



Independent Auditor's Report

To the Members of

CHITWAN BLENDERS & BOTTLERS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CHITWAN BLENDERS & BOTTLERS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified



under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 or read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- i. 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.

- ii. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.
- v. 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-



section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts that were required to be transferred to the investor's education and protection fund by the company.

Place: Patna
Date: 09.09.2019



For: S. Sannigrahi & Co.
Chartered Accountants
F.R.N.: 04995C

Manish Chaurasia
[CA Manish Kumar Chaurasia]
Partner
Mem. No.: 408810
UDIN: 19408810AAAAAZ9250

Chitwan Blenders & Bottlers Private Limited
Balance sheet as at 31 March 2019

| Particulars | Notes | As at | As at | As at |
|--|-------|----------------------|----------------------|----------------------|
| | | 31 March 2019 | 31 March 2018 | 1 April 2017 |
| ASSETS | | | | |
| I Non-current assets | | | | |
| Property, plant and equipment | 2 | 6,952 | 2,78,150 | 2,40,53,093 |
| Financial assets | | | | |
| (i) Loans | 3 | | 3,72,755 | 3,51,035 |
| Deferred tax assets (net) | 4 | 1,75,293 | 46,97,267 | 38,15,003 |
| Total non-current assets | | 1,82,245 | 53,48,172 | 2,82,19,131 |
| II Current assets | | | | |
| Financial assets | | | | |
| (i) Trade receivables | 5 | | 22,87,940 | 5,77,122 |
| (ii) Cash and cash equivalents | 6 | 6,33,794 | 50,118 | 11,97,665 |
| (iii) Loans | 7 | | | 11,50,791 |
| Current tax assets (net) | 8 | 28,686 | 28,686 | 26,273 |
| Other current assets | 9 | 12,32,742 | 12,49,644 | 17,118 |
| Total current assets | | 18,95,222 | 36,16,388 | 29,68,969 |
| TOTAL ASSETS | | 20,77,467 | 89,64,560 | 3,11,88,100 |
| EQUITY AND LIABILITIES | | | | |
| III Equity | | | | |
| Equity share capital | 10 | 19,98,000 | 19,98,000 | 19,98,000 |
| Other equity | 11 | (4,01,52,451) | (3,49,62,863) | (2,54,03,100) |
| Total equity | | (3,81,54,451) | (3,29,64,863) | (2,34,05,100) |
| Liabilities | | | | |
| IV Non-current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 12 | 6,46,630 | 5,73,315 | 5,00,000 |
| Total non-current liabilities | | 6,46,630 | 5,73,315 | 5,00,000 |
| V Current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Trade payables | 13 | | 2,13,796 | 32,10,991 |
| - Total Outstanding dues to Micro and Small Enterprises | | | | |
| - Total Outstanding dues of creditors other than Micro and Small Enterprises | | | | |
| (ii) Other current financial liabilities | 14 | 3,95,85,288 | 4,11,35,661 | 5,07,36,246 |
| Other current liabilities | 15 | | 6,651 | 1,45,964 |
| Total current liabilities | | 3,95,85,288 | 4,13,56,108 | 5,40,93,200 |
| TOTAL EQUITY AND LIABILITIES | | 20,77,467 | 89,64,560 | 3,11,88,100 |

Summary of significant accounting policies

The accompanying notes 1 to 30 form an integral part of the financial statements.

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

For : S.Sannigrahi & Co.
Chartered Accountants
Firm Registration No: 4995/C



Manish Chandra
CA. MK Chaurasia
Partner
Membership No. 408810

Place : 09.09.2019
Date : PATNA

UDIN : 19408810AAAAAZ9250

For and on behalf of the Board of Directors

[Signature]
Ramakrishnan Ramaswamy
Director
DIN: 00773787

[Signature]
Arjun Barik
Director
DIN: 07130542

Place :
Date :

Place :
Date :

Chitwan Blenders & Bottlers Private Limited
Statement of Profit and Loss for the year ended 31 March 2019

