances	375.00	942.94
Bad debts and advances written off	411.33	-
Loss on sale of property, plant and equipment	56.65	-
Impairment of investments/ assets	-	30.49
Donations	0.25	35.94
Corporate social responsibilities (Refer note 52)	23.21	51.00
Bank charges	5.06	102.46
Foreign exchange loss - (net)	14.58	606.40
Miscellaneous expenses	989.52	1,083.53
Total	**71,814.29**	**78,446.38**

41A Auditors' remuneration (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	126.86	129.80
Out of pocket expenses	4.07	1.20
Total	**130.93**	**131.00**

41B Other comprehensive income (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Items that will not be reclassified to profit or loss		
Actuarial gains / (loss) on defined benefit obligations	1.27	33.16
Income taxes on above	(0.44)	(11.59)
Total	**0.83**	**21.5**

42 Tax expense/ (credit) (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax for the year	-	861.37
Tax adjustments in respect of earlier years	(39.17)	51.90
Total current tax expense	**(39.17)**	**913.27**
Deferred taxes		
Change in deferred tax assets	914.58	1,171.25
Change in deferred tax assets in respect of earlier years	(1,786.92)	-
Change in deferred tax liabilities	(325.52)	(92.00)
Net deferred tax expense/(credit)	**(1,197.86)**	**1,079.25**
Total income tax expense/(credit), net	**(1,237.03)**	**1,992.52**

42.1 The reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss is as follows for 31 March 2020 and 31 March 2019: (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
before income tax expense	**253.86**	**3,024.19**
Income tax expense at statutory tax rate i.e. 34.94% (F.Y. 34.94 19-18%)	88.71	1,056.65
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Carried forward business losses and depreciation adjusted	(1,786.92)	(1,303.48)
Permanent difference on account of fair valuation asset acquired	441.47	1,511.25
Impairment of goodwill	-	104.53
Tax adjustments in respect of earlier years	(39.17)	51.90
Others	58.88	571.67
Income tax expense/(credit)	**(1,237.03)**	**1,992.52**

42.2 Deferred tax related to the following: (₹ in lakhs)

Particulars	As at 31 March 2019	Expense/ (credit) Adjusted to retained earnings*	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2020
Deferred tax liabilities on account of:					
Difference between book depreciation and depreciation as per Income Tax Act, 1961	894.33	-	(247.30)	-	647.03
Financial assets and financial liabilities at amortised cost	391.21	-	(80.78)	-	310.43
Others	62.60	-	2.56	-	65.16
Total deferred tax liabilities (A)	**1,348.14**	**-**	**(325.52)**	**-**	**1,022.62**

(₹ in lakhs)

Particulars	As at 31 March 2019	Expense/ (credit) Adjusted to retained earnings*	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2020
Deferred tax assets on account of:					
MAT credit entitlement	698.61	-	706.39	-	1,405.00
Employee benefits	917.21	-	38.60	(0.44)	955.37
Provision for expected credit loss	655.42	-	129.29	-	784.71
Difference in book values and tax base values of ROU assets and lease liabilities	-	(50.23)	95.38	-	45.15
Others	101.80	76.45	(97.32)	-	80.93
Total deferred tax assets (B)	**2,373.04**	**26.22**	**872.34**	**(0.44)**	**3,271.16**
Deferred tax assets (net) (B - A)	**1,024.90**	**26.22**	**1,197.86**	**(0.44)**	**2,248.54**

***Tax impact on account of adoption of Ind AS 116 'Leases' (Refer note 22)**

(₹ in lakhs)

Particulars	As at 1 April 2018	Adjusted to retained earnings*	Expense/ (credit) Recognised in Profit and loss	Recognised in OCI	As at 31 March 2019
Deferred tax liabilities on account of:					
Difference between book depreciation and depreciation as per Income Tax Act, 1961	1,129.29	-	(234.96)	-	894.33
Financial assets and financial liabilities at amortised cost	255.33	-	135.88	-	391.21
Others	55.52	-	7.08	-	62.60
Total deferred tax liabilities (A)	**1,440.14**	**-**	**(92.00)**	**-**	**1,348.14**

(₹ in lakhs)

Particulars	As at 1 April 2018	Adjusted to retained earnings*	Expense/ (credit) Recognised in Profit and loss	Recognised in OCI	As at 31 March 2019
Deferred tax assets on account of:					
MAT credit entitlement	757.28	-	(58.67)	-	698.61
Employee benefits	829.74	-	99.06	(11.59)	917.21
Provision for expected credit loss	751.58	-	(96.16)	-	655.42
Unabsorbed depreciation and business loss	1,009.68	-	(1,009.68)	-	-
Others	207.60	-	(105.80)	-	101.80
Total deferred tax assets (B)	**3,555.88**	**-**	**(1,171.25)**	**(11.59)**	**2,373.04**
Deferred tax assets (net) (B - A)	**2,115.74**	**-**	**(1,079.25)**	**(11.59)**	**1,024.90**

43 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

Particulars	31 March 2020 Amortised cost	Fair value through profit and loss	Total	31 March 2019 Amortised cost	Fair value through profit and loss	Total
Financial assets - non-current						
Investment	0.11	0.25	0.36	0.11	0.25	0.36
Loans	2,066.50	-	2,066.50	2,362.35	-	2,362.35
Other financial assets	2,353.36	-	2,353.36	2,159.43	-	2,159.43
Financial assets - current						
Trade receivables	93,474.54	-	93,474.54	1,13,914.67	-	1,13,914.67
Cash and cash equivalents	7,184.94	-	7,184.94	1,879.80	-	1,879.80
Other bank balances	3,757.78	-	3,757.78	2,445.80	-	2,445.80
Loans	1,431.23	-	1,431.23	1,298.31	-	1,298.31
Other financial assets	3,460.72	-	3,460.72	3,231.26	-	3,231.26
Financial liabilities - non-current						
Borrowings (incl. current maturities)	32,026.24	-	32,026.24	37,287.42	-	37,287.42
Lease liabilities	1,256.15	-	1,256.15	-	-	-
Financial liabilities - current						
Borrowings	70,817.03	-	70,817.03	95,794.90	-	95,794.90
Lease liabilities	625.33	-	625.33	-	-	-
Trade payables	43,294.99	-	43,294.99	41,081.81	-	41,081.81
Other financial liabilities	31,391.55	-	31,391.55	30,064.26	-	30,064.26
Share application money	-	-	-	7,500.00	-	7,500.00

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level

3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There has been no transfers between levels during the year.

The carrying amounts of investment, loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities are considered to be approximately equal to the fair value, due to their short term nature and are re-priced frequently.

44 Financial risk management

The Company is exposed primarily to fluctuations in foreign exchange, interest rate, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Company has a risk management policy which covers the risk associated with its financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company.

The Company's principal financial liabilities comprises borrowings, lease liabilities, trade payables and other financial liabilities. The Company's principal financial assets include loans, trade receivables, cash and bank balances and other bank balances, other financial assets that derive directly from its operations.

A Credit risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and other balances with banks and financial institutions, as well as credit exposures to trade receivables.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables (gross) amounting to ₹ 95,052.20 lakhs (31 March 2019: ₹ 115,403.47 lakhs) respectively. Trade receivables are typically unsecured and are derived from revenue earned from 2 main classes of trade receivables, receivable from sales to government corporations and receivables from sales to private third parties.

Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model, which is applied to overdue receivables other than receivables from government corporations (where the counterparty risk is assessed to be insignificant). The Company's credit risk is concentrated mostly to states where goods are sold to private third parties.

Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these case the credit risk is negligible.

The table below provide details regarding past dues receivables as at each reporting date:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Upto 180 days	85,815.76	107,510.97
More than 180 days	9,236.44	7,892.50
Total	**95,052.20**	**115,403.47**
Provision for expected credit loss	1,577.66	1,488.80

B Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, lease liabilities, trade payables and other financial liabilities.

The finance department of the Company is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through trade receivables or through short term borrowings on need basis.

(i) Financing arrangements :

The Company had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Floating rate		
Expiring within one year	1,599.00	123.98
(Cash credit/ working capital demand loan)		

(ii) Maturities of financial liabilities :

The table below summarises the maturity profile of the Company's financial liabilities based on contractual discounted payments at each reporting date. Amounts disclosed under note 23 are carrying values based on amortised cost:

As at 31 March 2020 (₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years		Total
Non-derivatives				
Borrowings (including current maturities)	78,032.59	20,427.25	4,383.43	102,843.27
Lease liabilities	625.33	406.19	849.96	1,881.48
Trade payables	43,294.99	-	-	43,294.99
Other financial liabilities	31,391.55	-	-	31,391.55
Total	**153,344.46**	**20,833.44**	**5,233.39**	**179,411.29**

As at 31 March 2020 (₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years		Total
Non-derivatives				
Borrowings (including current maturities)	106,233.11	25,727.69	1,121.52	133,082.32
Trade payables	41,081.81	-	-	41,081.81
Other financial liabilities	30,064.26	-	-	30,064.26
Share application money	7,500.00	-	-	7,500.00
Total	**184,879.18**	**25,727.69**	**1,121.52**	**211,728.39**

Instalments falling due within a year in respect of all the above Loans aggregating ₹ 7,215.55 lakhs (31 March 2019: ₹ 10,438.21 lakhs) have been grouped under ""Current maturities of long-term debt"" and ""Current maturities of vehicle loans from banks"" (Refer note 29).

Company has decided to avail the benefits available under Moratorium scheme announced by Reserve Bank of India (RBI). Under this scheme, Management has an option to defer the repayment of loans falling due between March 2020 to August 2020 on payment of applicable interest. Based on the above, current maturity has been shown as per the updated repayment schedule available with the Company

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in receivables, trade payables, borrowings and other payables denominated in USD, GBP and AED against the functional currency INR of the Company.

The Company's risk management policy is to assess the Company's net exposures which is mainly represented by receivable and payable towards exports and imports respectively, and partly represented by the loans extended in foreign currencies. The Company can hedge its net exposures with a view on forex outlook. Since the net exposure is currently not material, this has not been hedged. The Company's exposure to foreign currency changes for all other currencies is not material.

The Company's exposure to foreign currency risk at the end of reporting period are as under:

(₹ in lakhs)

Particulars	31 March 2020			31 March 2019	
	USD	GBP	AED	USD	GBP
Financial assets					
Trade receivables	21.59	0.14	-	20.22	-
Net exposure to foreign currency risk (assets)	21.59	0.14	-	20.22	-
Financial liabilities					
Trade payables	-	9.15	-	-	8.55
Borrowings	25.00	-	-	41.39	-
Employees related liabilities	-	-	0.69		
Net exposure to foreign currency risk (liabilities)	25.00	9.15	0.69	41.39	8.55

Exposure in the Company's investment in and loans given to, its foreign joint venture are not considered since these exposures have been fully provided/ written off.

Particulars	USD	GBP	AED
Closing rate of foreign currency as on 31 March 2020	75.39	93.08	20.53
Closing rate of foreign currency as on 31 March 2019	69.17	90.48	18.89

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, GBP and AED with all other variables held constant. The below impact on the company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	31 March 2020		31 March 2019	
	Increase by 2%	Decrease by 2%"	Increase by 2%	Decrease by 2%
USD	(5.15)	5.15	(29.29)	29.29
GBP	(16.78)	16.78	(15.47)	15.47
AED	(0.28)	0.28	-	-

ii) Cash flow and fair value interest rate risk

This refers to risk to company's cash flow and profits on account of movement in market interest rates. The company's interest rate risk is mainly due to the borrowings acquired at floating interest rate.

The Company's borrowings (non-current and current) structure at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	64,829.81	81,418.96
Fixed rate borrowings	36,813.46	50,363.36
Interest free rate borrowings	1,200.00	1,300.00
Total	102,843.27	133,082.32

Sensitivity analysis

(₹ in lakhs)

Particulars	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 50 bps	(324.15)	(407.09)
Decrease by 50 bps	324.15	407.09

45 Capital management

"The company's objectives when managing capital are to -

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes non-current borrowings (including current maturities) and short term borrowings net of cash and cash equivalents and equity comprises of equity share capital and other equity."

A. The amount managed as capital by the Group are summarised as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Debt	102,843.27	133,082.32
Less: Cash and cash equivalents	(7,184.94)	(1,879.80)
Net Debt	95,658.33	131,202.52
Total Equity	38,688.62	29,745.73
Capital gearing ratio	**2.47**	**4.41**

Bank loans availed by the Company contain certain debt covenants which are required to be complied with. The Limitation of indebtedness covenant gets suspended once the Company meets the certain prescribed criteria. As on reporting date, the Company has been able to meet all/ most of its covenant criterion except certain performance linked financial covenants. As on reporting date- event occurring after Balance sheet date- no banks have expressed concern on any loan outstanding and hence the Company is equally confident with respect to the above. The banks have not levied any material interest/ penalty and if at all it is levied there are deliberations and discussions so that there is no fall back ramifications on the Company considering again the fact that there is no serious concern from any banks.

B. Dividends

The Group has not paid any dividend in F.Y. 20-2019 and F.Y. 19-2018. Also refer note 21(i).

46 Related party disclosures, as per Ind AS 24

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party and related party relationships, are disclosed where control exists irrespective of transactions during the reporting period and for all other related parties, with whom transactions have taken place during the reporting period.

(a) List of related parties

Subsidiaries	NV Distilleries & Breweries (AP) Private limited
	Deccan Star Distillers India Private Limited
	Henkell & Company India Private Limited (w.e.f 29 March 2019)*
	Sarthak Blenders and Bottlers Private Limited
	Chitwan Blenders and Bottlers Private Limited
Joint ventures	Allied Blenders and Distillers International General Trading LLC (till 17 June 2019)
	Henkell & Company India Private Limited (till 28 March 2019)
	Surji Agro Foods Private Limited (Joint venture till 08 March 2019)
Enterprises where key management personnel have significant influence	Oriental Radios Private Limited
	Rayanyarn Import Company Private Limited
	Starvoice Properties Private Limited
	Power Brand Enterprises India Private Limited
	Pitambari Properties Private Limited
	Lalita Properties Private Limited
	Bhuneshwari Properties Private Limited
	Ashoka Liquors Private Limited
	Tracstar Investments Private Limited
	Surji Consultant India Private Limited
	Spiritus Private Limited
	Bina Chhabria Enterprises Private Limited
	Marketing Incorporated Private Limited
	NBB Consultants (w.e.f 1 September 2019)
	Surji Agro Foods Private Limited
Key management personnel	Kishore Chhabria
	Bina K Chhabria
	Deepak Roy
	Utpal Kumar Ganguli
	Ramakrishnan Ramaswamy
	Resham Chhabria Hemdev
	Neesha Chhabria
	Paramjit Singh Gill (till 31 January 2020)

*** Refer note 54**

(b) Transactions during the year with related parties : (₹ in lakhs)

Particulars	Subsidiaries		Joint venture/ associate		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Royalty income								
Surji Agro Foods Private Limited	-	-	-	2.52	0.92	-	-	-
Sale to external customer on behalf of the company								
Sarthak Blenders and Bottlers Private Limited	-	374.95	-	-	-	-	-	-
Payment to vendors on behalf of subsidiary								
Sarthak Blenders and Bottlers Private Limited	149.94	-	-	-	-	-	-	-
Interest income								
NV Distilleries & Breweries (AP) Private limited	84.82	93.54	-	-	-	-	-	-
Deccan Star Distillers India Private Limited	0.04	0.03	-	-	-	-	-	-
Kishore Chhabria	-	-	-	-	-	-	-	69.77
Utpal Kumar Ganguli	-	-	-	-	-	-	21.33	1.29
Expenses paid on behalf of the subsidiary								
Sarthak Blenders and Bottlers Private Limited	63.28	315.27	-	-	-	-	-	-
Promotional material and services								
Surji Agro Foods Private Limited	-	-	-	12.00	-	-	0.84	-
Consultancy service paid								
Allied Blenders and Distillers International General Trading LLC	-	-	-	2.60	-	-	-	-
Commission								
Power Brand Enterprises India Private Limited	-	-	-	-	-	181.11	-	-

(₹ in lakhs)

Advance given for purchase of land								
Ashoka Liquors Private Limited	-	-	-	-	-	11,100.00	-	-
Power Brand Enterprises India Private Limited	-	-	-	-	3,600.00	-	-	-
Refund of Advance given for purchase of land								
Ashoka Liquors Private Limited	-	-	-	-	3,600.00	-	-	-
Purchase of fixed assets and stock (IMFL/PM/Blend)								
Power Brand Enterprises India Private Limited	-	-	-	-	-	24.11	-	-
Chitwan Blenders and Bottlers Private Limited	-	1.11	-	-	-	-	-	-
Sale of Asset								
Power Brand Enterprises India Private Limited	-	-	-	-	0.12	-	-	-
Interest on unsecured loan								
Oriental Radios Private Limited	-	-	-	-	7.50	7.50	-	-
Tracstar Investments Private Limited	-	-	-	-	188.01	179.81	-	-
Starvoice Properties Private Limited	-	-	-	-	171.18	-	-	-
Rent paid								
Oriental Radios Private Limited	-	-	-	-	17.70	17.70	-	-
Starvoice Properties Private Limited	-	-	-	-	7.08	7.08	-	-
Rayanyarn Import Company Private Limited	-	-	-	-	1.42	1.42	-	-
Pitambari Properties Private Limited	-	-	-	-	8.49	8.49	-	-
Lalita Properties Private Limited	-	-	-	-	10.62	10.62	-	-
Bhuneshwari Properties Private Limited	-	-	-	-	10.62	10.62	-	-

(₹ in lakhs)

Sale of investment								
Spiritus Private Limited	-	-	-	-	-	350.00	-	-
Marketing Incorporated Private Limited	-	-	-	-	-	200.00	-	-
Bina Chhabria Enterprises Private Limited	-	-	-	-	-	10.97	-	-
Unsecured loan granted/ advances								
Rayanyarn Import Company Private Limited	-	-	-	-	2.24	3.06	-	-
NV Distilleries & Breweries (AP) Private limited	34.06	6.36	-	-	-	-	-	-
Chitwan Blenders and Bottlers Private Limited	-	-	-	-	-	-	-	-
Sarthak Blenders and Bottlers Private Limited	196.79	244.56	-	-	-	-	-	-
Kishore Chhabria	-	-	-	-	-	-	37.00	1,939.00
Utpal Kumar Ganguli	-	-	-	-	-	-	25.00	250.00
Unsecured loan repaid								
Kishore Chhabria	-	-	-	-	-	-	37.00	1,939.00
Provision for loans and advances								
Chitwan Blenders and Bottlers Private Limited	-	518.86	-	-	-	-	-	-
Provision for loans and advances reversed								
Chitwan Blenders and Bottlers Private Limited	101.12	-	-	-	-	-	-	-
Consultancy fee								
NBB Consulting Limited	-	-	-	-	-	-	348.40	-
Unsecured loan written off								
Allied Blenders and Distillers International General Trading LLC	-	1,329.64	-	-	-	-	-	-
Unsecured borrowing								
Bina K Chhabria	-	-	-	-	-	-	2,500.00	2,262.00
Tracstar Investments Private Limited	-	-	-	-	8.16	319.68	-	-
Starvoice Properties Private Limited	-	-	-	-	37.70	3,700.00	-	-

(₹ in lakhs)

Unsecured borrowing repaid								
Bina K Chhabria	-	-	-	-	-	-	2,600.00	962.00
Tracstar Investments Private Limited	-	-	-	-	-	120.00	-	-
Starvoice Properties Private Limited	-	-	-	-	1,158.34	1,950.00	-	-
Interest on unsecured borrowing repaid								
Oriental Radios Private Limited	-	-	-	-	6.19	6.75	-	-
Tracstar Investments Private Limited	-	-	-	-	154.88	-	-	-
Working capital advances								
Power Brand Enterprises India Private Limited	-	-	-	-	4,300.78	5,042.03	-	-
Sarthak Blenders and Bottlers Private Limited	-	190.07	-	-	-	-	-	-
Starvoice Properties Private Limited	-	-	-	-	-	-	-	-
Received from excise authorities now payable to ABDPL								
Chitwan Blenders and Bottlers Private Limited	-		-					
Business advances received back								
Power Brand Enterprises India Private Limited	-	-	-	-	6,132.54	8,326.85	-	-
Chitwan Blenders and Bottlers Private Limited	734.00	137.01	-	-	-	-	-	-
Starvoice Properties Private Limited	-	-	-	-	-	-	-	-
Sale of by-product								
Power Brand Enterprises India Private Limited	-	-	-	-	5,135.71	-	-	-
Others								
Sarthak Blenders and Bottlers Private Limited	80.24	10.72	-	-	-	-	-	-
Chitwan Blenders and Bottlers Private Limited	3.46	-	-	-	-	-	-	-
Henkell & Company India Private Limited	-	-	-	11.76	-	-	-	-

(₹ in lakhs)

Managerial remuneration /Short term employee benefits *								
Kishore Chhabria	-	-	-	-	-	-	4,085.17	4,077.95
Deepak Roy	-	-	-	-	-	-	552.56	655.65
Utpal Kumar Ganguli	-	-	-	-	-	-	528.82	640.42
Ramakrishnan Ramaswamy	-	-	-	-	-	-	256.26	268.94
Resham Chhabria Hem dev	-	-	-	-	-	-	350.00	350.40
Neesha Chhabria	-	-	-	-	-	-	51.35	51.62
Paramjit Singh Gill	-	-	-	-	-	-	709.81	687.58

* Excludes compensated absenses and gratuity benefits provided on the basis of actuarial valuation on an overall Company basis.

Refer note 26 for guarantee provided and assets pledged of Tracstar Distillers Private Limited towards loan availed by the Company

(c) **Balances at the year end :** (₹ in lakhs)

Particulars	Subsidiaries		Joint venture/ associate		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Loans receivables								
Utpal Kumar Ganguli	-	-	-	-	-	-	297.59	251.29
NV Distillers & Breweries (AP) Private limited	1,249.84	1,139.71	-	-	-	-	-	-
Deccan Star Distillers India Private Limited	0.35	0.31	-	-	-	-	-	-
Chitwan Blenders and Bottlers Private Limited	453.90	555.02	-	-	-	-	-	-
Advances								
Surji Agro Foods Private Limited	-	-	-	-	125.38	125.38	-	-
Sarthak Blenders and Bottlers Private Limited	889.20	596.60	-	-	-	-	-	-
Advance to supplier								
Surji Agro Foods Private Limited	-	-	-	-	1.12	0.62	-	-
Surji Consultant India Private Limited.	-	-	-	-	300.00	300.00	-	-
Power Brand Enterprises India Private Limited	-	-	-	-	1,097.57	1,306.57	-	-
Trade payables								
Star Voice Properties Private Limited	-	-	-	-	78.24	-	-	-
Bhuneshwari Properties Private Limited	-	-	-	-	4.86	-	-	-

(₹ in lakhs)

Oriental Radio Private	-	-	-	-	8.10	-	-	-
Rayanyarn Import Company Private Limited	-	-	-	-	0.82	-	-	-
Sarthak Blenders and Bottlers Private Limited	82.65	7.79	-	-	-	-	-	-
Pitambari Properties Private Limited	-	-	-	-	3.89	-	-	-
Lalita Properties Private Limited.	-	-	-	-	4.86	-	-	- Limited.
NBB Consulting Limited	-	-	-	-	28.86	-	-	-
Non-current borrowings								
Oriental Radio Private Limited	-	-	-	-	50.00	50.00	-	-
Tracstar Investments Private Limited	-	-	-	-	1,250.00	1,250.00	-	-
Current borrowings								
Star Voice Properties Private Limited	-	-	-	-	629.36	1,750.00	-	-
Tracstar Investments Private Limited	-	-	-	-	8.16	-	-	-
Bina K Chhabria	-	-	-	-	-	-	1,200.00	1,300.00
Interest acrued but not due								
Oriental Radio Private Limited	-	-	-	-	0.56	7.50	-	-
Tracstar Investments Private Limited	-	-	-	-	15.84	-	-	-
Capital advance								
Ashoka Liquors Private Limited	-	-	-	-	7,500.00	11,100.00	-	-
Power Brand Enterprises India Private Limited	-	-	-	-	3,600.00	-	-	-
Advance from customers								
Power Brand Enterprises India Private Limited	-	-	-	-	97.71	9.78	-	-
Other payable for expenses								
Chitwan Blenders and	-	-	-	-	-	-	-	
Bottlers Private Limited	672.57							
Due from tie up units								
Sarthak Blenders and Bottlers Private Limited	-	1,011.99	-	-	-	-	-	-

(₹ in lakhs)

Trade receivables								
Surji Agro Foods Private Limited	-	-	-	-	8.93	8.01	-	-
Other financials assets (Current)								
Spiritus Private Limited	-	-	-	-	340.00	340.00	-	-
Marketing Incorporated Private Limited	-	-	-	-	190.00	200.00	-	-
Security deposits								
Spiritus Private Limited	-	-	-	-	10.50	10.50	-	-
Marketing Incorporated Private Limited	-	-	-	-	10.50	10.50	-	-
Provision against loan given								
Chitwan Blenders and Bottlers Private Limited	453.90	555.02	-	-	-	-	-	-

Reference is also invited to footnote to note 23 and note 26 for guarantee provided and assets pledged of Tracstar Distillers Private Limited towards loan availed by the Company

Reference is also invited to footnote to note 23 for guarantee provided by Mr. Kishore Chhabria towards loan availed by the Company

Reference is also invited to footnote to note 23 for assets pledged of Ashoka Liquors Private Limited towards loan availed by the Company

47 **As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of employee benefits as defined in the standard are given below:**

(a)**Contribution to defined contribution plan, recognised as expense for the year are as under:**

a. Provident fund

b. Superannuation fund

c. State defined contribution plans

i. Employers' contribution to employees' state insurance

ii. Employers' contribution to employees' pension scheme 1995

During the year, the Group has recognized the following amounts in the statement of profit and loss:

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Employers' contribution to provident fund	811.75	815.98
Employers' contribution to superannuation fund	28.52	30.15
Employers' contribution to employees' state insurance	2.75	0.27
'Employers' contribution to employees' pension scheme 1995	122.91	107.64
Employers' contribution to national pension scheme	7.45	-
Employers' contribution to labour welfare fund	0.43	0.23
	973.81	**954.27**

(b) **Defined benefit plan**

In accordance with Indian Accounting Standard-19, 'Employee Benefits', actuarial valuation was carried out in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

Gratuity	31 March 2020	31 March 2019
Mortality table	Indian Assured Lives Mortality (2006-08)	
Discount rate	6.24% - 6.59%	7.22% - 7.48%
Salary growth rate	1.5% p.a for the next 1 year, 10% p.a. thereafter starting from the 2nd year	10.00%
Attrition rate	15.00%	12.00%

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Changes in the present value of obligation		
Present value of obligation at the beginning of the year	1007.20	952.29
Current service cost	122.77	109.53
Interest expenses	73.16	73.09
Past service cost	-	-
Benefits paid	(78.98)	(94.55)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(22.55)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(15.37)	19.14
Actuarial (gains)/losses on obligations - due to experience	36.65	(52.30)
Present value of obligation at the end of the year	**1,122.88**	**1,007.20**

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Amount recognised in the balance sheet		
Present value of obligation at the end of the year	1,122.88	1,007.20
Fair value of plan assets at the end of the year	-	-
Net liability recognised at the end of the year	**1,122.88**	**1,007.20**
Non-current provisions	819.85	784.53
Current provisions	303.03	222.67

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Expenses recognised in the statement of profit and loss		
Current service cost	122.77	109.53
Net interest cost	73.16	73.09
Past service cost	-	-
Total expenses recognised in the statement of profit and loss	**195.93**	**182.62**
Re-measurement (or actuarial) (gain) / loss arising from change in assumptions	(1.27)	(33.16)

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Maturity profile of defined benefit obligation		
Expected cash flows over the next (valued on undiscounted basis) :		
1st following year	303.03	242.67
2nd following year	95.18	77.50
3rd following year	109.98	82.30
4th following year	111.14	93.88
5th following year	105.14	97.69
Sum of years 6 to 10	471.76	475.33
Sum of years 11 and above	339.64	481.96

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Delta effect of +1% change in rate of discounting	(44.35)	(45.83)
Delta effect of -1% change in rate of discounting	48.79	50.81
Delta effect of +1% change in rate of salary increase	42.68	44.01
Delta effect of -1% change in rate of salary increase	(40.04)	(40.89)
Delta effect of +1% change in rate of employee turnover	(9.15)	(7.86)
Delta effect of -1% change in rate of employee turnover	9.84	8.41

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

(c) Compensated absences

The leave obligations cover the Group's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is ₹ 1,101.90 lakhs (31 March 2019 : ₹ 1,175.84 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The expense recognised during the year towards leave encashment is ₹ 16.58 lakhs (31 March 2019 : ₹ 281.54 lakhs).

48 Contingent liabilities and commitments

Contingent liabilities not provided for:

a) Contingent liability relating to determination of provident fund liability, based on a recent Supreme Court judgement, is not determinable at present, due to uncertainty on the period of impact of the judgement in absence of further clarification relating to applicability. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any, which, based on the number of employees, is not expected to be significant.

b) Transport pass fee claimed by excise authorities @ ₹ 3 per BL upto 25 August 2009 and @ ₹ 1.50 per BL from 26 August 2009 till 18 May 2011 on Extra Neutral Spirit (ENA) purchased aggregating ₹ 821.97 lakhs (31 March 2019 ₹ 821.97 lakhs) and transport pass fee claimed by excise authorities @ ₹ 1 per BL from 01 April 2010 to 18 May 2011 on rectified spirits purchased aggregating ₹ 48.88 lakhs (31 March 2019 ₹ 48.88 lakhs), transport pass fee claimed by excise authorities @ ₹ 3 per BL from 01 June 2009 to 18 May 2011 on Malt purchased aggregating ₹ 2.16 lakhs (31 March 2019 ₹ 2.16 lakhs) including for one of the Contract Bottling Unit.

The Company has paid ₹ 140.00 lakhs (31 March 2019 ₹ 140.00 lakhs) under protest which is shown under advances.

The Hon'ble High Court of Mumbai Judicature has vide its order dated 06 May 2011 upheld Companies appeal and allowed the Company's petition with the direction that the amount paid be refunded along with the interest @ 9% per annum within 10 weeks from the date of receipt of application for refund. As directed, the Company has filed an application for claim of refund before the customs and excise authorities. The Company has also claimed ₹ 163.71 lakhs (including interest of ₹ 29.94 lakhs) on account of transport pass fees charged by suppliers.

The Customs and excise department of Maharashtra has filed a Special leave petition (SLP) before the Hon'ble Supreme Court against the above order. The Supreme Court has directed the registrar to issue notice to all concerned and affected parties pending admission of petition.

Subsequently, the registrar has issued notice to all the concerned and affected parties for admission of petition and accordingly, the Company has filed its response to this notice. The matter has not come up for hearing.

c) Increased water charges (including delayed payment charges billed by MIDC from time to time for the period November 2001 to March 2020, disputed by the Company aggregating ₹ 150.78 lakhs (31 March 2019 ₹ 142.43 lakhs).

In the above said matter, High Court of Judicature of Bombay, Aurangabad Bench did not allow the stay petition filed by the Company. However, the Hon'ble High Court of Aurangabad Bench has agreed to allow for payment of only principal amount to MIDC towards outstanding water charges and granted stay on levy of interest and penalty till the disposal of final appeal.

Based on the above, the Company has paid till 31 March 2020 ₹ 116.78 lakhs (31 March 2019 ₹ 108.43 lakhs) under protest which is shown under advances.

Few of the IMFL manufacturers have filed Special Leave Petition before the Supreme Court challenging the order of the Aurangabad Bench of Bombay High Court. Since the cause of action and reliefs claimed are identical, the outcome of this case will hold good for the Company as well.

d) The Maharashtra State Excise Department, Aurangabad has raised a demand of ₹ 32.80 lakhs (31 March 2019 ₹ 32.80 lakhs) towards additional license fee on the Company as a consequence of the change of name arising due to restructuring of the Company. The Company has challenged the said demand and filed Writ Petition before High Court of Judicature of Bombay, Aurangabad Bench. The said matter has not come up for hearing yet. The demand of ₹ 32.80 lakhs which is paid by the Company under protest is shown under advances.

e) The Aurangabad Municipal Corporation (AMC) had recovered differential Octroi Duty on Extra Neutral Alcohol / Rectified Spirit for the period from December, 1991 to June, 1997 on the basis of High Court judgment on similar facts in another liquor company case. This judgment had been reversed by the Hon'ble Supreme Court of India in another case in which interest @ 6 % p. a. was allowed. The Company has entered into an agreement with AMC on 12 March 1993 by which both the parties had agreed that judgment passed shall be binding on both the parties.

The Company had filed a suit for recovery in the Hon'ble Court of Civil Judge, (Senior. Division) at Aurangabad. As per the order dated 16 October 2006 of the Court, the Company is entitled to get an amount of ₹ 157.97 lakhs with interest thereon @ 6% p.a. from the date of suit till the date of payment.

The Municipal Corporation has filed an appeal against this order which has been disposed off by the Division Bench of the Bombay High Court, Aurangabad bench vide their order dated 12 February 2007 granting the stay of execution of decree passed by Trial Court subject to deposit of ₹ 220 lakhs in 11 instalments commencing from April 2007. Further, the appeal came up for hearing on 29 August 2007 before the High Court at Bombay Bench at Aurangabad and an order was passed allowing the Company to withdraw the aforesaid amount and so far the Company has received ₹ 220 lakhs up to 31 March 2009. The appeal filed by AMC is pending before the Bombay High Court, Aurangabad Bench.

f) In an earlier year, the Company had received service tax demand notice from The Commissioner of Central Excise, Customs and Service Tax, Aurangabad which has raised the demand against the show cause cum demand notice, confirming the demand for ₹ 6.97 lakhs (31 March 2019 ₹ 6.97 lakhs), (including penalty of ₹ 3.38 lakhs, late fees of ₹ 0.40 lakhs but excluding interest) for the period 1 August 2014 to 31 July 2015 towards service tax on alleged short delivery of bottles received, non-supply of clear bottles etc. u/s 66EE of the Service Tax Act. The Company has filed an appeal before the Commissioner Appeals Central Excise, Customs and Service Tax and paid an amount of ₹ 0.24 lakhs under protest which is shown under advances.

During the year ended 31 March 2019, Company has received an order from the Commissioner Appeals, Nasik, directing Assessing Officer to verify claim of the Company and pass the order based on the merits of the case which is still pending.

g) In an earlier year, the Company had received demand notice from the Commissioner of Central Excise, Customs and Service Tax, Aurangabad for the F.Y. 2011-12 to 2014-15 towards reverse charge on expenditure incurred in foreign currency on sales promotion, travelling and other expenditure. Total demand raised is ₹ 538.08 lakhs (31 March 2019 ₹ 538.08 lakhs) (including penalty of ₹ 268.28 lakhs, late fees of ₹ 1.60 lakhs but excluding interest). The Company has paid ₹ 20.11 lakhs (31 March 2019 ₹ 20.11 lakhs) under protest against the said demand towards mandatory deposit for admission of appeals, which is shown under advances. The Company has filed an appeal before Central Excise and Sales Tax Appellate Tribunal (CESTAT), Mumbai.

h) The Company has an unpaid demand of ₹ 3,248.90 lakhs (31 March 2019 ₹ 3,248.90 lakhs) arising out of assessment under MVAT Act, 2002 for F.Y. 2011-12.

The said demand has arisen due to alleged VAT liability on amount of Business Surplus received by the Company from tie-up unit arrangements with third parties.

The Company has received an order from the Joint Commissioner of Sales Tax (Appeals) granting a stay on recovery of said demand pending decision by the Hon'ble High Court of Bombay in the case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.

In view of above, no further provision is considered necessary in the books.

The Company has filed appeal with Maharashtra Sales Tax Tribunal and paid ₹ 9.87 lakhs (31 March 2019 ₹ 9.87 lakhs) under protest against the said demand, which is shown under advances.

i) Income tax matters in dispute before CIT-Appeal relating to A.Y. 2014-15 ₹ 276.56 lakhs, (31 March 2019 ₹ 276.56 lakhs). Against the above said demand, the Company has deposited ₹ 55.12 lakhs (31 March 2019 ₹ 55.12 lakhs) which is disclosed under advance.

j) Income tax matters for which favourable decisions have been received by the Company from ITAT, Mumbai relating to A.Y. 2010-11 and 2011-12 amounting to ₹ 505.75 lakhs (31 March 2019 ₹ 505.75 lakhs), where the department is in appeal before the Hon'ble Bombay High Court.

k) During the year ended 31 March 2019, Company has received Income Tax assessment order from Income Tax Department for A.Y. 2016-17 raising demand of ₹17.34 Lakhs. The said demand has arisen due to non-granting of claim of TDS and TCS in respect of Wales Distillers Private Limited, which was merged with the Company with the appointed date of 01 April 2015. The Company has made required representation before the Assessing Officer for rectification of demand.

The Company is confident of getting a favourable rectification order and accordingly, no provision has been made in the books of account.

l) One of the Company's Contract Bottling Unit (CBU) at Rajasthan had received notice of demand for the A.Y. 2007-08 to 2009-10 amounting to ₹ 91.80 lakhs (31 March 2019 ₹ 91.80 Lakhs) of VAT and interest thereon for ₹ 15.75 lakhs (31 March 2019 ₹ 15.75 lakhs) aggregating ₹ 107.54 lakhs (31 March 2019 ₹ 107.54) from Commercial Tax Officer, Government of Rajasthan on alleged VAT payable on captive consumption of ENA for the manufacturing of the Company's brands and deemed sale of ENA to the brand owner. The said demand was upheld by the Hon'ble Rajasthan High Court vide their order dated 20 July 2017. Against the said demand, the CBU has filed a Special Leave Petition before the Hon'ble Supreme Court. Vide order dated 28 August 2017, the Hon'ble Supreme Court has granted stay in the matter in respect of recovery of any demand or interest. In the event, if the matter is decided against the CBU, the Company is liable to compensate the CBU for the tax demand including interest.

m) In an earlier year, the Company has received excise demand of ₹ 286.02 lakhs (31 March 2019 ₹ 286.02 lakhs) relating to excess transit wastages for ENA supplied by Contract Bottling unit (CBU). Writ petition is filed with the Hon'ble High Court by CBU and is pending for disposal. Amount deposited under protest of ₹ 71.5 lakhs (31 March 2019 ₹ 71.50 lakhs) is shown under advances.

Madhya Pradesh High Court ordered that, on furnishing an adequate surety to the satisfaction of Excise Commissioner, the recovery of penalty shall remain stayed until next date of hearing.

n) The Company has received excise demand of ₹ 27.11 lakhs (31 March 2019 ₹ 27.11 lakhs) relating to low strength of ENA. The Company has challenged the same with appropriate authority and has paid the amount under protest, which is disclosed under advances. Jodhpur High Court left it exclusively for the Excise Commissioner to take a decision, after examining all aspects of the matter. The company has filed a writ petition in March 2020, status of the same is not known yet, due to prevailing lockdown situation.

o) The Company in an earlier year had received a debit memorandum from its customer - Canteen Stores Department for ₹ 3,661.44 lakhs on account of differential trade rate relating to the period from 01 March 2012 to 31 October 2017. The Company contested the same and is in discussion with the authority. The Company is expecting a favourable result in this matter. The aggregate amount receivable from the Canteen Store Department by the CBUs of the Company is ₹ 3,402.95 lakhs including ₹ 3,392.49 lakhs due for over 360 days which is substantially withheld by the Canteen Store Department on account of the above debit memorandum. The Company has received a letter from the Canteen Stores Department dated 15 June 2020 that matter is under consideration and outcome of the same will be informed in due course. The Company is also in process of reviving its business operations with CSD.

p) A letter of Intent (LOI) was granted to the Company along with a demand notice by the Government of Andhra Pradesh on 9 March 2017 on the basis of an application made on 3 December 2014 along with stipulated payment of ₹ 275.00 lakhs. The Company had immediately requested for a waiver of the demand notice. Further, vide letter dated 17 May 2017, the Company had requested for a three years moratorium for payment of license fees. The request was disallowed vide their letter dated 31 May 2017 which was served on the Company on 12 June 2017.

The Company then requested the Commissioner of Prohibition of Excise for surrendering the LOI and requested for refund of the advance paid ₹ 275.00 lakhs vide letter dated 14 June 2017. However, the Company received a demand notice from the Government of Andhra Pradesh and Commissioner of Prohibition & Excise for payment of the license fees of ₹ 1,734.11 along with 18% interest, which remains unpaid.

The Company also received revised letter dated 9 February 2018 with correct calculation of instalments with date-wise schedule, which indicates a balance amount payable of ₹ 2,725.00 lakhs in 11 quarterly instalments with first instalment being due on 26 January 2017.

Company filed a writ petition under Article 226 of the Constitution of India against the State of Andhra Pradesh represented by the Principal Secretary to Government Revenue (Excise Department) as well as against the Commissioner, Prohibition and Excise, Government of Andhra Pradesh in the High Court of Andhra Pradesh seeking a declaration that the said demand as well as refusal of the Respondents to refund amounts paid by ABDPL of ₹ 87.48 lakhs and ₹ 275.00 lakhs respectively along with applications made on 22 November 2010 and 03 December 2014 as bad and illegal in law; and a direction to the Respondents to cease making demands for payment of instalments and to refund the above amounts paid by ABDPL along with interest @ 18% p.a. from 17 December 2012 and 31 May 2017 respectively.

In the said Writ Petition, the Hon'ble High Court was pleased to pass an interim order directing the Respondents not to take any coercive action against Company pursuant to the letter dated 6 February 2019 of the 2nd Respondent. The Company filed a writ petition against the said order and obtained an interim stay on the same. The matter is still pending in Andhra Pradesh High Court.