| Particulars | Notes | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-------|-----------------------------|-----------------------------|
| Revenue | | | |
| Other income | | | |
| Total revenue | 16 | - | 1,80,09,088 |
| | | - | 1,80,09,088 |
| Expenses | | | |
| Cost of material consumed | 17 | - | 41,57,521 |
| Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 18 | - | 50,80,229 |
| Finance costs | 19 | 73,315 | 73,315 |
| Depreciation and amortisation expenses | 20 | 52,836 | 23,61,405 |
| Other expenses | 21 | 5,41,463 | 1,67,78,644 |
| Total expenses | | 6,67,613 | 2,84,51,114 |
| Total profit before tax | | (6,67,613) | (1,04,42,026) |
| Tax expense | | | |
| (i) Current tax | | - | - |
| (ii) Deferred tax expense | 22 | 45,21,974 | (8,82,264) |
| | | 45,21,974 | (8,82,264) |
| Total profit after tax | | (51,89,588) | (95,59,763) |
| Other comprehensive income / (loss) | | | |
| Items that will not be reclassified to profit or loss, net of tax | | - | - |
| Items that will be reclassified to profit or loss, net of tax | | - | - |
| Other comprehensive income/(loss) for the year, net of tax | | - | - |
| Total comprehensive income for the year | | (51,89,588) | (95,59,763) |
| Earnings/(loss) per equity share: | | | |
| Basic & diluted (in INR) | 28 | (259.74) | (478.47) |
| Face value per share (in INR) | | 10.00 | 10.00 |

The accompanying notes 1 to 30 form an integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For : S.Sannigrahi & Co.
Chartered Accountants
Firm Registration No: 4995/C



Manish Chandra
CA. MK Chaurasia
Partner
Membership No. 408810

Place : PATNA
Date : 09.09.2019

UDIN : 19408810AAAAAZ9250

For and on behalf of the Board of Directors

Ramakrishnan Ramaswamy
Ramakrishnan Ramaswamy
Director
DIN: 00773787

Arun Barik
Arun Barik
Director
DIN: 07130542

Place :
Date:

Place :
Date:

Chitwan Blenders & Bottlers Private Limited
Cash Flow Statement

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| A. Cash flow from operating activities | | |
| Profit before taxation | | |
| Adjustments for: | (51,89,588) | (95,59,763) |
| Deferred tax | 45,21,974 | (8,82,264) |
| Loss on Sales of Fixed Assets | 1,24,462 | 1,15,01,885 |
| Depreciation | 52,837 | 23,61,407 |
| Interest costs | 73,315 | 73,315 |
| Interest income | - | (21,720) |
| Operating loss | (4,17,000) | 34,72,860 |
| Adjustment for working capital changes: | | |
| Increase in trade receivables | 22,87,940 | (17,10,818) |
| Increase in loans and other financial assets | 16,902 | (84,148) |
| Increase in trade payables and current liabilities | (17,64,170) | (1,25,97,779) |
| Movement in provisions | (6,650) | (1,39,314) |
| Cash generated from operations | 1,17,022 | (1,10,59,199) |
| Income tax paid | | |
| Net cash generated from/(used in) operating activities | 1,17,022 | (1,10,59,199) |
| B. Cash flow from investing activities | | |
| Proceeds From Disposal Of Non-Current Assets | 93,899 | 99,11,652 |
| Long term Security Deposits | 3,72,755 | - |
| Net cash flow generated from/(used in) investing activities | 4,66,654 | 99,11,652 |
| C. Cash flow from financing activities | | |
| Short term borrowings (net) | - | - |
| Interest paid | - | - |
| Net cash flow generated from/(used in) financing activities | - | - |
| Net increase / (decrease) in cash and cash equivalents during the year (A+B+C) | 5,83,676 | (11,47,547) |
| Opening balance of cash and cash equivalents (Refer Note 6) | | |
| Cash in hand | | |
| In current accounts | 50,118 | 11,97,665 |
| Cash and cash equivalents as at beginning of the year | 50,118 | 11,97,665 |
| Closing balance of cash and cash equivalents (Refer Note 6) | | |
| Cash in hand | | |
| In current accounts | 6,33,794 | 50,118 |
| Cash and cash equivalents as at end of the year | 6,33,794 | 50,118 |

As per our attached report of even date

For: S.Sannigrahi & Co.
Chartered Accountants
Firm Registration No: 4995/C



Manish Chandra
CA. MK Chaurasia
Partner
Membership No. 408810

Place: PATNA
Date: 09.09.2019

For and on behalf of Board of Directors of

[Signature]
Ramakrishnan Ramaswamy
Director
DIN: 00773787

[Signature]
Arun Barik
Director
DIN: 07130542

Place:
Date:

Place:
Date:

Chitwan Blenders & Bottlers Private Limited
Statement of Changes in Equity for the year ended 31 March 2019

a) Equity share capital

| Particulars | Number of shares | (In INR) |
|--|------------------|-----------|
| Issued, subscribed and paid up: | | |
| As at 1 April 2017 | 20,000 | 20,00,000 |
| Changes in equity share capital | - | - |
| As at 31 March 2018 | 20,000 | 20,00,000 |
| Changes in equity share capital | - | - |
| As at 31 March 2019 | 20,000 | 20,00,000 |

b) Other equity

| Particulars | Reserve and Surplus | Total |
|---|---|---------------|
| | Surplus in the statement of profit and loss | |
| Balance as at 1 April 2017 | (2,54,03,100) | (2,54,03,100) |
| Profit for the year | (95,59,763) | (95,59,763) |
| Other comprehensive income for the year | - | - |
| Balance as at 31 March 2018 | (3,49,62,863) | (3,49,62,863) |
| Profit for the year | (51,89,588) | (51,89,588) |
| Other comprehensive income for the year | - | - |
| Balance as at 31 March 2019 | (4,01,52,451) | (4,01,52,451) |

The accompanying notes 1 to 30 form an integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

For : S.Sannigrahi & Co.
Chartered Accountants
Firm Registration No: 4995/C



Sanish Chandra
MK Chaurasia
Partner
Membership No. 408810

Place : **PATNA**
Date: **09.09.2019**

For and on behalf of the Board of Directors

Ramakrishnan Ramaswamy
Director
DIN: 00773787

Place :
Date:

Arun Barik
Director
DIN: 07130542

Place :
Date:

2 Property, plant and equipment

| Particulars | Plant and machinery | Electrical installation | Office equipments | Furniture and fixture | Computer | Total |
|--------------------------------|---------------------|-------------------------|-------------------|-----------------------|----------|-------------|
| Gross block | | | | | | |
| Deemed cost as at 1 April 2017 | 7,28,11,019 | 15,49,195 | 10,45,726 | 7,21,567 | 3,91,395 | 7,65,18,902 |
| Additions | - | - | - | - | - | - |
| Deductions | 7,16,27,940 | 15,49,195 | 3,23,637 | 7,01,625 | 76,942 | 7,42,79,339 |
| As at 31 March 2018 | 11,83,079 | - | 7,22,089 | 19,942 | 3,14,453 | 22,39,563 |
| Additions | - | - | - | - | - | - |
| Deductions | 11,83,079 | - | 7,22,089 | - | - | - |
| As at 31 March 2019 | 0 | - | - | 19,942 | 2,11,453 | 21,16,621 |
| Accumulated depreciation | | | | | | |
| As at 1 April 2017 | 4,93,59,973 | 12,47,279 | 8,93,723 | 5,91,195 | 3,73,639 | 5,24,65,809 |
| Depreciation charge | 22,33,251 | 91,153 | 16,142 | 20,859 | - | 23,61,405 |
| Deductions | 5,05,84,152 | 13,38,432 | 2,69,366 | 6,01,479 | 72,372 | 5,28,65,801 |
| As at 31 March 2018 | 10,09,072 | - | 6,40,499 | 10,575 | 3,01,267 | 19,61,413 |
| Depreciation charge | 45,295 | - | 5,116 | 2,425 | - | 52,836 |
| Deductions | 10,54,367 | - | 6,45,615 | - | - | 18,98,259 |
| As at 31 March 2019 | 0 | - | - | 13,000 | 1,02,990 | 1,15,990 |
| Net block | | | | | | |
| Balance as at 1 April 2017 | 2,34,51,046 | 3,01,916 | 1,52,003 | 1,30,372 | 17,756 | 2,40,53,093 |
| Balance as at 31 March 2018 | 1,74,007 | - | 81,590 | 9,367 | 13,186 | 2,78,150 |
| Balance as at 31 March 2019 | 0 | - | - | 6,942 | 10 | 6,952 |



Chitwan Blenders & Bottlers Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

3 Loans (Non-current)

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|----------------------------|------------------------|------------------------|-----------------------|
| Unsecured, considered good | | | |
| Security deposits | | 3,72,755 | 3,51,035 |
| Total | | 3,72,755 | 3,51,035 |

4 Deferred tax assets (net)

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|---|------------------------|------------------------|-----------------------|
| Deferred tax liability arising on account of: Timing difference between book depreciation and depreciation as per Income Tax Act, 1961 | 1,75,293 | 46,97,267 | 38,15,003 |
| Deferred tax assets (net) (A-B) | 1,75,293 | 46,97,267 | 38,15,003 |

5 Trade receivables

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|---|------------------------|------------------------|-----------------------|
| Trade receivable - considered good - unsecured | | 22,87,940 | 5,77,122 |
| Total | | 22,87,940 | 5,77,122 |

6 Cash and cash equivalents

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|---|------------------------|------------------------|-----------------------|
| Cash in hand | | | |
| Balances with banks in current accounts | 6,33,794 | 50,118 | 11,97,665 |
| Total | 6,33,794 | 50,118 | 11,97,665 |

7 Loans (Current)

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|--|------------------------|------------------------|-----------------------|
| Unsecured considered good, unless otherwise stated | | | |
| Security Deposit | | | 11,50,000 |
| Current Account with USL | | | 791 |
| Total | | | 11,50,791 |



Chitwan Blenders & Bottlers Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

8 Current tax assets (net)

The accompanying notes 1 to 31 form an integral part of the financial statements.