The writ petition filed by the Company against the State of AP represented by Principal Secretary to Government, Revenue (Excise Department) and the Commissioner Prohibition and Excise is pending before the High Court of Andhra Pradesh. The matter was last listed on 19 March 2019 when the order was passed. Thereafter the matter has not been listed. The order subsists even as on today. The Order copy stated no coercive steps can be taken against the petitioner.

q) Bonus liability as per amendment in the Act for the year 2014-15 ₹ 48.38 lakhs (31 March 2019 ₹ 48.38 lakhs).

r) Company has not acknowledged debts amounting to ₹ 334 lakhs (31 March 2019 ₹ 186 lakhs) arising out of difference on account of vendor reconciliation. Company is of the opinion that the differences will be amicably resolved and does not foresee any ramifications.

s) Ongoing legal disputes ₹ 36.69 lakhs (31 March 2019 ₹ 36.69 lakhs). Against this demands, the Company has paid ₹ 16.56 lakhs (31 March 2019 ₹ 16.56 lakhs) under protest which is shown under advances.

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above matters pending resolutions of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is confident of getting a favourable order and accordingly, no provision has been made in the books of account.

t) Interest in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 will be paid in all cases where the vendor has claimed the same from the Company. The amount of such interest which will be claimed by the vendors is not ascertainable at present.

Commitments

u) Capital commitments (net of advances) ₹ 391.50 lakhs (31 March 2019 ₹ 207.39 lakhs).

49 Revenue from contracts with customers

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, a performance obligation is satisfied."

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

At contract inception, the Group assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Group considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of customer contracts that the Group enters into consist of a single performance obligation for the delivery of Indian made foreign liquor. The Group recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery to the customer i.e. at a point in time. The Group records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The payment terms are generally less than a year."

a) Disaggregation of revenue : **(₹ in lakhs)**

Particulars	31 March 2020	31 March 2019
Geographical markets		
Within India	8,03,187.75	8,79,638.14
Outside India	6,614.55	11,680.79
Revenue from contracts with customer	**8,09,802.30**	**8,91,318.93**

b) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price :

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Revenue as per contracted price	838,199.23	920,111.46
Adjustments		
Sales incentive	(27,200.02)	(26,631.45)
Cash discount	(1,196.91)	(2,155.08)
Revenue from contract with customers	**809,802.30**	**891,324.93**

50 Earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit attributable to equity share holders (₹ in lakhs)	1,490.89	1,031.67
Weighted average number of equity shares outstanding during the year for Basic EPS*	235,566,665	235,566,665
Weighted Average Potential Equity Shares in respect of NCCP#	5,048,434	-
Weighted average number of equity shares outstanding during the year for Diluted EPS*	240,615,099	235,566,665
Number of equity shares outstanding at the year end *	235,566,665	235,566,665
Earnings per share:		
Basic EPS	0.63	0.44
Diluted EPS	0.62	0.44
Face value per share (in ₹)	2.00	2.00

* With effect from 29 September 2018, the equity shares of the Company having the face value of ₹ 10 each have been subdivided into 5 equity shares of ₹ 2 each.

The earning per share in respect of current and previous year has been restated considering the aforesaid sub division of shares

For terms of NCCPS refer note 21

51 Segment reporting

(a) Business segment

The Company is engaged in the business of manufacture, purchase and sale of alcoholic beverages. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Alcoholic beverages/liquids". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment. The Company has not presented any other significant information to the CODM

(b) Entity wide disclosures

Revenue of ₹ 304,011.81 lakhs (31 March 2020) and ₹ 432,610.28 lakhs (31 March 2019) is derived from the two external customers,that individually accounted for more than 10% of the total revenue.

52 CSR Expenditure during the year:

a) Gross amount required to be spent by the Company during the year: ₹ 35.53 lakhs (31 March 2019 - ₹ 85.37 lakhs)
b) Revenue expenditure charged to statement of profit and loss in respect of CSR activities undertaken during the year is ₹ 23.21 lakhs (31 March 2019 - ₹ 51 lakhs).

53 The Government of Bihar by its notification dated 5 April 2016 imposed a ban on trade and consumption of Indian Made Foreign Liquor and foreign liquor in the state of Bihar. The Company had received a letter dated 16 August 2017 from the Government of Bihar, stating that it is not liable to refund the aforesaid statutory duties under the Bihar Prohibition and Excise Act, 2016.

Thereafter, on 17 October 2017, the Company filed a writ petition before the Hon'ble High Court of Patna seeking refund of the aforesaid statutory duties, paid by the Company to the Government of Bihar. The Company had sought from the Government of Bihar refund of statutory duties i.e., VAT, excise duty, license fee, bottling fee etc. paid aggregating to ₹ 3,124.00 lakhs (including statutory duties paid by the Company's tie-up manufacturers) under the applicable law at the time, in respect of billed stocks destroyed/ returned by Bihar State Beverages Corporation Limited (""BSBCL"").

Meanwhile, the Hon'ble High Court of Patna directed the respondent i.e. Government of Bihar to quantify the refund payable to the petitioners and the date of hearing was set as 31 October 2018. Out of the above VAT and Excise department has processed ₹ 1,062 lakhs till 31 March 2019.

Subsequent to the above, Patna High Court vide order dated 30 April 2019 directed the Principal Secretary cum Commissioner, Commercial Taxes and the Commissioner, Excise respectively vide preceding writ applications in CWJC

Nos.15316 of 2017 and 13165 of 2018 to consider and dispose of the claims by a speaking order after opportunity of hearing within 3 months of receipt/production of a copy of this order.

In consequence, the Order of the Deputy Commissioner Excise dated 16 August 2017 is set aside.

The Company has received ₹ 23.73 Lakhs out of the recoverable balance of ₹ 2,303.15 lakhs as on 31 March 2020. The Balance recoverable of ₹ 2,279.42 lakhs is considered good and receivable based on the favorable Order issued by the Hon'ble High Court of Patna dated 18 May 2017 and dated 30 April 2019.

Subsequently, the aforesaid referred writ petition was heard on 9th July 2020 through virtual court proceedings. Notices have been issued upon the respondent State of Bihar and its functionaries and they have been directed to file counter affidavit within four weeks. Rejoinder to the counter affidavit is to be filed within four weeks thereafter. Matter will be listed after eight weeks.

54 Pursuant to the order of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, the erstwhile wholly owned subsidiary company - Henkell & Company India Private Limited (Henkell / transferor company) has been merged into the Company (transferee company) with appointed date being 29 March 2019. The Scheme has become effective on 27 July 2020. This was a cash free transaction in which the Company took over the net assets. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'business combinations' read with clarification issued by Ind AS technical facilitation group and accordingly, the carrying value of the assets, liabilities and reserves pertaining to subsidiary as appearing in the consolidated financial statements of the Company are recognised in the standalone financial statements. Previous year's figures have been restated after giving effect to the Scheme. Further, provision made in an earlier year, against amounts receivable from Henkell by the Company, have been written back post transfer of respective liability from Henkell (Refer note 34). The effect of tax expense consequent to the aforesaid merger has been given during the year.

The assets and liabilities recognised as a result of the merger are as follows:

(₹ in lakhs)

Assets (as per book values in the financial statements of the transferor)	Amount
Property, plant and equipment	3.71
Income tax assets	0.43
Cash and cash equivalents	26.85
Other financial assets	1.30
Total Assets - A	**32.29**

Liabilities (as per book values in the financial statements of the transferor)	Amount
Borrowings	771.06
Other financial liabilities	331.20
Other current liabilities	0.22
Total liabilities - B	**1,102.48**
Net Assets: (C = A - B)	**(1,070.19)**
Purchase consideration paid (D)	10.49
Goodwill (D - C)	1,080.68
Less: Adjustment for liability towards borrowings, written back *	(771.06)
Goodwill (net)	**309.62**

* Represents loan waived off by the ertswhile shareholder, adjusted in the consolidated financial statements of the Company, on the date of acquiring control (29 March 2019).

55 **Leases**

Company as lessee

The Company's leased assets primarily consist of leases for land, building and machinery. Leases of land, building and machinery generally have lease term between 10 years to 95 years, 2 to 3 years and 2 to 3 years respectively. The leases includes non-cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, as a result of which comparative information are not required to be re-stated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities and accordingly recognised right-of-use assets (after adjusting prepaid and outstanding lease rent) by adjusting retained earnings by ₹ **48.83** lakhs (net of tax), as at the aforesaid date.

The following is the summary of practical expedients elected on initial application as at 1st April 2019 :

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;

(b) Company has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term;

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ in lakhs)

Particulars	Land	Building	Machinery	Total
Reclassified on account of adoption of Ind AS 116 'Leases'	11,885.30	-	-	11,885.30
Transition impact on account of adoption of Ind AS 116 'Leases'	18.56	44.06	1,952.58	2,015.20
As at 1 April 2019	**11,903.86**	**44.06**	**1,952.58**	**13,900.50**
Additions	-	1.21	-	1.21
Termination	-	-	-	-
Depreciation expenses	89.44	27.33	311.07	427.84
As at March 31, 2020	**11,814.42**	**17.94**	**1,641.51**	**13,473.87**

ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ in lakhs)

Particulars	Land	Building	Machinery	Total
As at 1 April 2019	**26.75**	**44.85**	**1,825.11**	**1,896.71**
Additions	-	1.21	-	1.21
Termination	-	-	-	-
Accretion of interest	2.98	3.64	190.35	196.97
Payments	3.40	29.86	180.15	213.41
As at 31 March 2020	**26.33**	**19.84**	**1,835.31**	**1,881.48**
Current				625.33
Non-current				1,256.15

The difference between the lease obligation disclosed as of March 31 2019 under Ind AS 17 and the value of the lease liabilities as of April 1 2019 is primarily on account of practical expedients exercised for short term leases at the time of adoption of the standard, in measuring the lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

(₹ in lakhs)

Particulars	Total
Operating lease commitments disclosed as at 31 March 2019*	**3,096.07**
(Less): Impact of discounting on opening lease liability	1,077.93
(Less): Short-term leases not recognized as a liability	121.43
Total lease liabilities as at 1 April 2019	**1,896.71**

*Operating lease commitments disclosed as at 31 March 2019 of ₹ 4,504.55 lakhs included lease commitments payable for cancellable period as well, however the same has been excluded.

"When measuring lease liability, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019.

The weighted average rate applied is 11.30 %.

iii) The following are the amounts recognised in the statement of profit and loss:

(₹ in lakhs)

Particulars	F.Y. 2019-20
Depreciation expense of right-of-use assets	427.84
Interest expense on lease liabilities	196.97
Expense relating to short-term and cancellable leases (included in other expenses)	1,042.82
Total amount recognised in the statement of profit and loss	1,667.63

iv) The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

(₹ in lakhs)

Particulars	within 1 year	2-5 years	5-10 years	10 years and above	Total
31 March 2020					
Lease payments	796.76	1,074.53	1,011.20	27.18	2,909.67
Finance charge	171.43	518.90	179.23	9.19	878.75

56 Exceptional items include ₹ Nil (31 March 2019 - ₹ 1,768.13 lakhs) paid for legal charges, professional fees and travelling expenses incurred on account of capital raising activity carried out during the previous year .

57 During the previous year ended 31 March 2019, the Company had received a sum of ₹ 7,500 lakhs towards proposed allotment of preference shares of the Company. Considering Management's decision to delay the further issue of share capital towards the end of May 2019, the amount received was disclosed as "Current Liabilities". The amount was repaid subsequent to the previous year end, within the prescribed time. During June 2019, the Company has again received ₹ 7,500 lakhs towards allotment of share capital against which, the Company has allotted 0.01% non-cumulative, convertible preference shares of ₹10 each on 4 July 2019, for the entire sum received (Refer note 21(h).

58 In March 2020, the World Health Organisation declared Covid-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24 March 2020, which has impacted normal business operations of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and deferred tax assets. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's standalone financial statements, which may differ from that considered as at the date of approval of these standalone financials statements. The Company has

resumed its business activities, in line with guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. However, the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future.

59 Disposal of interest in Joint Venture

On 10 July 2019, the Company sold 147 equity shares of Allied Blenders and Distillers International General Trading LLC for ₹1.35 lakhs. The difference between the selling amount and carrying value of investment is recognised as profit on sale of investment in the statement of profit and loss.

60 The Company has evaluated all subsequent events upto 1 December 2020, the date on which these financial statements are authorized for issuance. No adjusting or significant non-adjusting events occurred between 31 March 2020 and the date of authorizattion of these financial statements that would have a material impact on these financial statements or that would warrant disclosures in addition to those made herein.

61 Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840

Place : Mumbai
Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary
Place : Mumbai
Date: 1 December 2020

To the Members of Allied Blenders and Distillers Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Allied Blenders and Distillers Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Appendix 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Recoverability of dues receivable from a customer

4. We draw attention to the matter stated in Note 48 (o) to the accompanying consolidated financial statements which indicates that the Holding Company is in the process of recovering dues receivable from a customer – Canteen Stores Department, amounting to ₹ 3,402.95 lakhs as at 31 March 2020, which have been withheld by the customer pursuant to a debit memorandum amounting to ₹ 3,661.44 lakhs raised on the Holding Company on account of differential trade rates for sales made to the customer during the period from 1 March 2012 to 31 October 2017, which is being contested by the Holding Company. Our opinion is not modified in respect of this matter.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the companies or to cease operations, or has no realistic alternative but to do so.

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern; and

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with management 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.

Other Matter

11. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 2,777.79 lakhs and net assets of ₹ (1,080.18) lakhs as at 31 March 2020, total revenues of ₹ 82 lakhs and net cash inflows amounting to ₹ 5.89 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

12. Based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to the Holding Company and its subsidiary companies covered under the Act, since none of such companies is a public company as defined under Section 2(71) of the Act. Accordingly, reporting under Section 197(16) is not applicable.

13. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) the matter described in paragraph 4 of the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Holding Company;

    f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    g) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and

    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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries:

    i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,

    ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

    iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2020

    iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: **20108840AAAAFV2265**

Place: Mumbai
Date: 1 December 2020

Appendix 1

List of entities included in the Statement

Allied Blenders and Distillers Private Limited (Holding Company)
Subsidiaries:-
NV Distilleries & Breweries (AP) Private limited
Deccan Star Distillers Private Limited
Sarthak Blenders and Bottlers Private Limited
Chitwan Blenders and Bottlers Private Limited

Annexure I to the Independent Auditor's Report of even date to the members of Allied Blenders and Distillers Private Limited on the consolidated financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Allied Blenders and Distillers Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is the Company covered under the Act, as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Board of Directors of the Holding Company which is the Company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding 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. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to financial statements include 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 with Reference to Consolidated Financial Statements

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

Opinion

8. In our opinion, the Holding Company, which is the company covered under the Act, has in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company, which is the company covered under the Act, as aforesaid, 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 Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: **20108840AAAAFV2265**

Place: Mumbai
Date: 1 December 2020

(₹ in lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
I Non-current assets			
Property, plant and equipment	5	43,553.13	59,507.66
Capital work-in-progress	5A	4,771.73	3,349.66
Right of use assets	6	13,473.87	-
Goodwill	7	385.24	385.24
Other intangible assets	7	6,139.79	6,323.20
Intangibles under development	7A	-	4.54
Investments in joint ventures	8A	-	-
Financial assets			
(i) Investments	8B	0.36	0.36
(ii) Loans	9	816.31	1,222.33
(iii) Other financial assets	10	2,353.36	2,059.31
Deferred tax assets (net)	11	2,273.40	1,048.63
Income tax (current tax) assets (net)	12	861.31	752.18
Other non-current assets	13	12,521.96	12,495.61
Total non-current assets		**87,150.46**	**87,148.72**
II Current assets			
Inventories	14	36,964.11	41,654.62
Financial assets			
(i) Trade receivables	15	93,474.54	1,13,948.20
(ii) Cash and cash equivalents	16	7,228.23	1,894.24
(iii) Other bank balances	17	3,757.78	2,468.30
(iv) Loans	18	542.03	709.24
(v) Other financial assets	19	3,281.16	1,627.17
Other current assets	**20**	**7,638.14**	**11,912.68**
Total current assets		**1,52,885.99**	**1,74,214.45**
TOTAL ASSETS		**2,40,036.45**	**2,61,363.17**
EQUITY AND LIABILITIES			
III Equity			
Equity share capital	21	4,711.33	4,711.33
Equity component of non-cumulative convertible preference shares	21	681.82	-
Other equity	22	32,568.44	24,518.71
Total equity		**37,961.59**	**29,230.04**
Liabilities			
IV Non-current liabilities			
Financial liabilities			
(i) Borrowings	23	24,810.69	26,849.21
(ii) Lease liabilities	24	1,256.15	-
Provisions	25	1,160.80	1,136.45
Total non-current liabilities		**27,227.64**	**27,985.66**
V Current liabilities			
Financial liabilities			
(i) Borrowings	26	71,196.93	96,228.24
(ii) Lease liabilities	27	625.33	-
(iii) Trade payables	28	-	
Dues of micro and small enterprises		16,745.33	-
Dues of creditors other than micro and small enterprises		26,960.08	39,525.95
(iv) Other financial liabilities	29	37,574.89	40,336.40
(v) Share application money	58	-	7,500.00
Other current liabilities	30	20,217.76	18,779.25
Provisions	31	1,450.61	1,419.73
Current tax liabilities (net)	32	76.29	357.90
Total current liabilities		**1,74,847.22**	**2,04,147.47**
TOTAL LIABILITIES		**2,02,074.86**	**2,32,133.13**
TOTAL EQUITY AND LIABILITIES		**2,40,036.45**	**2,61,363.17**

Summary of significant accounting policies and other explanatory information 2
The accompanying notes form an integral part of the standalone financial statements.
This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840
Place : Mumbai

Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	33	8,11,470.46	8,93,459.62
Other income	34	2,271.84	1,226.01
Total Income		**8,13,742.30**	**8,94,685.63**
Expenses			
Cost of materials consumed	35	1,84,512.04	1,83,658.42
Purchases of stock-in-trade	36	518.14	512.67
Changes in inventories of finished goods, work-in-progress and stock in trade	37	1,756.43	(3,252.45)
Excise duty		5,12,311.50	5,86,745.56
Employee benefit expense	38	17,856.47	17,645.22
Other expenses	41	71,783.29	77,919.15
Total expenses		**7,88,737.87**	**8,63,228.57**
Profit before depreciation, finance costs, share in profit of investment accounted for using equity method, exceptional items and tax		**25,004.43**	**31,457.06**
Finance costs	39	18,020.73	18,629.14
Depreciation and amortisation expenses	40	6,942.31	7,589.10
Profit before share in profit of investment accounted for using equity method, exceptional items and tax		**41.39**	**5,238.82**
Share in net profit of associate/joint ventures accounted for using equity method net of tax		**-**	**13.35**
Profit before exceptional items and tax		**41.39**	**5,252.17**
Exceptional item	57	-	1,768.13
Profit before tax		**41.39**	**3,484.04**
Tax expense/(credit), net			
(i) Current tax	42	-	861.37
(ii) Deferred tax expense	42	(1,198.99)	1,006.95
(iii) Tax adjustments in respect of earlier years	42	(39.17)	51.90
		(1,238.16)	**1,920.22**
Profit after tax		**1,279.55**	**1,563.82**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans - gain	41A	1.27	33.16
Income tax relating to these items		(0.44)	(11.59)
Other comprehensive income for the year, net of tax		**0.83**	**21.57**
Total comprehensive income for the year		**1,280.38**	**1,585.39**
Earnings per equity share:	**50**		
Basic (in ₹)		0.54	0.66
Diluted (in ₹)		0.53	0.66
Face value per share (in ₹)		2.00	2.00

Summary of significant accounting policies and other explanatory information 2

The accompanying notes form an integral part of the standalone financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840
Place : Mumbai

Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**41.39**	**3,484.04**
Adjustments for :			
Depreciation/amortisation		6,942.31	7,589.10
Provision for doubtful debts		88.86	441.12
Bad debts and advances written-off		411.33	-
Provision for doubtful advances		375.00	375.09
Unrealised foreign loss		75.49	254.47
Provision for inventory		207.43	70.68
Finance costs		18,020.73	18,629.14
Legal and professional fees (capital raising) (exceptional item)		-	1,768.13
Impairment of investments/ assets		-	20.00
(Profit)/loss on sale of property, plant and equipment (net)		56.65	(25.18)
Provision against receivables, written back on account of acquisition (net)			(16.28)
Profit on sale of investment		(1.35)	(146.53)
Fair value changes of investments measured at fair value through profit and loss	-	(1.61)	
Liabilities no longer required written back		(1,625.21)	(628.93)
Share in profit of associates and joint venture		-	(13.35)
Provision for earlier year written back		(101.12)	-
Interest income from investing activities		(238.67)	(215.57)
Operating profit before working capital changes		**24,252.84**	**31,584.32**
Adjustments for working capital:			
(Increase)/Decrease in inventories		4,483.08	(11,427.52)
(Increase)/Decrease in trade receivable		20,092.88	(21,638.56)
Decrease/(Increase) in long term and current assets		2,382.20	1,270.86
Increase/(Decrease) in liabilities and provisions		8,593.95	19,697.29
Cash generated from operating activities		**59,804.95**	**19,486.39**
Direct taxes paid (net)		(352.00)	(615.21)
Net cash generated from operating activities	(A)	**59,452.95**	**18,871.18**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale of investments		1.35	29.54
Purchase of property, plant and equipment		(4,683.63)	(15,830.41)
Sale of property, plant and equipment		58.43	107.86
Investment in bank fixed deposits (net)		(1,289.48)	(573.79)
Interest received		238.67	199.33
Net cash used in investing activities	(B)	**(5,674.66)**	**(16,067.47)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowing		11,328.12	15,364.74
Repayment of long term borrowing		(16,947.05)	(27,085.86)
(Repayment of)/Proceeds from short term borrowings (net)		(25,031.31)	21,859.89
Finance costs paid		(17,580.65)	(18,024.04)
Legal and Professional fees(capital raising)(exceptional item)		-	(1,768.13)
Repayment of lease obligations		(213.41)	-
Share application money received (Refer note 58)		-	7,500.00
Net cash used in financing activities	(C)	**(48,444.30)**	**(2,153.40)**
Net increase in cash and cash equivalents	(A+B+C)	5,333.99	650.31
Opening balance of cash and cash equivalents		1,894.24	1,217.08
Adjustment of control over entities	56	-	26.85
Closing balance of cash and cash equivalents		7,228.23	1,894.24
Components of cash and cash equivalents:			
Cash on hand		158.08	19.84
Balances with banks in current accounts:		7,034.61	1,874.40
In fixed deposits (original maturity period less than 3 months)		35.54	-
Cash and cash equivalents	16	**7,228.23**	**1,894.24**

Note:
The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Summary of significant accounting policies and other explanatory information 2

The accompanying notes form an integral part of the standalone financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840
Place : Mumbai

Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020

a) Equity share capital

Particulars	Number of shares	(₹ in lakhs)
Issued, subscribed and paid-up:		
As at 1 April 2018	4,71,13,333	4,711.33
Sub-division of one share of face value ₹10 each into 5 shares of face value ₹2 each (Refer note 21)	23,55,66,665	-
As at 31 March 2019	23,55,66,665	4,711.33
Issue of shares	-	-
As at 31 March 2020	23,55,66,665	4,711.33

b) Other equity
(Refer note 22)

(₹ in lakhs)

Particulars	Reserve and Surplus: Capital reserve	Securities premium	General reserve	Balance surplus in the statement of profit and loss (Retained Earnings)	Total
Balance as at 1 April *2018	**0.80**	**11,027.80**	**5,504.76**	**6,399.96**	**22,933.32**
Profit for the year	-	-	-	1,563.82	1,563.82
Other comprehensive income for the year	-	-	-	21.57	21.57
Balance as at 31 March 2019	**0.80**	**11,027.80**	**5,504.76**	**7,985.35**	**24,518.71**
Transitional adjustment of Ind AS-116 (Refer note 56)				(48.83)	(48.83)
Profit for the year	-	-	-	1,279.55	1,279.55
Other comprehensive income for the year	-	-	-	0.83	0.83
Issue of shares at premium	-	6,818.18	-	-	6,818.18
Balance as at 31 March 2020	**0.80**	**17,845.98**	**5,504.76**	**9,216.90**	**32,568.44**

* Refer note 7 "Intangible assets".

Summary of significant accounting policies and other explanatory information (Refer note 2)
The accompanying notes form an integral part of the consolidated financial statements
This is the consolidated statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840

Place : Mumbai
Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary
Place : Mumbai
Date: 1 December 2020

Summary of significant accounting policies and other explanatory information

1. **Group information**

Allied Blenders and Distillers Private Limited ("the Company" or "Parent Company") and its subsidiaries (collectively referred to as the 'Group'), its associates and joint ventures are engaged in the business of manufacture, purchase and sale of Alcoholic Beverages/liquids. The Parent Company is a private limited Company domiciled and headquartered in Mumbai, Maharashtra, India. It is incorporated under the Companies Act, 1956.

The Consolidated financial statements ('the financial statements') of the Company for the year ended 31 March 2020 were authorised for issue in accordance with the resolution of Board of Directors on 1 December 2020.

2. **Significant accounting policies**

a. **Basis of Preparation**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, except for amendments applicable from a specified date.

The consolidated financial statements have been prepared on an accrual basis and on a historical cost convention, except for the certain financial assets and liabilities that are measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (which is a period not exceeding twelve months) and other criteria set out in Schedule III to Companies Act, 2013.

b. **Principles of consolidation and equity accounting**

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line, adding together like items of assets, liabilities, income and expenses. Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Company. Non-controlling interests, if any in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively

Associates and Joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint

venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has Notes to the Consolidated financial statements for the year ended 31 March 2020

incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

There is no entity at present, which is an associate of the Company / Group.

Business combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non- controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, over the net of the consideration date amounts of the identifiable assets acquired and the liabilities assumed.

c. **Foreign Currency Transactions**

The functional currency of the Company and its subsidiaries is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on their settlement and restatement are recognized in the Statement of Profit and Loss.
Non-monetary assets and liabilities that are recorded in terms of historical cost are not retranslated.

d. **Revenue Recognition**

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the Group in exchange for those products or services.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
ii. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
iii. The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where None of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products are recognised by the Group at a point in time on which the performance obligation is satisfied.

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

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

The Group has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell on behalf of the Group. Under such arrangements, the Group 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 Group. The Group also presents inventory lying with TMU's under such arrangements as its own inventory.

The net receivables from/payable to TMUs are recognised under other financial assets/other financial liabilities as due from tie up units or due to tie up units respectively.

Interest
Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

e. **Income tax**

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted in relation to the reporting period.

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

f. **Leases**

As a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. **Right of use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note g for impairment of non-financial assets.

ii. **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce Property plant and equipment) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liability

iii. **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv. Transition to Ind AS 116

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective method. The Group has opted to apply the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated. The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities and accordingly recognised right-of-use assets (after adjusting prepaid and outstanding lease rent) by adjusting retained earnings by ₹ 48.83 lakhs (net of tax), as at the aforesaid date. The Group has elected not to apply the requirements of Ind AS 116 to short-term leases.

In the profit or loss for the current period, operating lease expenses which were recognized as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.
The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application or low value leases;
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

g. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date to confirm if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.
After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i. Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

j. Inventories

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realisable value. Damaged, non-moving / obsolete stocks are suitably written down/provided for.

In determining cost of raw materials, packing materials, work-in-progress and finished goods, weighted average cost method is used. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes and all other costs incurred in bringing the inventory to their present location and condition.

Cost of work-in-progress and finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

k. Investments and financial assets

Classification
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Measurement of equity instruments
The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit and loss are recognised in other gain/ (losses) in the statement of profit and loss.

Impairment of financial assets
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

De-recognition of financial assets
A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

l. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

m. Property plant and equipment (including Capital Work-in-Progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is attributable to the acquisition/ construction and all other costs (including borrowing related to qualifying assets), that are not refundable and are necessary to bring the asset to its working condition of use as intended.
Notes to the Consolidated financial statements for the year ended 31 March 2020

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation / Amortisation:
Depreciation is charged on written down value method as prescribed in Schedule II to the Companies Act, 2013 keeping a residual value of assets at 5% of the original cost, except in case of computers and data processing units where residual value is estimated at 1% of the original cost. Depreciation is calculated pro-rata from the date of addition/ disposal, as the case may be.

Capital costs in respect of upgradation of leased premises has been amortized over the initial lease period or its useful lives whichever is lower.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

n. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is attributable to the acquisition/ development of the intangible assets including cost necessary to bring the asset to its intended use or sale.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Software and related implementation costs are capitalized where it is expected to provide enduring economic benefits and are amortized over a period of 5 years starting from the month of addition.

Manufacturing License acquisition cost are carried at deemed cost and is tested for impairment annually.

Patent, trademarks and design, and license other than manufacturing license acquisition cost are amortised over a period of 10 years from the month of acquisition

Goodwill arising on business combination is carried at deemed cost and is tested for impairment annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

o. Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of profit and loss over the period of the borrowings using the effective interest method. Subsequently all borrowings are measured at amortised cost using the effective interest rate method.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

p. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in statement of Profit and Loss in the period in which they are incurred.

q. Provisions, Contingent Liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation where outflow of resources is not probable or where outflow is probable but reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements. However, they are disclosed only when an inflow of economic benefits is probable.

r. Employee Benefits

A) Short term employee benefits: All employee benefits which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

B) **Post-employment benefits**

i. **Defined Contribution Plans:** Group's contribution to the state governed provident fund scheme, superannuation scheme, Employees State Insurance corporation (ESIC) etc. are recognised during the year in which the related service is rendered.

ii. **Gratuity:** The Group has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

iii. **Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

C) Termination Benefits: These are recognised as an expense in the Statement of Profit and Loss of the year in which they are incurred.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split (sub-division) and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

t. Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

3. Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires estimates and assumptions to be made by the Management of the Group that affect the reported amounts of assets and liabilities and amounts disclosed as contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

The Management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Examples of such estimates include the useful life of property, plant and equipment, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, impairment of investments/assets, etc.

i) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013 or otherwise are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

ii) Income Tax:

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

iii) Contingencies:

Management has estimated the possible outflow of resources, if any at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication that an individual asset / group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal / external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

vi) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in the notes to the financial statements.

vii) Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

4. Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) has on 24 July 2020 amended the Companies (Indian Accounting Standards) Rules, 2015. The key amendments have been made in the following:

i. Ind AS - 103 Business combinations

The amendment relates to change in definition of 'business'. The entity shall apply the same to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1st April 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Group does not expect any impact of the amendment on its financial statements.

ii. Ind AS 107 – Financial Instruments: Disclosures

The amendment pertains to hedging relationships to which an entity applies due to which an entity has to disclose the below –

(i) the significant interest rate benchmarks to which the entity's hedging relationships are exposed;
(ii) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;
(iii) how the entity is managing the process to transition to alternative benchmark rates;
(iv) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
(v) the nominal amount of the hedging instruments in those hedging relationships.

The Group does not expect any material impact from this amendment.

iii. Ind AS 109 – Financial Instruments

The amendments relate to temporary exceptions from applying specific hedge accounting requirements, the same are applicable from annual periods beginning on or after the 01 April 2020.

The Group does not expect any impact from this amendment.

iv. Ind AS 116 - Leases

The amendments pertain to concessions in rent due to COVID-19 pandemic and only if all the conditions below are met

i. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
ii. Any reduction in lease payments affects only payments originally due on or before the 30th June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June 2021 and increased lease payments that extend beyond the 30th June 2021); and
iii. There is no substantive change to other terms and conditions of the lease

The Group does not expect any impact from this amendment.

v. Ind AS 1 – Presentation of Financial Statements

The definition of the term 'material' has been changed. The same is effective for annual reporting periods from on or after 01 April 2020.

The Group does not expect any material impact from this amendment.

vi. Ind AS 10 – Events occurring after Reporting period

An entity shall disclose the following for each material category of non-adjusting event after the reporting period –
a) The nature of the event; and
b) An estimate of its financial effect, or a statement that such an estimate cannot be made.
The same is effective 01 April 2020

The Group does not expect any material impact from this amendment.

5 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Factory road	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Office equipment	Computers	Server and network	Lab processing equipments	Moulds	Total
Gross carrying value														
As at 1 April 2018	**9,210.70**	**12,772.27**	**25,106.47**	**297.10**	**27,717.62**	**1,597.25**	**3,192.81**	**1,505.79**	**1,318.04**	**507.82**	**274.46**	**157.25**	**150.30**	**83,807.88**
Additions	48.82	-	1,032.73	-	1,818.74	79.82	778.50	73.74	205.11	27.33	11.19	8.74	10.86	4,095.58
Adjustments*	-	-	-	-	230.73	20.85	(20.85)	(230.73)	-	-	-	-	-	-
Deductions	-	-	20.09	-	119.73	1.16	292.34	-	9.76	19.21	-	0.12	-	462.41
Assets acquired under business combination	-	-	-	-	14.31	-	-	-	-	-	-	-	-	14.31
As at 31 March 2019	**9,259.52**	**12,772.27**	**26,119.11**	**297.10**	**29,661.67**	**1,696.76**	**3,658.12**	**1,348.80**	**1,513.39**	**515.94**	**285.65**	**165.87**	**161.16**	**87,455.36**
Additions	448.11	-	6.19	-	1,536.43	21.18	136.72	38.21	93.00	26.31	-	17.00	-	2,323.15
Adjustments*	-	-	-	-	(576.35)	0.35	-	567.72	3.98	(2.79)	-	7.10	-	-
Reclassified on account of adoption of Ind AS 116 'Leases' (Refer note 56)	-	(12,772.27)	-	-	-	-	-	-	-	-	-	-	-	(12,772.27)
Deductions	-	-	10.61	-	249.56	271.40	35.25	14.85	181.38	99.64	2.76	9.05	138.14	1,012.64
As at 31 March 2020	**9,707.63**	**-**	**26,114.69**	**297.10**	**30,372.19**	**1,446.89**	**3,759.59**	**1,939.88**	**1,428.99**	**439.82**	**282.89**	**180.92**	**23.02**	**75,993.61**
Accumulated depreciation/amortisation														
As at 1 April 2018	**-**	**850.39**	**5,034.47**	**159.14**	**9,785.17**	**1,226.37**	**1,593.76**	**608.87**	**936.52**	**479.61**	**197.86**	**94.43**	**119.11**	**21,085.70**
Charge for the year	-	86.16	2,625.36	85.90	3,141.99	120.17	639.14	240.11	176.36	30.88	43.11	23.87	23.28	7,236.33
Adjustments*	-	-	-	-	119.17	13.50	(13.50)	(119.17)	-	-	-	-	-	0.00
Deductions	-	-	20.09	-	84.71	0.36	242.26	-	8.24	18.58	-	0.09	-	374.33
As at 31 March 2019	**-**	**936.55**	**7,639.74**	**245.04**	**12,961.62**	**1,359.68**	**1,977.14**	**729.81**	**1,104.64**	**491.91**	**240.97**	**118.21**	**142.39**	**27,947.70**
Charge for the year	-	-	2,288.03	49.75	2,635.37	111.74	537.17	451.83	182.29	26.04	23.58	16.85	4.24	6,326.89
Adjustments*	-	-	-	-	(282.06)	(0.06)	-	281.32	2.77	(2.73)	-	0.76	-	(0.00)
Reclassified on account of adoption of Ind AS 116 'Leases' (Refer note 56)	-	(936.55)	-	-	-	-	-	-	-	-	-	-	-	(936.55)
Deductions	-	-	4.05	-	182.99	250.23	34.30	13.36	172.77	98.05	2.66	7.87	131.28	897.56
As at 31 March 2020	**-**	**-**	**9,923.72**	**294.79**	**15,131.94**	**1,221.13**	**2,480.01**	**1,449.60**	**1,116.93**	**417.17**	**261.89**	**127.95**	**15.35**	**32,440.48**
Net carrying value														
Balance as at 31 March 2019	**9,259.52**	**11,835.72**	**18,479.37**	**52.06**	**16,700.05**	**337.08**	**1,680.98**	**618.99**	**408.75**	**24.03**	**44.68**	**47.66**	**18.77**	**59,507.66**
Balance as at 31 March 2020	**9,707.63**	**-**	**16,190.97**	**2.31**	**15,240.25**	**225.76**	**1,279.58**	**490.28**	**312.06**	**22.65**	**21.00**	**52.97**	**7.67**	**43,553.13**

* The Group has conducted physical verification of their tangible assets, based on physical verification report the Group has reclassified certain asset into different classes.

Refer note 23 and note 26 for assets pledged as security.

5A Capital work-in-progress (₹ in lakhs)

Particulars	Amount
Balance as at 31 March 2018	1,563.88
Additions	3,038.90
Capitalised during the year	(1,253.12)
Balance as at 31 March 2019	3,349.66
Additions	2,497.31
Capitalised during the year	(1,075.24)
Balance as at 31 March 2020	4,771.73

6 Right of use assets (₹ in lakhs)

Particulars	Right of use assets			Total
	Land	Building	Machinery	
Gross carrying value				
As at 1 April 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116 'Leases' (Refer note 56)*	11,885.30	-	-	11,885.30
Transition impact on account of adoption of Ind AS 116 'Leases' (Refer note 56)	18.56	44.06	1,952.58	2,015.20
Additions	-	1.21	-	1.21
Deductions	-	-	-	-
As at 31 March 2020	**11,903.86**	**45.27**	**1,952.58**	**13,901.71**
Accumulated depreciation/amortisation				
As at 1 April 2019	-	-	-	-
Charge for the year	89.44	27.33	311.07	427.84
Adjustments	-	-	-	-
Deductions	-	-	-	-
As at 31 March 2020	**89.44**	**27.33**	**311.07**	**427.84**
Net carrying value				
Balance as at 31 March 2020	**11,814.42**	**17.94**	**1,641.51**	**13,473.87**

* Amount of ₹ 11,835.73 lakhs has been re-classified from property, plant and equipment and amount of ₹ 49.57 lakhs has been reclassified from prepaid expenses

7 Intangible assets (₹ in lakhs)

Particulars	Software	License fees	Patent, trademark and design	Total	Goodwill
Gross carrying value					
Balance as at 1 April 2018	**1,718.53**	**6,283.17**	**-**	**8,001.70**	**574.06**
Adjustments#	-	(51.51)	51.51	-	-
Additions	17.54	-	-	17.54	-
Deductions	-	-	-	-	-
Merger of Henkell & Company India Private Limited (Refer note 55)	-	-	-	-	309.62
Balance as at 31 March 2019	**1,736.07**	**6,231.66**	**51.51**	**8,019.24**	**883.68**
Additions	4.17	-	-	4.17	-
Deductions	3.27	-	-	3.27	-
Balance as at 31 March 2020	**1,736.97**	**6,231.66**	**51.51**	**8,020.14**	**883.68**
Accumulated amortisation					
Balance as at 1 April 2018*	**1,044.23**	**288.43**	**-**	**1,332.66**	**188.82**
Adjustments#	-	(2.84)	2.84	-	-
Charge for the year*	326.41	30.88	6.09	363.38	-
Deductions	-	-	-	-	-
Impairment	-	-	-	-	309.62
Balance as at 31 March 2019	**1,370.64**	**316.47**	**8.93**	**1,696.04**	**498.44**
Charge for the year	150.06	32.23	5.29	187.58	-
Deductions	3.27	-	-	3.27	-
Balance as at 31 March 2020	**1,517.43**	**348.70**	**14.22**	**1,880.35**	**498.44**
Net carrying value					
Balance as at 31 March 2019	**365.43**	**5,915.19**	**42.58**	**6,323.20**	**385.24**
Balance as at 31 March 2020	**219.54**	**5,882.96**	**37.29**	**6,139.79**	**385.24**

* During the current year, the Group has reassessed the useful lives of licenses acquired by the Group for its manufacturing units. Based on management estimate and conditions stipulated in the license document issued by the statutory authorities, the useful life has been assessed to be indefinite for the said licenses. On account of revision in useful lives of licenses fees, amortisation expenses for the previous year (FY 19-2018) have reduced by ₹ 593.64 lakhs, tax expenses for the previous year (FY 19-2018) have increased by ₹ 207.42 lakhs, profits for the previous year are higher by ₹ 386.22 lakhs and equity of the Group as on 1 April 2018 is higher by ₹ 347.97 lakhs (net of taxes of ₹ 186.87 lakhs).

Based on internal evaluation, the management of the Group has reclassified Patent, trade marks and design as separate class of assets.

7A Intangibles under development

(₹ in lakhs)

Particulars	Amount
Balance as at 1 April 2018	-
Additions	4.54
Capitalised during the year	-
Balance as at 31 March 2019	**4.54**
Additions	
Deletion during the year	(4.54)
Balance as at 31 March 2020	**-**

8 Investments (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
A) Investment in joint ventures- measured at cost		
Joint ventures		
Allied Blenders and Distillers International General Trading LLC (Refer note 60)		
31 March 2020 - Nil (31 March 2019 - 147) shares of DHS 1,000 each fully paid-up, unquoted	-	24.67
Less : Provision for diminution in the value of investment	-	(24.67)
Total (A)	**-**	**-**
Aggregate amount of impairment in value of investments	**-**	**24.67**
B) Investment in others		
Investment in equity shares measured at fair value through profit and loss account		
Un-quoted, fully paid-up		
Sanguine New Media & Advisory Private Limited		
31 March 2020 - 2,941 (31 March 2019- 2,941) equity shares of ₹ 10 each fully paid-up	20.00	20.00
Less : Provision for diminution in the value of investment	(20.00)	(20.00)
Saraswat Co-Operative Bank Limited		
31 March 2020 - 2,500 (31 March 2019 - 2,500) equity shares of ₹ 10 each fully paid-up	0.25	0.25
Jankalyan Sahkari Bank Ltd. (#)		
31 March 2020 - 10 (31 March 2019 - 10) equity shares of ₹ 10 each fully paid-up	0.00	0.00
Sub-total (i)	**0.25**	**0.25**
Investment in government securities measured at amortized cost, un-quoted		
National savings certificates	0.11	0.11
Sub-total (ii)	**0.11**	**0.11**
Total (B) (i + ii)	**0.36**	**0.36**
Aggregate market value of quoted investments	**-**	**-**
Aggregate value of unquoted investments	**0.36**	**0.36**
Aggregate amount of impairment in value of investments	**20.00**	**20.00**

Amount less than ₹ 1 thousand.

9 Loans (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured considered good (unless otherwise stated)		
Security deposits	566.31	998.68
Loans and advances to others		
Considered good	-	0.01
Credit impaired	94.27	94.27
Less : Provision for expected credit loss	(94.27)	(94.27)
Loan to employees	250.00	223.64
Total	**816.31**	**1,222.33**
Break up of security details :		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	816.31	1,222.33
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	94.27	94.27

10 Other non-current financial assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Due from tie-up units	2,353.36	2,059.31
Total	**2,353.36**	**2,059.31**

11 Deferred tax assets (net) (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities arising on account of:		
Difference between book depreciation and depreciation as per Income Tax Act, 1961	622.17	894.33
Financial assets and financial liabilities at amortised cost	310.43	375.14
Others	65.16	62.60
Total deferred tax liabilities (A)	**997.76**	**1,332.07**
Deferred tax asset arising on account of :		
MAT credit entitlement	1,405.00	698.61
Employee benefits	955.37	917.21
Provision for expected credit loss	784.71	655.42
Difference in book values and tax base values of ROU assets and Lease liabilities	45.15	-
Others	80.93	109.46
Total deferred tax assets (B)	**3,271.16**	**2,380.70**
Deferred tax assets (net) (B-A)	**2,273.40**	**1,048.63**

12 Income tax (current tax) assets (net) (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax	861.31	752.18
[net of provision ₹ 5,389.79 lakhs (31 March 2019 ₹ 911.61 lakhs)]		
Total	**861.31**	**752.18**

13 Other non-current assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Capital advances		
- Related party (Refer note 46)	11,100.00	11,100.00
- Others	255.76	176.88
- Credit impaired	20.00	20.00
Less : Provision for doubtful advances	(20.00)	(20.00)
Prepayments-Non Current	159.05	48.27
Balance with statutory authorities	1,007.15	1,170.46
Total	**12,521.96**	**12,495.61**

14 Inventories (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	7,984.78	9,953.01
Packing materials	5,760.09	7,037.96
Finished goods	21,071.09	21,445.51
Stock in transit		
Raw materials	379.42	218.94
Provision for value of raw materials and packing materials	(1,314.23)	(1,106.80)
Sub-total	**33,881.15**	**37,548.62**
Work-in-progress	2,510.37	3,509.04
Stock-in-trade	32.47	22.32
Stores, spares and consumables	540.12	574.64
Total	**36,964.11**	**41,654.62**

Allowance for obsolete inventories for the year amounted to ₹ 207.43 lakhs (2019: ₹ 70.68 lakhs) has been recognised as an expense during the year and is included in cost of materials consumed in the statement of profit and loss.

15 Trade receivables (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Trade receivables		
- Related party (Refer note 46)*	8.93	8.01
- Others	93,489.70	1,13,964.28
- Credit impaired	1,553.57	1,464.71
Less: Provision for expected credit loss (including good debts)	(1,577.66)	(1,488.80)
Total	**93,474.54**	**1,13,948.20**

*Companies in which director is a director.

Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	93,498.63	1,13,972.29
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,553.57	1,464.71

16 Cash and cash equivalents (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	158.08	19.84
Balances with banks	-	
in current accounts	7,034.61	1,874.40
in fixed deposits (original maturity period less than 3 months)	35.54	-
Total	**7,228.23**	**1,894.24**

Note : There are no repatriation restrictions with respect to cash and bank balances held by the Company.

17 Other bank balances (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
In fixed deposits (original maturity period more than 3 months and but less than 12 months)*	1,484.66	1,435.04
In fixed deposits (original maturity period more than 12 months, but less than 12 months from reporting date)*	2,276.12	1,036.26
Less : Provision for doubtful deposits	(3.00)	(3.00)
	2,273.12	1,033.26
Total	**3,757.78**	**2,468.30**

* Fixed deposits shown above are kept under lien with various statutory authorities of ₹ 1,767.56 lakhs and short term borrowings availed from banks of ₹ 508.57 lakhs .

18 Loans (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless otherwise stated		
Security deposits	345.27	521.47
Loans and advances to associate :		
Considered good		
Surji Agro Foods Private Limited * (Refer note 46)	125.38	125.38
Loans and advances to employees	70.86	53.56
Others - loans	0.52	8.83
Total	**542.03**	**709.24**

*Companies in which director is a director.

Break up of security details :		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	542.03	709.24
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-

19 Other current financial assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Due from tie-up units	2,346.60	1,087.17
Receivable from related party (Refer note 46)	530.00	540.00
Others	404.56	-
Total	**3,281.16**	**1,627.17**

20 Other current assets (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Export entitlements receivables	611.82	1,281.48
Advance to suppliers	-	
- Related party (Refer note 46)	1,398.69	1,607.19
- Others	905.36	2,404.31
- Credit impaired	851.10	593.70
Less: Provision for doubtful advances	(851.10)	(593.70)
Balance with statutory authorities	1,963.31	2,240.94
Prepayments	2,530.86	4,310.22
Other current assets	-	
Considered good	228.10	68.54
Credit impaired	8.80	8.80
Less : Provision for expected credit loss	(8.80)	(8.80)
Total	**7,638.14**	**11,912.68**

21 Equity share capital (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised share capital		
Equity shares		
247,150,000 (31 March 2019 - 282,150,000) equity shares of ₹ 2 each	4,943.00	5,643.00
Non-cumulative convertible preference shares (NCCPS)		
7,000,000 (31 March 2019 - Nil) 0.01% Non-cumulative convertible preference shares (NCCPS) of ₹ 10 each	700.00	-
Issued, subscribed and fully paid-up		
Equity shares		
235,566,665 (31 March 2019 - 235,566,665) equity shares of ₹ 2 each	4,711.33	4,711.33
Non-cumulative convertible preference shares (NCCPS)		
6,818,180 (31 March 2019 - Nil) 0.01% Non-cumulative convertible preference shares (NCCPS) of ₹ 10 each	681.82	-
Total	**5,393.15**	**4,711.33**

(a) **Reconciliation of equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at 31 March 2020		As at 31 March 2019	
(i) Equity Shares	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Balance as at the beginning of the year	23,55,66,665	4,711.33	4,71,13,333	4,711.33
Add: Shares issued	-	-	-	-
	23,55,66,665	4,711.33	4,71,13,333	4,711.33
Sub-division of one share of face value ₹10 each into 5 shares of face value ₹ 2 each *	-	-	23,55,66,665	-
Balance outstanding at the end of the year	**23,55,66,665**	**4,711.33**	**23,55,66,665**	**4,711.33**

* With effect from 29 September 2018, the equity shares of the Company having the face value of ₹ 10 each have been subdivided into 5 equity shares of ₹ 2 each.

The earning per share in respect of current and previous year has been restated considering the aforesaid sub division of shares.

Particulars	As at 31 March 2020		As at 31 March 2019	
(ii) Non-cumulative convertible preference shares (NCCPS)	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Balance as at the beginning of the year	-	-	-	-
Add: Shares issued	68,18,180	681.82	-	-
Balance outstanding at the end of the year	**68,18,180**	**681.82**	**-**	**-**

(b) Shareholders holding more than 5% of the equity shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares (of ₹ 2 each)	% of holding	No. of shares (of ₹ 2 each)	% of holding
(i) Equity Shares				
Bina K Chhabria	11,62,75,400	49.36%	11,62,75,400	49.36%
Resham Chhabria	5,81,37,695	24.68%	5,81,37,695	24.68%
Neesha Chhabria	5,81,37,695	24.68%	5,81,37,695	24.68%
Total	**23,25,50,790**	**98.72%**	**23,25,50,790**	**98.72%**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares (of ₹10 each)	% of holding	No. of shares (of ₹10 each)	% of holding
(ii) Non-cumulative convertible preference shares (NCCPS)				
Ashoka Liquors Private Limited	68,18,180	100.00%	-	0.00%
Total	**68,18,180**	**100.00%**	**-**	**-**

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

(c) **Rights, preferences and restrictions attached to each class of shares:**

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of directors is subject to the approval of the stakeholders in ensuing Annual General Meeting, except in the case of interim dividend.

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

(d) The Company has issued 3,33,333 shares as fully paid-up for consideration other than cash during the period of five years immediately preceding the reporting date.

(e) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

(f) During the previous year, equity shares of the face value of ₹ 10 each were sub-divided into 5 shares of the face value ₹ 2 each.

(g) There are no bonus shares issued, or shares bought back during the period of five years immediately preceding the reporting date.

(h) **Terms of NCCPS of ₹ 10 each fully paid-up**

During the year ended 31 March 2020, the Company issued 6,818,180 NCCPS of ₹ 10 each fully paid-up at a premium of ₹ 100 per share. The preferential dividend shall be non-cumulative, and accordingly, if and to the extent that the profits available for distribution are not sufficient to pay the full amount (or any part thereof) of the preferential dividend due for payment in any financial year, then the investor(s) shall not have the right to receive the unpaid preferential dividend in the future financial years.

NCCPS shall be entitled to receive dividend (if any declared by the Company) or repayment of capital in priority to any payment of dividend or repayment of capital to the holders of any other class of shares.

Each NCCPS will be convertible into one fully paid-up equity shares of ₹ 2 each in the paid-up share capital of the Company solely at the option of the Board of Directors of Allied Blenders and Distillers Private Limited. The holders of NCCPS shall not have any right to opt for conversion at any time during the period of maturity.

If the NCCPS are not converted into equity shares, each NCCPS will be redeemed at such price and at the option of the Company after the expiry of 20 years from the date of allotment.

NCCPS shall be redeemed only out of the profits of the Company which would otherwise be available for dividends or out of proceeds of fresh issue of preference shares made for the purpose of redemption.

(i) Subsequent to balance sheet date, Board of Directors has proposed dividend on NCCPS amounting to ₹ 6,818

22 Other equity (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve	0.80	0.80
Securities premium	17,845.98	11,027.80
General reserve	5,504.76	5,504.76
Surplus in the statement of profit and loss (retained earnings)	9,216.90	7,985.35
Total	**32,568.44**	**24,518.71**

Nature and purpose of reserves

(i) Capital reserve

Capital reserve represents capital surplus. The reserve is not for any specific purpose but the utilisation will be in accordance with provisions of Companies Act 2013.

(ii) Securities premium

Securities premium represents the premium received on the issue of shares. The reserve is to be utilised in accordance with the provisions of Companies Act, 2013.

(iii) General reserve

General reserve is created by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

(iv) Surplus in the statement of profit and loss

Surplus in the statement of profit and loss pertain to the accumulated earnings made by the Group over the years.

Change in balance of capital reserve (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	0.80	0.80
Balance at the end of the year	**0.80**	**0.80**

Change in balance of securities premium (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	11,027.80	11,027.80
Issue of shares at premium	6,818.18	-
Balance at the end of the year	**17,845.98**	**11,027.80**

Change in balance of general reserve (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	5,504.76	5,504.76
Balance at the end of the year	**5,504.76**	**5,504.76**

Surplus in the statement of profit and loss (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year (profit and loss)	7,985.35	6,399.96
Add: Profit for the year	1,279.55	1,563.82
Transition impact on account of adoption of Ind AS 116 'Leases'	(75.05)	-
Tax impact on account of adoption of Ind AS 116 'Leases'	26.22	-
Actuarial gains / (loss) on defined benefit obligations (net of tax)	0.83	21.57
Balance at the end of the year	**9,216.90**	**7,985.35**

23 Borrowings (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Terms loans, Secured		
Vehicle loans from banks (Refer note (a))	215.45	390.22
Vehicle loans from financial institutions	-	181.08
Indian rupee term loans from banks (Refer note (b)(i))	12,522.64	17,872.60
Foreign currency term loans from banks (Refer note (b)(ii))	1,315.05	1,627.40
Indian rupee term loans from financial institutions (Refer note (b)(iii))	9,457.55	5,477.91
Unsecured	-	
Loans from related parties		-
Others corporate* (Refer note 46)	1,300.00	1,300.00
Total	**24,810.69**	**26,849.21**

a) Nature of securities and terms of repayment

The vehicle loans from banks and others are secured against specific vehicles. The loans are repayable in monthly instalments ranging from ₹ 0.62 lakhs to ₹ 9.55 lakhs (31 March 2019 - ₹ 0.62 lakhs to ₹9.55 lakhs), the last instalment being due in December 2023. The rate of interest on these loans varies between 8.01% to 9.17% p.a.

b) Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities :

(₹ in lakhs)

	Name of the Lender	Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2020	As at 31 March 2019
(i)	**Indian rupee term loans from banks**					
	Lakshmi Vilas Bank Limited	First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders.	1.45% above base rate. Effective rate of interest being 11.75% p.a. as on 31 March 2020 (31 March 2019 : 13.15% p.a.)	20 quarterly instalments, last instalment due in October 2022	4,290.00	5,850.00
	South Indian Bank Limited	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (ii) Second charge on entire current assets of the Company; and ; (iii) Corporate guarantee of M/s Tracstar Distillers Private Limited. (Refer note 46)	2.80% spread over and above 12 month MCLR -12.80% p.a. as on 31 March 2020 (31 March 2019 : 11.18% p.a.)	28 quarterly instalments, last instalment due in April 2024	3,523.81	4,415.47

Yes Bank Limited	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (ii) Second charge on entire current assets of the Company; and ; (iii) Corporate guarantee of M/s Tracstar Distillers Private Limited. (Refer note 46)	Effective rate of interest as on 31 March 2020 is 11.65% p.a.. (31 March 2019 : 11.65% to 12.45% p.a.)	16 quarterly instalments, last instalment due in July 2021	3,517.97	12,647.41
IndusInd Bank Limited	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; and ; (ii) Second charge on entire current assets of the Company.	1.00% spread over and above 1 year MCLR - 9.95% p.a. as on 31 March 2020.(31 March 2019 : 10.20% p.a.)	23/9/15 quarterly instalments, last instalment due in March 2023	6,622.20	3,535.59
(ii) Indian rupee term loans from financial institutions					
Aditya Birla Finance Limited (ABFL)	(i) Exclusive charge at commercial property located at Ashford Centre, Floor No. 1,2,3,4,7 ; and ; (ii) Exclusive charge at Industrial Property spread across land area of 6.73 acres owned by Ashoka Liquors Private Limited. (Refer note 46)	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 17.85%. Spread at present is - 6.15% to -6.60%. Effective rate of interest as on 31 March 2020 is 11.25 -11.70 %. p.a. (31 March 2019 : 11.25% p.a.)	85/121 quarterly instalments, last instalment due in May 2029	10,278.74	6,397.09
(iii) Foreign currency term loans from banks					
Axis Bank Limited (Foreign Currency)	(i) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (ii) Second charge on entire current assets of the Company ; and ; (iii) Personal guarantee of Mr. Kishore Chhabria (Refer note 46)	LIBOR plus 3.75% - 6.67% p.a. as on 31 March 2020. (31 March 2019 : LIBOR plus 3.75% p.a.)	28 quarterly instalments, last instalment due in September 2023	1,830.57	2,257.75

*Unsecured loan from related party is chargeable at a fixed rate of interest at 15%. p.a and repayable during financial year 2022-23.

(c) Reconciliation of liabilities arising from financing activities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	**7,228.23**	**1,894.24**
Lease liabilities	**1,881.48**	**-**
Non-current borrowings (including current maturities)	**31,578.73**	**36,781.44**
Current borrowings	**71,196.93**	**96,228.24**

(₹ in lakhs)

Particulars	Cash and cash equivalents	Lease liabilities	Non-current borrowings (including current maturities)	Current borrowings	Others#	Total
Balance as at 1 April 2018	**1,217.08**	**-**	**47,897.27**	**74,368.35**	**-**	**1,21,048.54**
Cash flows (net)	650.31	-	-	-	-	(650.31)
On account of merger of Henkell	26.85	-	-	-	-	(26.85)
Unrealised loss			506.17	-	-	506.17
Proceeds/repayment of borrowings (net)	-	-	(11,903.73)	21,536.52	-	9,632.79
Finance costs	-	-	5,060.91	12,198.97	1,369.26	18,629.14
Finance costs paid	-	-	(4,779.18)	(11,875.60)	(1,369.26)	(18,024.04)
Balance as at 31 March 2019	**1,894.24**	**-**	**36,781.44**	**96,228.24**	**-**	**1,31,115.44**
Transition impact on account of adoption of Ind AS 116 'Leases'	-	1,896.71	-	-	-	1,896.71
Cash flows (net)	5,333.99	-	-	-	-	(5,333.99)
Unrealised loss	-	-	173.11	-	-	173.11
Proceeds/repayment of borrowings (net)	-	-	(5,618.93)	(25,031.31)	-	(30,650.24)
Addition of lease liabilities	-	1.21	-	-	-	1.21
Repayment of lease liabilities	-	(213.41)	-	-	-	(213.41)
Finance costs	-	196.97	4,593.90	11,417.22	1,812.64	18,020.73
Finance costs paid	-		(4,350.79)	(11,417.22)	(1,812.64)	(17,580.65)
Balance as at 31 March 2020	**7,228.23**	**1,881.48**	**31,578.73**	**71,196.93**	**-**	**97,428.91**

represents liabilities other than borrowings / leases for which the Group has incurred finance costs.

24 Lease liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease obligation (Refer note 56)	1,881.48	-
Less: Current maturities of lease obligation	(625.33)	-
Total	**1,256.15**	**-**

25 Provisions (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity (Refer note 47)	819.85	784.53
Superannuation	340.95	351.92
Total	**1,160.80**	**1,136.45**

26 Current borrowings (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Cash credit/working capital demand loan from banks (repayable on demand)	35,275.10	45,142.15
(Refer note (i) below)		
Bill discounting (repayable on demand) (Refer note (ii))	33,704.41	46,236.08
Unsecured		
From other corporates	379.90	433.34
From banks	-	1,366.67
From related party (Director) (repayable on demand)^ (Refer note 46)	1,200.00	1,300.00
From related party^^ (Refer note 46)	637.52	1,750.00
Total	**71,196.93**	**96,228.24**

Details of repayment, rate of interest and security for loans : (₹ in lakhs)

Name of the Bank	Nature of securities	As at 31 March 2020	As at 31 March 2019
(i) Cash credit/working capital demand loan from banks (repayable on demand)			
Axis Bank Limited	Primary - First pari passu hypothecation charge on entire current assets. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited;	1,984.51	6,468.62
Axis Bank Limited	(ii) Second pari passu charge on all movable and immovable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders; Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46)."	4,200.00	-
State Bank Of India	Primary - First pari passu hypothecation charge on entire current assets. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on fixed assets or mortgaged properties of the Company present and future except land/ building / vehicle which are exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46)."	9,061.58	9,487.04
Yes Bank Limited	Second pari passu charge over all movable fixed assets of the Company except assets which are exclusively charged to term loan lenders.	5,029.16	5,099.96
South Indian Bank Limited	Primary - First pari passu hypothecation charge on entire current assets. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all immovable fixed asset of the Company excluding exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46)."	4,522.31	4,525.70
Rabo Bank	(i) First pari passu charge by way of hypothecation of all present and future current assets; (ii) Second pari passu charge on all immovable fixed assets present and future of the Company ; and ; (iii) Pari passu security from existing chargeholders of all current assets and all immovable properties."	5,985.80	11,127.68
Saraswat Co-operative Bank Ltd.	Primary - First pari passu charge on entire current assets of the Company. Collateral - (i) Second hypothecation charge on pari passu basis on all movable and immovable assets of the Company (except vehicle, freehold land of Ambala and office premises); (ii) Second Pari passu charge on factory land and building of M/s Tracstar Distilleries Private Limited. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	3,983.17	3,963.35
Punjab National Bank	Secured against fixed deposit.	508.57	-
(ii) Bill discounting (repayable on demand)			
IDFC First Bank	Primary - Exclusive charge over Telangana State Beverage Corporation Ltd. (TSBCL) cash flows. Collateral - Second pari passu charge on immovable assets of the Company. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	17,606.03	29,959.99
IndusInd Bank Limited	(i) First pari passu hypothecation charge on entire current assets. (ii) Second pari passu charge on all fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders. (iii) Updated cheque for the entire facility amount."	6,467.90	6,459.65
Yes Bank Limited	(i) First pari passu hypothecation charge on entire current assets. (ii) Second pari passu charge on all movable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders. (iii) Extension of second pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets of the company located at plot no. 5,6,7 and 7A, MIDC, Industrial Area, Aurangabad. (iv) Extension of first pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets belonging to M/s Tracstar Distillers Private Limited. (v) Corporate guarantee of M/s Tracstar Distillers Private Limited (Refer note 46).	9,630.48	9,816.44

27 Current lease liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease obligation (Refer note 56)	625.33	-
Total	**625.33**	**-**

28 Trade payables (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
Dues of micro and small enterprises	16,745.33	-
Dues of creditors other than micro and small enterprises	26,960.08	39,525.95
Total	**43,705.41**	**39,525.95**

Note - The dues to micro and small enterprises as required under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED) to the extent information available with the Group is given below :

(₹ in lakhs)

	Particulars	As at 31 March 2020	As at 31 March 2019
(a)	Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 :		
	Principal amount due to micro and small enterprises	16,745.33	-
	Interest due on above		
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED, 2006, along with the amounts 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED, 2006. [Refer note 48(t)]	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	-	-

29 Other current financial liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debts	6,768.04	9,932.23
Current maturities of vehicle loans from banks	447.51	505.98
Employees related liabilities	1,333.60	1,749.10
Due to tie-up units	8,473.71	11,279.90
Trade deposits	7,033.78	3,064.44
Other payables for expenses	12,872.06	12,298.66
Payable towards capital expenses	646.19	1,506.09
Total	**37,574.89**	**40,336.40**

30 Other current liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	17,763.45	16,857.63
Advances from customers	2,454.31	1,921.62
Total	**20,217.76**	**18,779.25**

31 Current Provisions (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity (Refer note 47)	303.03	222.67
Compensated absences	1,101.90	1,175.84
Superannuation	45.68	21.22
Total	**1,450.61**	**1,419.73**

32 Current tax liabilities (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for tax	76.29	357.90
[net of advance tax of ₹ 835.32 lakhs (31 March 2019: ₹503.47 lakhs)]		
Total	**76.29**	**357.90**

33 Revenue from operations (₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from contracts with customer		
Sale of goods		
Indian made foreign liquor (IMFL)	7,99,621.90	8,84,162.88
Extra neutral spirit (ENA)	4,552.24	2,626.60
By-products	5,628.16	4,529.45
Revenue from contracts with customer	**8,09,802.30**	**8,91,318.93**
Other operating revenue		
Royalty	98.57	82.10
Export entitlements	511.20	919.05
Scrap and other sales	1,058.39	1,139.54
Total	**8,11,470.46**	**8,93,459.62**

34 Other income (₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Interest income on financial assets measured at amortised cost:		
Interest on deposits with bank	209.54	129.05
Interest on loans to related party (Refer note 46)	21.33	71.06
Interest on deposits and advances	7.80	15.46
Interest on refund of income tax	84.32	0.34
Profit on sale of investment	1.35	146.53
Liabilities no longer required written back	1,625.21	628.93
Profit on sale of property plant and equipment	0.00	26.42
Provision no longer required written back	101.12	-
Fair value changes of investments measured at fair value through profit and loss	-	1.61
Provision against receivables, written back on account of aquisition of Henkell (net of impairment of goodwill of ₹ 309.62 lakhs. (Refer note 55)	-	16.28
Miscellaneous income	221.17	190.33
Total	**2,271.84**	**1,226.01**

35 Cost of materials consumed (₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Raw materials consumed	90,487.68	81,945.19
Packing materials consumed	94,024.36	1,01,713.23
Total	**1,84,512.04**	**1,83,658.42**

36 Purchases of stock-in-trade

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Purchase of Indian made foreign liquor (IMFL)	518.14	494.67
Other purchases	-	18.00
Total	**518.14**	**512.67**

37 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Opening stock		
Finished goods	21,445.51	15,649.94
Work-in-progress	3,509.04	2,034.83
Stock-in-trade	22.32	71.55
	24,976.87	**17,756.32**
Less:		
Closing stock		
Finished goods	21,071.09	21,445.51
Work-in-progress	2,510.37	3,509.04
Stock-in-trade	32.47	22.32
	23,613.93	**24,976.87**
Increase/ (Decrease) in inventories	1,362.94	(7,220.55)
Increase in excise duty on finished goods	393.49	3,968.10
Total	**1,756.43**	**(3,252.45)**

38 Employee benefit expense

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Salaries, wages and bonus	16,710.53	16,341.80
Contribution to provident and other funds (Refer note 47)	973.81	954.27
Staff welfare expenses	172.13	349.15
Total	**17,856.47**	**17,645.22**

39 Finance costs

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
On financial liabilities measured at amortised cost :		
Term loans	4,593.90	5,064.88
On working capital facility from bank	11,050.53	12,007.69
On lease liabilities	196.97	-
Interest on delay in payment of statutory dues	962.20	986.03
Interest on loan from related party (Refer note 46)	366.69	187.31
Interest others	850.44	383.23
Total	**18,020.73**	**18,629.14**

40 Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Depreciation of property, plant and equipment	6,326.89	7,225.73
Depreciation of right to use assets	427.84	-
Amortisation of intangible assets	187.58	363.37
Total	**6,942.31**	**7,589.10**

41 Other expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Consumption of stores and spare parts	1,846.51	2,060.80
Power and fuel	3,539.29	3,403.20
Rent	1,043.07	1,417.28
Contract labour charges	5,854.24	5,968.73
Repairs to building	32.78	39.86
Repairs to machinery	671.16	736.81
Repairs others	725.53	705.61
Insurance	304.49	266.11
Security charges	449.48	423.68
Rates and taxes	4,450.11	4,173.48
Excise levies and escort charges	12,118.58	11,480.00
Import fee	24.47	23.90
Bottling charges	5,821.44	6,507.84
Water charges	220.63	134.05
Travelling expenses	1,842.23	2,230.87
Legal and professional fees	2,878.71	2,597.54
Merger expenses	0.52	102.13
Selling and distribution expenses	10,003.39	11,301.07
Sales and business promotion	13,290.04	16,853.02
Commission	4,642.09	4,718.24
Conference and seminar	56.00	76.22
Provision for doubtful debts	88.86	441.12
Provision for doubtful advances	375.00	375.09
Bad debts and advances written off	411.33	-
Loss on sale of property plant and equipment	56.65	1.24
Impairment of investments/ assets	-	20.00
Donations	0.25	35.94
Corporate social responsibilities (Refer note 52)	23.21	51.00
Bank charges	5.08	102.77
Foreign exchange loss - (net)	14.58	606.40
Miscellaneous expenses	993.56	1,065.15
Total	**71,783.29**	**77,919.15**

41A Other comprehensive income

(₹ in lakhs)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Items that will not be reclassified to profit or loss		
Actuarial gains / (loss) on defined benefit obligations	1.27	33.16
Income taxes on above	(0.44)	(11.59)
Total	**0.83**	**21.57**

42 Tax expense/ (credit)

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax for the year	-	861.37
Tax adjustments in respect of earlier years	(39.17)	51.90
Total current tax expense	**(39.17)**	**913.27**
Deferred taxes		
Change in deferred tax assets	922.24	1,102.70
Change in deferred tax assets in respect of earlier years	(1,786.92)	-
Change in deferred tax liabilities	(334.31)	(95.75)
Net deferred tax expense	**(1,198.99)**	**1,006.95**
Total income tax expense/(credit), net	**(1,238.16)**	**1,920.22**

42.1 The reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss is as follows for 31 March 2020 and 31 March 2019: (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before income tax expense	**41.39**	**3,484.04**
Income tax expense at statutory tax rate i.e. %34.94 (F.Y. %34.94 19-18)	14.46	1,217.32
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income :		
Carried forward business losses and depreciation adjusted	(1,786.92)	(1,303.48)
Permanent difference on account of fair valuation asset acquired	441.47	1,511.25
Tax adjustments in respect of earlier years	(39.17)	51.90
Others	132.00	443.23
Income tax expense/(credit)	**(1,238.16)**	**1,920.22**

42.2 Deferred tax related to the following: (₹ in lakhs)

Particulars	As at 31 March 2019	Expense/ (credit) Adjusted to retained earnings*	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2020
Deferred tax liabilities on account of:					
Difference between book depreciation and depreciation as per Income Tax Act, 1961	894.33	-	(272.16)	-	622.17
Financial assets and financial liabilities at amortised cost	375.14	-	(64.71)	-	310.43
Others	62.60	-	2.56	-	65.16
Total deferred tax liabilities (A)	**1,332.07**	**-**	**(334.31)**	**-**	**997.76**

(₹ in lakhs)

Particulars	As at 31 March 2019	Expense/ (credit) Adjusted to retained earnings*	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2020
Deferred tax assets on account of:					
MAT credit entitlement	698.61	-	706.39	-	1,405.00
Employee benefits	917.21	-	38.60	(0.44)	955.37
Provision for expected credit loss	655.42	-	129.29	-	784.71
Difference in book values and tax base values of ROU assets and Lease liabilities	-	(50.23)	95.38		45.15
Others	109.46	76.45	(104.98)	-	80.93
Total deferred tax assets (B)	**2,380.70**	**26.22**	**864.68**	**(0.44)**	**3,271.16**
Deferred tax assets (net) (B - A)	**1,048.63**	**26.22**	**1,198.99**	**(0.44)**	**2,273.40**

***Tax impact on account of adoption of Ind AS 116 'Leases' (Refer note 22)**

(₹ in lakhs)

Particulars	As at 1 April 2018	Expense/ (credit) Adjusted to retained earnings*	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2019
Deferred tax liabilities on account of:					
Difference between book depreciation and depreciation as per Income Tax Act, 1961	1,129.29	-	(234.96)	-	894.33
Financial assets and financial liabilities at amortised cost	243.01	-	132.13	-	375.14
Others	55.52	-	7.08	-	62.60
Total deferred tax liabilities (A)	**1,427.82**	**-**	**(95.75)**	**-**	**1,332.07**

(₹ in lakhs)

Particulars	As at 1 April 2018	Expense/ (credit) Adjusted to retained earnings*	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2019
Deferred tax assets on account of:					
MAT credit entitlement	757.28	-	(58.67)	-	698.61
Employee benefits	829.74	-	99.06	(11.59)	917.21
Provision for expected credit loss	637.71	-	17.71	-	655.42
Unabsorbed depreciation and business loss	1,015.69	-	(1,015.69)	-	-
Others	254.57	-	(145.11)	-	109.46
Total deferred tax assets (B)	3,494.99	-	(1,102.70)	(11.59)	2,380.70
Deferred tax assets (net) (B - A)	2,067.17	-	(1,006.95)	(11.59)	1,048.63

43 Fair value measurements

Financial instruments by category: (₹ in lakhs)

Particulars	31 March 2020 Amortised cost	31 March 2020 Fair value through profit and loss	31 March 2020 Total	31 March 2019 Amortised cost	31 March 2019 Fair value through profit and loss	31 March 2019 Total
Financial assets - non-current						
Investment	0.11	0.25	0.36	0.11	0.25	0.36
Loans	816.31	-	816.31	1,222.33	-	1,222.33
Other financial assets	2,353.36	-	2,353.36	2,059.31	-	2,059.31
Financial assets - current						
Trade receivables	93,474.54	-	93,474.54	1,13,948.20	-	1,13,948.20
Cash and cash equivalents	7,228.23	-	7,228.23	1,894.24	-	1,894.24
Other bank balances	3,757.78	-	3,757.78	2,468.30	-	2,468.30
Loans	542.03	-	542.03	709.24	-	709.24
Other financial assets	3,281.16	-	3,281.16	1,627.17	-	1,627.17
Financial liabilities - non-current						
Borrowings (including current maturities)	32,026.24	-	32,026.24	37,287.42	-	37,287.42
Lease liabilities	1,256.15	-	1,256.15	-	-	-
Financial liabilities - current						
Borrowings	71,196.93	-	71,196.93	96,228.24	-	96,228.24
Lease liabilities	625.33	-	625.33	-	-	-
Trade payables	43,705.41	-	43,705.41	39,525.95	-	39,525.95
Other financial liabilities	30,806.84	-	30,806.84	29,898.19	-	29,898.19
Share application money	-	-	-	7,500.00	-	7,500.00

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There has been no transfers between levels during the year.

The carrying amounts of investment, loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities are considered to be approximately equal to the fair value, due to their short term nature and are re-priced frequently

44 Financial risk management

The Group is exposed primarily to fluctuations in foreign exchange, interest rate, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Group has a risk management policy which covers the risk associated with its financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Group.

The Group's principal financial liabilities comprises borrowings, lease liabilities, trade payables and other financial liabilities. The Group's principal loans, trade receivables, cash and bank balances, other bank balances and other financial assets that derive directly from its operations.

A Credit risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and other balances with banks and financial institutions, as well as credit exposures to trade receivables.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables (gross) amounting to ₹ 95,052.20 lakhs (31 March 2019: ₹ 115,437.00 lakhs) respectively. Trade receivables are typically unsecured and are derived from revenue earned from 2 main classes of trade receivables, receivable from sales to government corporations and receivables from sales to private third parties.

Credit risk is managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses expected credit loss model, which is applied to overdue receivables other than receivables from government corporations (where the counterparty risk is assessed to be insignificant). The Group's credit risk is concentrated mostly to states where goods are sold to private third parties.

Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these case the credit risk is negligible.

The table below provide details regarding past dues receivables as at each reporting date:

(₹ **in lakhs**)

Particulars	As at 31 March 2020	As at 31 March 2019
Upto 180 days	85,815.76	1,07,544.50
More than 180 days	9,236.44	7,892.50
Total	**95,052.20**	**1,15,437.00**
Provision for expected credit loss	1,577.66	1,488.80

B Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, lease liabilities, trade payables and other financial liabilities.

The finance department of the Group is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through trade receivables or through short term borrowings on need basis.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ **in lakhs**)

Particulars	As at 31 March 2020	As at 31 March 2019
Floating rate		
Expiring within one year	**1,599.00**	**123.98**
(Cash credit/ working capital demand loan)		

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual discounted payments at each reporting date. Amounts disclosed under note 23 are carrying values based on amortised cost:

As at 31 March 2020 (₹ **in lakhs**)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-derivatives				
Borrowings (including current maturities)	78,412.48	20,427.26	4,383.43	1,03,223.17
Lease liabilities	625.33	406.19	849.96	1,881.48
Trade payables	43,705.41	-	-	43,705.41
Other financial liabilities	30,806.84	-	-	30,806.84
Total	**1,53,550.06**	**20,833.45**	**5,233.39**	**1,79,616.90**

As at 31 March 2019 (₹ **in lakhs**)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-derivatives				
Borrowings (including current maturities)	1,06,666.45	25,727.69	1,121.52	1,33,515.66
Trade payables	39,525.95	-	-	39,525.95
Other financial liabilities	29,898.19	-	-	29,898.19
Share application money	7,500.00	-	-	7,500.00
Total	**1,83,590.59**	**25,727.69**	**1,121.52**	**2,10,439.80**

Instalments falling due with in a year in respect of all the above Loans aggregating ₹ 7,215.55 lakhs (31 March 2019: ₹ 10,438.21 lakhs) have been grouped under ""Current maturities of long-term debt"" and ""Current maturities of vehicle loans from banks"" (Refer note 29).

Company has decided to avail the benefits available under Moratorium scheme announced by Reserve Bank of India (RBI). Under this scheme, Management has an option to defer the repayment of loans falling due between March 2020 to August 2020 on payment of applicable interest. Based on the above, current maturity has been shown as per the updated repayment schedule available with the Company

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in receivables, trade payables, borrowings and other payables denominated in USD, GBP and AED against the functional currency INR of the Group.

The Group's risk management policy is to assess the Group's net exposures which is mainly represented by receivable and payable towards exports and imports respectively, and partly represented by the loans extended in foreign currencies. The Group can hedge its net exposures with a view on forex outlook. Since the net exposure is currently not material, this has not been hedged. The Group's exposure to foreign currency changes for all other currencies is not material.

The Group's exposure to foreign currency risk at the end of reporting period are as under:

(₹ in lakhs)

Particulars	31 March 2020			31 March 2019	
	USD	GBP	AED	USD	GBP
Financial assets					
Trade receivables	21.59	0.14	-	20.22	-
Net exposure to foreign currency risk (assets)	**21.59**	**0.14**	**-**	**20.22**	**-**
Financial liabilities					
Trade payables	-	9.15	-	-	8.55
Borrowings	25.00	-	-	41.39	-
Employees related liabilities	-	-	0.69		
Net exposure to foreign currency risk (liabilities)	**25.00**	**9.15**	**0.69**	**41.39**	**8.55**

Exposure in the Group's investment in and loans given to, its foreign joint venture are not considered since these exposures have been fully provided/ written off.

Particluars	USD	GBP	AED
Closing rate of foreign currency as on 31 March 2020	75.39	93.08	20.53
Closing rate of foreign currency as on 31 March 2019	69.17	90.48	18.89

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, GBP and AED with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	31 March 2020		31 March 2019	
	Increase by %2	Decrease by %2	Increase by %2	Decrease by %2
USD	(5.15)	5.15	(29.29)	29.29
GBP	(16.78)	16.78	(15.47)	15.47
AED	(0.28)	0.28	-	-

(ii) Cash flow and fair value interest rate risk

This refers to risk to Group's cash flow and profits on account of movement in market interest rates. The Group's interest rate risk is mainly due to the borrowings acquired at floating interest rate.

The Group's borrowings (non-current and current) structure at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	65,209.71	81,852.29
Fixed rate borrowings	36,813.46	50,363.37
Interest free rate borrowings	1,200.00	1,300.00
Total	**1,03,223.17**	**1,33,515.66**

Sensitivity analysis **(₹ in lakhs)**

Particulars	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 50 bps	(326.05)	(409.26)
Decrease by 50 bps	326.05	409.26

45 Capital management

The Group's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

The Group monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes non-current borrowings (including current maturities) and short term borrowings net of cash and cash equivalents and equity comprises of equity share capital and other equity.

A. The amount managed as capital by the Group are summarised as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Debt	1,03,223.17	1,33,515.66
Less: Cash and cash equivalents	(7,228.23)	(1,894.24)
Net Debt	95,994.94	1,31,621.42
Total Equity	37,961.59	29,230.04
Capital gearing ratio	**2.53**	**4.50**

Bank loans availed by the Group contain certain debt covenants which are required to be complied with . The Limitation of indebtedness covenant gets suspended once the Group meets the certain prescribed criteria. As on reporting date the Group has been able to meet all/ most of its covenant criterion except certain performance linked financial covenants. As on reporting date- event occurring after Balance sheet date- no banks have expressed concern on any loan outstanding and hence the company is equally confident with respect to the above. The banks have not levied any material interest/ penalty and if at all it is levied there are deliberations and discussions so that there is no fall back ramifications on the Group considering again the fact that there is no serious concern from any banks.

B. Dividends

The Group has not paid any dividend in F.Y. 20-2019 and F.Y. 19-2018. Also refer note 21(i).

46 Related party disclosures, as per Ind AS 24

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party and related party relationships, are disclosed where control exists irrespective of transactions during the reporting period and for all other related parties, with whom transactions have taken place during the reporting period.

(a) List of related parties

Joint ventures	Allied Blenders and Distillers International General Trading LLC (till 17 June 2019)
	Henkell & Company India Private Limited (till 26 March 2019)
	Surji Agro Foods Private Limited (Joint venture till 08 March 2019)
Enterprises where key management personnel have significant influence	Oriental Radios Private Limited
	Rayanyarn Import Company Private Limited
	Starvoice Properties Private Limited
	Power Brand Enterprises India Private Limited
	Pitambari Properties Private Limited
	Lalita Properties Private Limited
	Bhuneshwari Properties Private Limited
	Ashoka Liquors Private Limited
	Tracstar Investments Private Limited
	Surji Consultant India Private Limited
	Spiritus Private Limited
	Bina Chhabria Enterprises Private Limited
	Marketing Incorporated Private Limited
	NBB Consultants (from 1 September 2019)
	Surji Agro Foods Private Limited
Key management personnel	Kishore Chhabria
	Bina K Chhabria
	Deepak Roy
	Utpal Kumar Ganguli
	Ramakrishnan Ramaswamy
	Resham Chhabria Hemdev
	Neesha Chhabria
	Paramjit Singh Gill (till 31 January 2020)

(b) Transactions during the year with related parties : (₹ in lakhs)

Particulars	Joint venture/ associate		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Royalty income						
Surji Agro Foods Private Limited	-	2.52	0.92	-	-	-
Interest income						
Kishore Chhabria	-	-	-	-	-	69.77
Utpal Kumar Ganguli	-	-	-	-	21.33	1.29
Promotional material and services						
Surji Agro Foods Private Limited	-	12.00	-	-	0.84	-

(₹ in lakhs)

Consultancy service paid						
Allied Blenders and Distillers International General Trading LLC	-	2.60	-	-	-	-
Commission						
Power Brand Enterprises India Private Limited	-	-	-	181.11	-	-
Advance given for purchase of land						
Ashoka Liquors Private Limited	-	-	-	11,100.00	-	-
Power Brand Enterprises India Private Limited	-	-	3,600.00	-	-	-
Refund of Advance given for purchase of land						
Ashoka Liquors Private Limited	-	-	3,600.00	-	-	-
Purchase of fixed assets and stock (IMFL/PM/Blend)						
Power Brand Enterprises India Private Limited	-	-	-	24.11	-	-
Sale of Asset						
Power Brand Enterprises India Private Limited	-	-	0.12	-	-	-
Interest on unsecured loan						
Oriental Radios Private Limited	-	-	7.50	7.50	-	-
Tracstar Investments Private Limited	-	-	188.01	179.81	-	-
Starvoice Properties Private Limited	-	-	171.18	-	-	-
Rent paid						
Oriental Radios Private Limited	-	-	17.70	17.70	-	-
Starvoice Properties Private Limited	-	-	7.08	7.08	-	-
Rayanyarn Import Company Private Limited	-	-	1.42	1.42	-	-
Pitambari Properties Private Limited	-	-	8.49	8.49	-	-
Lalita Properties Private Limited	-	-	10.62	10.62	-	-
Bhuneshwari Properties Private Limited	-	-	10.62	10.62	-	-
Sale of investment						
Spiritus Private Limited	-	-	-	350.00	-	-
Marketing Incorporated Private Limited	-	-	-	200.00	-	-
Bina Chhabria Enterprises Private Limited	-	-	-	10.97	-	-
Unsecured loan granted/advances						
Rayanyarn Import Company Private Limited	-	-	2.24	3.06	-	-
Kishore Chhabria	-	-	-	-	37.00	1,939.00
Utpal Kumar Ganguli	-	-	-	-	25.00	250.00
Unsecured loan repaid						
Kishore Chhabria	-	-	-	-	37.00	1,939.00
Consultancy fee						
NBB Consultants	-	-	-	-	348.40	-
Unsecured borrowing						
Bina K Chhabria	-	-	-	-	2,500.00	2,262.00
Tracstar Investments Private Limited	-	-	8.16	319.68	-	-
Starvoice Properties Private Limited	-	-	37.70	3,700.00	-	-

(₹ in lakhs)

Unsecured borrowing repaid						
Bina K Chhabria	-	-	-	-	2,600.00	962.00
Tracstar Investments Private Limited	-	-	-	120.00	-	-
Starvoice Properties Private Limited	-	-	1,158.34	1,950.00	-	-
Interest on unsecured borrowing repaid						
Oriental Radios Private Limited	-	-	6.19	6.75	-	-
Tracstar Investments Private Limited	-	-	154.88	-	-	-
Working capital advances						
Power Brand Enterprises India Private Limited	-	-	4,300.78	5,042.03	-	-
Sale of by-product						
Power Brand Enterprises India Private Limited	-	-	5,135.71	-	-	-
Others						
Henkell & Company India Private Limited	-	11.76	-	-	-	-
Managerial remuneration/Short term employee benefits *						
Kishore Chhabria	-	-	-	-	4,085.17	4,077.95
Deepak Roy	-	-	-	-	552.56	655.65
Utpal Kumar Ganguli	-	-	-	-	528.82	640.42
Ramakrishnan Ramaswamy	-	-	-	-	256.26	268.94
Resham Chhabria Hemdev	-	-	-	-	350.00	350.40
Neesha Chhabria	-	-	-	-	51.35	51.62
Paramjit Singh Gill	-	-	-	-	709.81	687.58

* Excludes compensated absences and gratuity benefits provided on the basis of actuarial valuation on an overall company basis.

Refer note 26 for guarantee provided and assets pledged of Tracstar Distillers Private Limited towards loan availed by the Company

(c) **Balances at the year end :** (₹ in lakhs)

Particulars	Joint venture/ associate		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Loans and advances						
Surji Agro Foods Private Limited	-	-	125.38	125.38	-	-
Utpal Kumar Ganguli	-	-	-	-	297.59	251.29
Advance to supplier						
Surji Agro Foods Private Limited	-	-	1.12	0.62	-	-
Surji Consultant India Private Limited.	-	-	300.00	300.00	-	-
Power Brand Enterprises India Private Limited	-	-	1,097.57	1,306.57	-	-

(₹ in lakhs)

Trade payables						
Star Voice Properties Private Limited	-	-	78.24	-	-	-
Bhuneshwari Properties Private Limited	-	-	4.86	-	-	-
Oriental Radio Private Limited	-	-	8.10	-	-	-
Rayanyarn Import Company Private Limited	-	-	0.82	-	-	-
Pitambari Properties Private Limited	-	-	3.89	-	-	-
Lalita Properties Private Limited.	-	-	4.86	-	-	-
NBB Consultants	-	-	28.86	-	-	-
Non-current borrowings						
Oriental Radio Private Limited	-	-	50.00	50.00	-	-
Tracstar Investments Private Limited	-	-	1,250.00	1,250.00	-	-
Current borrowings						
Star Voice Properties Private Limited	-	-	629.36	1,750.00	-	-
Tracstar Investments Private Limited	-	-	8.16	-	-	-
Bina K Chhabria	-	-	-	-	1,200.00	1,300.00
Interest acrued but not due						
Oriental Radio Private Limited	-	-	0.56	7.50	-	-
Tracstar Investments Private Limited	-	-	15.84	-	-	-
Capital advance						
Ashoka Liquors Private Limited	-	-	7,500.00	11,100.00	-	-
Power Brand Enterprises India Private Limited	-	-	3,600.00	-	-	-
Advance from customers						
Power Brand Enterprises India Private Limited	-	-	97.71	9.78	-	-
Trade receivables						
Surji Agro Foods Private Limited	-	-	8.93	8.01	-	-
Other financials assets (Current)						
Spiritus Private Limited	-	-	340.00	340.00	-	-
Marketing Incorporated Private Limited	-	-	190.00	200.00	-	-
Security deposits						
Spiritus Private Limited	-	-	10.50	10.50	-	-
Marketing Incorporated Private Limited	-	-	10.50	10.50	-	-

Reference is also invited to footnote to note 23 and note 26 for guarantee provided and assets pledged of Tracstar Distillers Private Limited towards loan availed by the Group

Reference is also invited to footnote to note 23 for guarantee provided by Mr. Kishore Chhabria towards loan availed by the Group

Reference is also invited to footnote to note 23 for assets pledged of Ashoka Liquors Private Limited towards loan availed by the Group

47 **As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of employee benefits as defined in the standard are given below:**

(a)Contribution to defined contribution plan, recognised as expense for the year are as under:

a. Provident fund

b. Superannuation fund

c. State defined contribution plans

i. Employers' contribution to employees' state insurance

ii. Employers' contribution to employees' pension scheme 1995

During the year, the Group has recognized the following amounts in the statement of profit and loss:

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Employers' contribution to provident fund	811.75	815.98
Employers' contribution to superannuation fund	28.52	30.15
Employers' contribution to employees' state insurance	2.75	0.27
'Employers' contribution to employees' pension scheme 1995	122.91	107.64
Employers' contribution to national pension scheme	7.45	-
Employers' contribution to labour welfare fund	0.43	0.23
	973.81	954.27

(b) Defined benefit plan

In accordance with Indian Accounting Standard-19, 'Employee Benefits', actuarial valuation was carried out in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

Gratuity	31 March 2020	31 March 2019
Mortality table	Indian Assured Lives Mortality (2006-08)	
Discount rate	6.24% - 6.59%	7.22% - 7.48%
Salary growth rate	1.5% p.a for the next 1 year, 10% p.a. thereafter starting from the 2nd year	10.00%
Attrition rate	15.00%	12.00%

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Changes in the present value of obligation		
Present value of obligation at the beginning of the year	1007.20	952.29
Current service cost	122.77	109.53
Interest expenses	73.16	73.09
Past service cost	-	-
Benefits paid	(78.98)	(94.55)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(22.55)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(15.37)	19.14
Actuarial (gains)/losses on obligations - due to experience	36.65	(52.30)
Present value of obligation at the end of the year	**1,122.88**	**1,007.20**

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Amount recognised in the balance sheet		
Present value of obligation at the end of the year	1,122.88	1,007.20
Fair value of plan assets at the end of the year	-	-
Net liability recognised at the end of the year	**1,122.88**	**1,007.20**
Non-current provisions	819.85	784.53
Current provisions	303.03	222.67

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Expenses recognised in the statement of profit and loss		
Current service cost	122.77	109.53
Net interest cost	73.16	73.09
Past service cost	-	-
Total expenses recognised in the statement of profit and loss	**195.93**	**182.62**
Re-measurement (or actuarial) (gain) / loss arising from change in assumptions	(1.27)	(33.16)

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Maturity profile of defined benefit obligation		
Expected cash flows over the next (valued on undiscounted basis) :		
1st following year	303.03	242.67
2nd following year	95.18	77.50
3rd following year	109.98	82.30
4th following year	111.14	93.88
5th following year	105.14	97.69
Sum of years 6 to 10	471.76	475.33
Sum of years 11 and above	339.64	481.96

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Delta effect of +1% change in rate of discounting	(44.35)	(45.83)
Delta effect of -1% change in rate of discounting	48.79	50.81
Delta effect of +1% change in rate of salary increase	42.68	44.01
Delta effect of -1% change in rate of salary increase	(40.04)	(40.89)
Delta effect of +1% change in rate of employee turnover	(9.15)	(7.86)
Delta effect of -1% change in rate of employee turnover	9.84	8.41

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

(c) **Compensated absences**

The leave obligations cover the Group's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is ₹ 1,101.90 lakhs (31 March 2019 : ₹ 1,175.84 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The expense recognised during the year towards leave encashment is ₹ 16.58 lakhs (31 March 2019 : ₹ 281.54 lakhs).

48 Contingent liabilities and commitments

Contingent liabilities not provided for:

a) Contingent liability relating to determination of provident fund liability, based on a recent Supreme Court judgement, is not determinable at present, due to uncertainty on the period of impact of the judgement in absence of further clarification relating to applicability. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any, which, based on the number of employees, is not expected to be significant.

b) Transport pass fee claimed by excise authorities @ ₹ 3 per BL upto 25 August 2009 and @ ₹ 1.50 per BL from 26 August 2009 till 18 May 2011 on Extra Neutral Spirit (ENA) purchased aggregating ₹ 821.97 lakhs (31 March 2019 ₹ 821.97 lakhs) and transport pass fee claimed by excise authorities @ ₹ 1 per BL from 01 April 2010 to 18 May 2011 on rectified spirits purchased aggregating ₹ 48.88 lakhs (31 March 2019 ₹ 48.88 lakhs), transport pass fee claimed by excise authorities @ ₹ 3 per BL from 01 June 2009 to 18 May 2011 on Malt purchased aggregating ₹ 2.16 lakhs (31 March 2019 ₹ 2.16 lakhs) including for one of the Contract Bottling Unit.

The Company has paid ₹ 140.00 lakhs (31 March 2019 ₹ 140.00 lakhs) under protest which is shown under advances.

The Hon'ble High Court of Mumbai Judicature has vide its order dated 06 May 2011 upheld Companies appeal and allowed the Company's petition with the direction that the amount paid be refunded along with the interest @ 9% per annum within 10 weeks from the date of receipt of application for refund. As directed, the Company has filed an application for claim of refund before the customs and excise authorities. The Company has also claimed ₹ 163.71 lakhs (including interest of ₹ 29.94 lakhs) on account of transport pass fees charged by suppliers.

The Customs and excise department of Maharashtra has filed a Special leave petition (SLP) before the Hon'ble Supreme Court against the above order. The Supreme Court has directed the registrar to issue notice to all concerned and affected parties pending admission of petition.

Subsequently, the registrar has issued notice to all the concerned and affected parties for admission of petition and accordingly, the Company has filed its response to this notice. The matter has not come up for hearing.

c) Increased water charges (including delayed payment charges billed by MIDC from time to time for the period November 2001 to March 2020, disputed by the Company aggregating ₹ 150.78 lakhs (31 March 2019 ₹ 142.43 lakhs).

In the above said matter, High Court of Judicature of Bombay, Aurangabad Bench did not allow the stay petition filed by the Company. However, the Hon'ble High Court of Aurangabad Bench has agreed to allow for payment of only principal amount to MIDC towards outstanding water charges and granted stay on levy of interest and penalty till the disposal of final appeal.

Based on the above, the Company has paid till 31 March 2020 ₹ 116.78 lakhs (31 March 2019 ₹ 108.43 lakhs) under protest which is shown under advances.

Few of the IMFL manufacturers have filed Special Leave Petition before the Supreme Court challenging the order of the Aurangabad Bench of Bombay High Court. Since the cause of action and reliefs claimed are identical, the outcome of this case will hold good for the Company as well.

d) The Maharashtra State Excise Department, Aurangabad has raised a demand of ₹ 32.80 lakhs (31 March 2019 ₹ 32.80 lakhs) towards additional license fee on the Company as a consequence of the change of name arising due to restructuring of the Company. The Company has challenged the said demand and filed Writ Petition before High Court of Judicature of Bombay, Aurangabad Bench. The said matter has not come up for hearing yet. The demand of ₹ 32.80 lakhs which is paid by the Company under protest is shown under advances.

e) The Aurangabad Municipal Corporation (AMC) had recovered differential Octroi Duty on Extra Neutral Alcohol / Rectified Spirit for the period from December, 1991 to June, 1997 on the basis of High Court judgment on similar facts in another liquor company case. This judgment had been reversed by the Hon'ble Supreme Court of India in another case in which interest @ 6 % p. a. was allowed. The Company has entered into an agreement with AMC on 12 March 1993 by which both the parties had agreed that judgment passed shall be binding on both the parties.

The Company had filed a suit for recovery in the Hon'ble Court of Civil Judge, (Senior. Division) at Aurangabad. As per the order dated 16 October 2006 of the Court, the Company is entitled to get an amount of ₹ 157.97 lakhs with interest thereon @ 6% p.a. from the date of suit till the date of payment.

The Municipal Corporation has filed an appeal against this order which has been disposed off by the Division Bench of the Bombay High Court, Aurangabad bench vide their order dated 12 February 2007 granting the stay of execution of decree passed by Trial Court subject to deposit of ₹ 220 lakhs in 11 instalments commencing from April 2007. Further, the appeal came up for hearing on 29 August 2007 before the High Court at Bombay Bench at Aurangabad and an order was passed allowing the Company to withdraw the aforesaid amount and so far the Company has received ₹ 220 lakhs up to 31 March 2009. The appeal filed by AMC is pending before the Bombay High Court, Aurangabad Bench.

f) In an earlier year, the Company had received service tax demand notice from The Commissioner of Central Excise, Customs and Service Tax, Aurangabad which has raised the demand against the show cause cum demand notice, confirming the demand for ₹ 6.97 lakhs (31 March 2019 ₹ 6.97 lakhs), (including penalty of ₹ 3.38 lakhs, late fees of ₹ 0.40 lakhs but excluding interest) for the period 1 August 2014 to 31 July 2015 towards service tax on alleged short delivery of bottles received, non-supply of clear bottles etc. u/s 66EE of the Service Tax Act. The Company has filed an appeal before the Commissioner Appeals Central Excise, Customs and Service Tax and paid an amount of ₹ 0.24 lakhs under protest which is shown under advances.

During the year ended 31 March 2019, Company has received an order from the Commissioner Appeals, Nasik, directing Assessing Officer to verify claim of the Company and pass the order based on the merits of the case which is still pending.

g) In an earlier year, the Company had received demand notice from the Commissioner of Central Excise, Customs and Service Tax, Aurangabad for the F.Y. 2011-12 to 2014-15 towards reverse charge on expenditure incurred in foreign currency on sales promotion, travelling and other expenditure. Total demand raised is ₹ 538.08 lakhs (31 March 2019 ₹ 538.08 lakhs) (including penalty of ₹ 268.28 lakhs, late fees of ₹ 1.60 lakhs but excluding interest). The Company has paid ₹ 20.11 lakhs (31 March 2019 ₹ 20.11 lakhs) under protest against the said demand towards mandatory deposit for admission of appeals, which is shown under advances. The Company has filed an appeal before Central Excise and Sales Tax Appellate Tribunal (CESTAT), Mumbai.

h) The Company has an unpaid demand of ₹ 3,248.90 lakhs (31 March 2019 ₹ 3,248.90 lakhs) arising out of assessment under MVAT Act, 2002 for F.Y. 2011-12.

The said demand has arisen due to alleged VAT liability on amount of Business Surplus received by the Company from tie-up unit arrangements with third parties.

The Company has received an order from the Joint Commissioner of Sales Tax (Appeals) granting a stay on recovery of said demand pending decision by the Hon'ble High Court of Bombay in the case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.

In view of above, no further provision is considered necessary in the books.

The Company has filed appeal with Maharashtra Sales Tax Tribunal and paid ₹ 9.87 lakhs (31 March 2019 ₹ 9.87 lakhs) under protest against the said demand, which is shown under advances.

i) Income tax matters in dispute before CIT-Appeal relating to A.Y. 2014-15 ₹ 276.56 lakhs, (31 March 2019 ₹ 276.56 lakhs). Against the above said demand, the Company has deposited ₹ 55.12 lakhs (31 March 2019 ₹ 55.12 lakhs) which is disclosed under advance.

j) Income tax matters for which favourable decisions have been received by the Company from ITAT, Mumbai relating to A.Y. 2010-11 and 2011-12 amounting to ₹ 505.75 lakhs (31 March 2019 ₹ 505.75 lakhs), where the department is in appeal before the Hon'ble Bombay High Court.

k) During the year ended 31 March 2019, Company has received Income Tax assessment order from Income Tax Department for A.Y. 2016-17 raising demand of ₹17.34 Lakhs. The said demand has arisen due to non-granting of claim of TDS and TCS in respect of Wales Distillers Private Limited, which was merged with the Company with the appointed date of 01 April 2015. The Company has made required representation before the Assessing Officer for rectification of demand.

The Company is confident of getting a favourable rectification order and accordingly, no provision has been made in the books of account.

l) One of the Company's Contract Bottling Unit (CBU) at Rajasthan had received notice of demand for the A.Y. 2007-08 to 2009-10 amounting to ₹ 91.80 lakhs (31 March 2019 ₹ 91.80 Lakhs) of VAT and interest thereon for ₹ 15.75 lakhs (31 March 2019 ₹ 15.75 lakhs) aggregating ₹ 107.54 lakhs (31 March 2019 ₹ 107.54) from Commercial Tax Officer, Government of Rajasthan on alleged VAT payable on captive consumption of ENA for the manufacturing of the Company's brands and deemed sale of ENA to the brand owner. The said demand was upheld by the Hon'ble Rajasthan High Court vide their order dated 20 July 2017. Against the said demand, the CBU has filed a Special Leave Petition before the Hon'ble Supreme Court. Vide order dated 28 August 2017, the Hon'ble Supreme Court has granted stay in the matter in respect of recovery of any demand or interest. In the event, if the matter is decided against the CBU, the Company is liable to compensate the CBU for the tax demand including interest.

m) In an earlier year, the Company has received excise demand of ₹ 286.02 lakhs (31 March 2019 ₹ 286.02 lakhs) relating to excess transit wastages for ENA supplied by Contract Bottling unit (CBU). Writ petition is filed with the Hon'ble High Court by CBU and is pending for disposal. Amount deposited under protest of ₹ 71.5 lakhs (31 March 2019 ₹ 71.50 lakhs) is shown under advances.

Madhya Pradesh High Court ordered that, on furnishing an adequate surety to the satisfaction of Excise Commissioner, the recovery of penalty shall remain stayed until next date of hearing.

n) The Company has received excise demand of ₹ 27.11 lakhs (31 March 2019 ₹ 27.11 lakhs) relating to low strength of ENA. The Company has challenged the same with appropriate authority and has paid the amount under protest, which is disclosed under advances. Jodhpur High Court left it exclusively for the Excise Commissioner to take a decision, after examining all aspects of the matter. The company has filed a writ petition in March 2020, status of the same is not known yet, due to prevailing lockdown situation.

o) The Company in an earlier year had received a debit memorandum from its customer - Canteen Stores Department for ₹ 3,661.44 lakhs on account of differential trade rate relating to the period from 01 March 2012 to 31 October 2017. The Company contested the same and is in discussion with the authority. The Company is expecting a favourable result in this matter. The aggregate amount receivable from the Canteen Store Department by the CBUs of the Company is ₹ 3,402.95 lakhs including ₹ 3,392.49 lakhs due for over 360 days which is substantially withheld by the Canteen Store Department on account of the above debit memorandum. The Company has received a letter from the Canteen Stores Department dated 15 June 2020 that matter is under consideration and outcome of the same will be informed in due course. The Company is also in process of reviving its business operations with CSD.

p) A letter of Intent (LOI) was granted to the Company along with a demand notice by the Government of Andhra Pradesh on 9 March 2017 on the basis of an application made on 3 December 2014 along with stipulated payment of ₹ 275.00 lakhs. The Company had immediately requested for a waiver of the demand notice. Further, vide letter dated 17 May 2017, the Company had requested for a three years moratorium for payment of license fees. The request was disallowed vide their letter dated 31 May 2017 which was served on the Company on 12 June 2017.

The Company then requested the Commissioner of Prohibition of Excise for surrendering the LOI and requested for refund of the advance paid ₹ 275.00 lakhs vide letter dated 14 June 2017. However, the Company received a demand notice from the Government of Andhra Pradesh and Commissioner of Prohibition & Excise for payment of the license fees of ₹ 1,734.11 along with 18% interest, which remains unpaid.

The Company also received revised letter dated 9 February 2018 with correct calculation of instalments with date-wise schedule, which indicates a balance amount payable of ₹ 2,725.00 lakhs in 11 quarterly instalments with first instalment being due on 26 January 2017.

Company filed a writ petition under Article 226 of the Constitution of India against the State of Andhra Pradesh represented by the Principal Secretary to Government Revenue (Excise Department) as well as against the Commissioner, Prohibition and Excise, Government of Andhra Pradesh in the High Court of Andhra Pradesh seeking a declaration that the said demand as well as refusal of the Respondents to refund amounts paid by ABDPL of ₹ 87.48 lakhs and ₹ 275.00 lakhs respectively along with applications made on 22 November 2010 and 03 December 2014 as bad and illegal in law; and a direction to the Respondents to cease making demands for payment of instalments and to refund the above amounts paid by ABDPL along with interest @ 18% p.a. from 17 December 2012 and 31 May 2017 respectively.

In the said Writ Petition, the Hon'ble High Court was pleased to pass an interim order directing the Respondents not to take any coercive action against Company pursuant to the letter dated 6 February 2019 of the 2nd Respondent. The Company filed a writ petition against the said order and obtained an interim stay on the same. The matter is still pending in Andhra Pradesh High Court.

The writ petition filed by the Company against the State of AP represented by Principal Secretary to Government, Revenue (Excise Department) and the Commissioner Prohibition and Excise is pending before the High Court of Andhra Pradesh. The matter was last listed on 19 March 2019 when the order was passed. Thereafter the matter has not been listed. The order subsists even as on today. The Order copy stated no coercive steps can be taken against the petitioner.

q) Bonus liability as per amendment in the Act for the year 2014-15 ₹ 48.38 lakhs (31 March 2019 ₹ 48.38 lakhs).

r) Company has not acknowledged debts amounting to ₹ 334 lakhs (31 March 2019 ₹ 186 lakhs) arising out of difference on account of vendor reconciliation. Company is of the opinion that the differences will be amicably resolved and does not foresee any ramifications.

s) Ongoing legal disputes ₹ 36.69 lakhs (31 March 2019 ₹ 36.69 lakhs). Against this demands, the Company has paid ₹ 16.56 lakhs (31 March 2019 ₹ 16.56 lakhs) under protest which is shown under advances.

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above matters pending resolutions of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is confident of getting a favourable order and accordingly, no provision has been made in the books of account.

t) Interest in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 will be paid in all cases where the vendor has claimed the same from the Company. The amount of such interest which will be claimed by the vendors is not ascertainable at present.

Commitments

u) Capital commitments (net of advances) ₹ 391.50 lakhs (31 March 2019 ₹ 207.39 lakhs).

49 Revenue from contracts with customers

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, a performance obligation is satisfied."

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

At contract inception, the Group assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Group considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of customer contracts that the Group enters into consist of a single performance obligation for the delivery of Indian made foreign liquor. The Group recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery to the customer i.e. at a point in time. The Group records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The payment terms are generally less than a year."

a) Disaggregation of revenue : **(₹ in lakhs)**

Particulars	31 March 2020	31 March 2019
Geographical markets		
Within India	8,03,187.74	8,79,638.14
Outside India	6,614.56	11,680.79
Revenue from contracts with customer	**8,09,802.30**	**8,91,318.93**

b) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price :

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Revenue as per contracted price	8,38,199.23	9,20,105.46
Adjustments		
Sales incentive	(27,200.02)	(26,631.45)
Cash discount	(1,196.91)	(2,155.08)
Revenue from contract with customers	**8,09,802.30**	**8,91,318.93**

50 Earnings per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2019
Net profit attributable to equity share holders (₹ in lakhs)	1,279.55	1,563.82
Weighted average number of equity shares outstanding during the year for Basic EPS*	23,55,66,665	23,55,66,665
Weighted Average Potential Equity Shares in respect of NCCP#	50,48,434	-
Weighted average number of equity shares outstanding during the year for Diluted EPS*	24,06,15,099	23,55,66,665
Number of equity shares outstanding at the year end *	23,55,66,665	23,55,66,665
Earnings per share:		
Basic EPS	0.54	0.66
Diluted EPS	0.53	0.66
Face value per share (in ₹)	2.00	2.00

* With effect from 29 September 2018, the equity shares of the Company having the face value of ₹ 10 each have been subdivided into 5 equity shares of ₹ 2 each.

The earning per share in respect of current and previous year has been restated considering the aforesaid sub-division of shares.

For terms of NCCPS refer note 21.

51 Segment reporting

(a) Business segment

The Group is engaged in the business of manufacture, purchase and sale of alcoholic beverages. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Group as one segment of "Alcoholic beverages/liquids". Thus, as defined in Ind AS 108 “Operating Segments", the Group's entire business falls under this one operational segment. The Company has not presented any other significant information to the CODM

(b) Entity wide disclosures

Revenue of ₹ 304,011.81 lakhs (31 March 2020) and ₹ 432,610.28 lakhs (31 March 2019) is derived from the two external customers, that individually accounted for more than 10% of the total revenue.

52 CSR Expenditure during the year:

a) Gross amount required to be spent by the Company during the year: ₹ 35.53 lakhs (Previous Year ₹ 85.37 lakhs).
b) Revenue expenditure charged to statement of profit and loss in respect of CSR activities undertaken during the year is ₹ 23.21 lakhs (Previous Year ₹ 51 lakhs).

53 The Government of Bihar by its notification dated 5 April 2016 imposed a ban on trade and consumption of Indian Made Foreign Liquor and foreign liquor in the state of Bihar. The Company had received a letter dated 16 August 2017 from the Government of Bihar, stating that it is not liable to refund the aforesaid statutory duties under the Bihar Prohibition and Excise Act, 2016.

Thereafter, on 17 October 2017, the Group filed a writ petition before the Hon'ble High Court of Patna seeking refund of the aforesaid statutory duties, paid by the Group to the Government of Bihar. The Company had sought from the Government of Bihar refund of statutory duties i.e., VAT, excise duty, license fee, bottling fee etc. paid aggregating ₹ 3,124.00 lakhs (including statutory duties paid by the Company's tie-up manufacturers) under the applicable law at the time, in respect of billed stocks destroyed/ returned by Bihar State Beverages Corporation Limited (""BSBCL"").

Meanwhile, the Hon'ble High Court of Patna directed the respondent i.e. Government of Bihar to quantify the refund payable to the petitioners and the date of hearing was set as 31 October 2018. Out of the above VAT and Excise department has processed ₹ 1,062 lakhs till 31 March 2019.

Subsequent to the above, Patna High Court vide order dated 30 April 2019 directed the Principal Secretary cum Commissioner, Commercial Taxes and the Commissioner, Excise respectively vide preceding writ applications in CWJC Nos.15316 of 2017 and 13165 of 2018 to consider and dispose of the claims by a speaking order after opportunity of hearing within 3 months of receipt/production of a copy of this order.

In consequence, the Order of the Deputy Commissioner Excise dated 16 August 2017 is set aside.

The Group has received ₹ 23.73 Lakhs out of the recoverable balance of ₹ 2,303.15 lakhs as on 31 March 2020. The Balance recoverable of ₹ 2,279.42 lakhs is considered good and receivable based on the favorable Order issued by the Hon'ble High Court of Patna dated 18 May 2017 and dated 30 April 2019 .

Subsequently, the aforesaid referred writ petition was heard on 9th July 2020 through virtual court proceedings. Notices have been issued upon the respondent State of Bihar and its functionaries and they have been directed to file counter affidavit within four weeks. Rejoinder to the counter affidavit is to be filed within four weeks thereafter. Matter will be listed after eight weeks.

54 **Interest in other entities**

(a) Subsidiaries

The Group's subsidiaries as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent Company, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entities^	Country of incorporation	% of effective holding as at		Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
		31 March 2020	31 March 2019	% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated OCI	Amount	% of consolidated OCI	Amount
Parent:											
Allied Blenders and Distillers Private Limited	India										
31 March 2020				101.91%	38,688.61	116.51%	1,490.89	100.00%	0.83	116.50%	1,491.72
31 March 2019				101.76%	29,745.73	65.97%	1,031.67	100.00%	21.57	66.42%	1,053.24
Subsidiaries:											
NV Distilleries & Breweries (AP) Private limited	India	100.00%	100.00%								
31 March 2020				-0.66%	(250.48)	-8.22%	(105.21)	0.00%	-	-8.22%	(105.21)
31 March 2019				-0.53%	(156.30)	-6.60%	(103.25)	0.00%	-	-6.51%	(103.25)
Deccan Star Distillers Private Limited	India	100.00%	100.00%								
31 March 2020				0.00%	(1.22)	-0.02%	(0.31)	0.00%	-	-0.02%	(0.31)
31 March 2019				0.00%	(0.91)	-0.01%	(0.18)	0.00%	-	-0.01%	(0.18)
Sarthak Blenders and Bottlers Private Limited	India	100.00%	100.00%								
31 March 2020				-1.16%	(440.92)	-12.78%	(163.55)	0.00%	-	-12.77%	(163.55)
31 March 2019				-0.95%	(277.37)	-6.13%	(95.82)	0.00%	-	-6.04%	(95.82)
Chitwan Blenders and Bottlers Private Limited	India	100.00%	100.00%								
31 March 2020				-1.02%	(387.56)	-0.47%	(6.01)	0.00%	-	-0.47%	(6.01)
31 March 2019				-1.31%	(381.54)	-3.32%	(51.90)	0.00%	-	-3.27%	(51.90)
Intercompany Elimination and Consolidation Adjustments											
31 March 2020				0.93%	353.16	4.98%	63.74	0.00%	-	4.98%	63.74
31 March 2019				1.03%	300.43	50.09%	783.30	0.00%	-	49.41%	783.30
Total											
31 March 2020				100.00%	37,961.59	100.00%	1,279.55	100.00%	0.83	100.00%	1,280.38
31 March 2019				100.00%	29,230.04	100.00%	1,563.82	100.00%	21.57	100.00%	1,585.39

(b) **Interest in associates - accounted using equity method** (₹ in lakhs)

Name of entity	Country of incorporation	% of ownership interest 31 March 2020	% of ownership interest 31 March 2019	Carrying value* 31 March 2020	Carrying value* 31 March 2019
Surji Agro Foods Private Limited	India	Nil	Nil	Nil	Nil

*Investment in Surji Agro Foods Private Limited has been sold as on 8 March 2019.

(ii) Summarised financial information for associate

Summarised balance sheet (₹ in lakhs)

Particulars	Surji Agro Foods Private Limited 31 March 2020	Surji Agro Foods Private Limited 31 March 2019
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
Net assets	**-**	**-**

Summarised statement of profit and loss (₹ in lakhs)

Particulars	Surji Agro Foods Private Limited Year ended 31 March 2020	Surji Agro Foods Private Limited Year ended 31 March 2019
Revenue	-	1,026.20
Profit for the year	-	26.70
Other comprehensive income	-	-
Total comprehensive income	**-**	**26.70**

Reconciliation to carrying amount (₹ in lakhs)

Particulars	Surji Agro Foods Private Limited 31 March 2020	Surji Agro Foods Private Limited 8 March 2019
Opening net assets	-	522.95
Profit for the year	-	26.70
Closing net assets	**-**	**549.65**
Group share in %	0%	0%
Group share in ₹	-	-
Goodwill	-	-
Carrying amount of investments	**-**	**-**

Gain/ (loss) on sale of invetment (₹ in lakhs)

Net Assets as on date of sale	Amount
Carrying Amount of net assets as on the date of sale	274.82
Goodwill	128.65
Consideration Received	550.00
Gain/ (loss) on sale of invetment	**146.53**

(c) Interest in Joint Venture - accounted using equity method

Particulars	Country of incorporation	% of ownership interest 31 March 2020	% of ownership interest 31 March 2019	Carrying value* 31 March 2020	Carrying value* 31 March 2019
Allied Blenders and Distillers International General Trading LLC	UAE	0%	49%	-	-

*On 10 July 2019, the Group sold 147 equity shares of Allied Blenders and Distillers International General Trading LLC.

Note:

The entity is unlisted, hence no quoted price is available.

(i) **Summarised financial information for Joint venture**

Summarised balance sheet Particulars	Allied Blenders and Distillers International General Trading LLC 31 March 2020	Allied Blenders and Distillers International General Trading LLC 31 March 2019 (₹ in lakhs)
Current assets		
Cash and cash equivalents	-	31.87
Other assets	-	48.14
Total current assets (i)	-	80.01
Total non-current assets (ii)	-	10.82
Current liabilities		
Financial liabilities	-	1,343.09
Other liabilities	-	
Total current liabilities (iii)	-	1,343.09
Net assets (i+ii-iii)	-	(1,252.26)

Reconciliation to carrying amount Particulars	Allied Blenders and Distillers International General Trading LLC 31 March 2020	Allied Blenders and Distillers International General Trading LLC 31 March 2019 (₹ in lakhs)
Opening net assets	-	(1,204.55)
Profit for the year	-	34.72
Other comprehensive income	-	-
Closing net assets	-	(1,169.83)
Group share in %	0%	49%
Group share in ₹	-	(573.21)
Share of losses in excess of the investments carrying amount	-	(573.21)
Carrying amount of investments	-	-

Summarised statement of profit and loss Particulars	Allied Blenders and Distillers International General Trading LLC Year ended 31 March 2020	Allied Blenders and Distillers International General Trading LLC Year ended 31 March 2019 (₹ in lakhs)
Revenue	-	-
Profit for the year	-	34.72
Other comprehensive income	-	-
Total comprehensive income	-	34.72

Gain/ (loss) on sale of invetment	(₹ in lakhs)
Net Assets as on date of sale	**Amount**
Carrying Amount of net assets as on the date of sale	-
Goodwill	-
Consideration Received	1.35
Gain/ (loss) on sale of invetment	1.35

55 Pursuant to the order of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, the erstwhile wholly owned subsidiary company - Henkell & Company India Private Limited (Henkell / transferor company) has been merged into the Company (transferee company) with appointed date being 29 March 2019. The Scheme has become effective on 27 July 2020. This was a cash free transaction in which the Company took over the net assets. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'business combinations' read with clarification issued by Ind AS technical facilitation group. Further, provision made in an earlier year, against amounts receivable from Henkell by the Company, have been written back post transfer of respective liability from Henkell (Refer note 34). The effect of tax expense consequent to the aforesaid merger has been given during the year.

The assets and liabilities recognised as a result of the merger are as follows:

(₹ in lakhs)

Particulars	Amount
Assets (as per book values in the financial statements of the transferor)	
Property, plant and equipment	3.71
Income tax assets	0.43
Cash and cash equivalents	26.85
Other financial assets	1.30
Total Assets - A	**32.29**
Liabilities (as per book values in the financial statements of the transferor)	
Borrowings	771.06
Other financial liabilities	331.20
Other current liabilities	0.22
Total liabilities - B	**1,102.48**
Net Assets: (C = A - B)	**(1,070.19)**
Purchase consideration paid (D)	**10.49**
Goodwill (D - C)	**1,080.68**
Less: Adjustment for liability towards borrowings, written back *	(771.06)
Goodwill (net)	**309.62**

* Represents loan waived off by the ertswhile shareholder, adjusted on the date of acquiring control (29 March 2019).

56 **Leases**

Group as lessee

The Group's leased assets primarily consist of leases for land, building and machinery. Leases of land, building and machinery generally have lease term between 10 years to 95 years, 2 to 3 years and 2 to 3 years respectively. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

The Group has adopted Ind AS 116, 'Leases', effective 1st April 2019, using modified retrospective approach, as a result of which comparative information are not required to be restated. The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities and accordingly recognised right-of-use assets (after adjusting prepaid and outstanding lease rent) by adjusting retained earnings by ₹ 48.83 lakhs (net of tax), as at the aforesaid date."

The following is the summary of practical expedients elected on initial application as at 1st April, 2019 :

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;

(b) Company has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term;

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17."

i) **Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:**

(₹ in lakhs)

Particulars	Land	Building	Machinery	Total
Reclassified on account of adoption of Ind AS 116 'Leases'	11,885.30	-	-	11,885.30
Transition impact on account of adoption of Ind AS 116 'Leases'	18.56	44.06	1,952.58	2,015.20
As at 1 April 2019	**11,903.86**	**44.06**	**1,952.58**	**13,900.50**
Additions	-	1.21	-	1.21
Termination	-	-	-	-
Depreciation expenses	89.44	27.33	311.07	427.84
As at 31 March 2020	**11,814.42**	**17.94**	**1,641.51**	**13,473.87**

ii) **Set out below are the carrying amounts of lease liabilities and the movements during the period:**

(₹ in lakhs)

Particulars	Land	Building	Machinery	Total
As at 1 April 2019	**26.75**	**44.85**	**1,825.11**	**1,896.71**
Additions	-	1.21	-	1.21
Termination	-	-	-	-
Accretion of interest	2.98	3.64	190.35	196.97
Payments	3.40	29.86	180.15	213.41
As at 31 March 2020	**26.33**	**19.84**	**1,835.31**	**1,881.48**
Current				625.33
Non-current				1,256.15

The difference between the lease obligation disclosed as of March 2019 31 under Ind AS 17 and the value of the lease liabilities as of 1 April 2019 is primarily on account of practical expedients exercised for short term leases at the time of adoption of the standard, in measuring the lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

(₹ in lakhs)

Particulars	Total
Operating lease commitments disclosed as at 31 March 2019*	**3,096.07**
(Less): Impact of discounting on opening lease liability	1,077.93
(Less): Short-term leases not recognized as a liability	121.43
Total lease liabilities as at 1 April 2019	**1,896.71**

*Operating lease commitments disclosed as at 31 March 2019 of ₹ 4,504.55 lakhs included lease commitments payable for cancellable period as well, however same has been excluded.

When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019.

The weighted average rate applied is 11.30 %.

iii) **The following are the amounts recognised in the statement of profit and loss:**

(₹ in lakhs)

Particulars	F.Y. 2019-20
Depreciation expense of right-of-use assets	427.84
Interest expense on lease liabilities	196.97
Expense relating to short-term and cancellable leases (included in other expenses)	1,043.07
Total amount recognised in the statement of profit and loss	**1,667.88**

iv) **The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:**

₹ in lakhs)

Particulars	within 1 year	2-5 years	5-10 years	10 years and above	Total
31 March 2020					
Lease payments	796.76	1,074.53	1,011.20	27.18	2,909.67
Finance charge	171.43	518.90	179.23	9.19	878.75

57 Exceptional items includes ₹ Nil (₹ 1,768.13 lakhs) paid for legal charges, professional fees and travelling expenses incurred on account of capital raising activity carried out during the previous year .

58 During the previous year ended 31 March 2019, the Group had received a sum of ₹ 7,500 lakhs towards proposed allotment of preference shares of the Group. Considering Management's decision to delay the further issue of share capital towards the end of May 2019, the amount received was disclosed as "Current Liabilities". The amount was repaid subsequent to the previous year end, within the prescribed time. During June 2019, the Group again received ₹ 7,500 lakhs towards allotment of share capital against which, the Group has allotted %0.01 non-cumulative, convertible preference shares of ₹10 each on 4 July 2019, for the entire sum received (Refer note 21(h)).

59 In March 2020, the World Health Organisation declared Covid19- a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24 March 2020, which has impacted normal business operations of the Group. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Group's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and deferred tax assets. The impact of Covid19- pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Group's Consolidated financial statements, which may differ from that considered as at the date of approval of these Consolidated financials statements. The Group has resumed its business activities, in line with guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. However, the Group does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Group is yet closely monitoring the situation as it evolves in the future.

60 **Disposal of interest in Joint Venture**
On 10 July 2019, the Group sold 147 equity shares of Allied Blenders and Distillers International General Trading LLC for ₹1.35 lakhs. The difference between the selling amount and carrying value of investment is recognised as profit on sale of investment in the statement of profit and loss.

61 The Group has evaluated all subsequent events upto 1 December 2020, the date on which these financial statements are authorized for issuance. No adjusting or significant non-adjusting events occurred between 31 March 2020 and the date of authorizattion of these financial statements that would have a material impact on these financial statements or that would warrant disclosures in addition to those made herein.

62 Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No. 108840

Place : Mumbai
Date: 1 December 2020

For and on behalf of the Board of Directors

Nicholas Blazquez
Deputy Chairman
DIN No. 06995779
Place : London
Date: 1 December 2020

Utpal K Ganguli
Executive Vice Chairman
DIN No. 00067083
Place : Kolkata
Date: 1 December 2020

Ramakrishnan Ramaswamy
Executive Director
DIN No. 00773787
Place : Mumbai
Date: 1 December 2020

Ritesh Shah
Company Secretary

Place : Mumbai
Date: 1 December 2020