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|---------------------------------|------------------------|------------------------|-----------------------|
| Advance tax (net of provisions) | 28,686 | 28,686 | 26,273 |
| Total | 28,686 | 28,686 | 26,273 |

9 Other current assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|------------------------------------|------------------------|------------------------|-----------------------|
| Balance with statutory authorities | 6,20,003 | 6,36,905 | 16,985 |
| Advance Others | 6,12,739 | 6,12,739 | 133 |
| Total | 12,32,742 | 12,49,644 | 17,118 |

11 Other equity

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|---|------------------------|------------------------|-----------------------|
| Surplus in the statement of profit and loss | (4,01,52,451) | (3,49,62,863) | (2,54,03,100) |
| Total | (4,01,52,451) | (3,49,62,863) | (2,54,03,100) |

Nature and purpose of reserves

(i) Surplus in the statement of profit and loss

Retained earnings pertain to the accumulated earnings made by the Company over the years.

Surplus in the statement of profit and loss

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Balance at the beginning of the year | | (2,54,03,100) |
| Add: Profit for the year | | (51,89,588) |
| Add: Other comprehensive income for the year | | |
| Balance at the end of the year | (4,01,52,451) | (3,49,62,863) |

12 Non-current borrowings

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|---|------------------------|------------------------|-----------------------|
| 12.5% Cumulative Redeemable preference Shares of Rs.100/- each. | 6,46,630 | 5,73,315 | 5,00,000 |
| Total | 6,46,630 | 5,73,315 | 5,00,000 |



Chitwan Blenders & Bottlers Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

13 Trade payables

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|--|------------------------|------------------------|-----------------------|
| Total Outstanding dues to Micro and Small Enterprises (Refer note 30) | - | - | - |
| Total Outstanding dues of creditors other than Micro and Small Enterprises | - | 2,13,796 | 32,10,991 |
| Total | - | 2,13,796 | 32,10,991 |

14 Other current financial liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|------------------------------|------------------------|------------------------|-----------------------|
| Advance from Related Parties | 3,93,91,887 | 4,09,42,261 | 5,02,20,548 |
| Others | 1,93,401 | 1,93,400 | 5,15,698 |
| Total | 3,95,85,288 | 4,11,35,661 | 5,07,36,246 |

15 Other current liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|----------------|------------------------|------------------------|-----------------------|
| Statutory dues | - | 6,651 | 1,45,964 |
| Total | - | 6,651 | 1,45,964 |

(This space has been left intentionally blank)



10 Equity share capital

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|--|---------------------|---------------------|--------------------|
| Authorised share capital | | | |
| 20,000 (31 March 2018: 20,000) Equity Shares of Rs. 100/- Each | 20,00,000 | 20,00,000 | 20,00,000 |
| 5,000 (31 March 2018: 5,000) 12.5% Cumulative Redeemable preference Shares of Rs.100/- each. | 5,00,000 | 5,00,000 | 5,00,000 |
| Issued, subscribed and fully paid up | | | |
| 19,980 (31 March 2018: 19,980) Equity share of Rs.100/- each and fully paid-up. | 19,98,000 | 19,98,000 | 19,98,000 |
| | 19,98,000 | 19,98,000 | 19,98,000 |

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

Equity shares

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | | As at 1 April 2017 | |
|---|---------------------|------------------|---------------------|------------------|--------------------|------------------|
| | No. of shares | INR | No. of shares | INR | No. of shares | INR |
| Balance as at the beginning of the year | 19,980 | 19,98,000 | 19,980 | 19,98,000 | 19,980 | 19,98,000 |
| Add : Shares Issued during the year | - | - | - | - | - | - |
| Balance outstanding at the end of the year | 19,980 | 19,98,000 | 19,980 | 19,98,000 | 19,980 | 19,98,000 |

Preference shares

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | | As at 1 April 2017 | |
|---|---------------------|-----------------|---------------------|-----------------|--------------------|-----------------|
| | No. of shares | INR | No. of shares | INR | No. of shares | INR |
| Balance as at the beginning of the year | 5,000 | 5,00,000 | 5,000 | 5,00,000 | 5,000 | 5,00,000 |
| Add : Shares Issued during the year | - | - | - | - | - | - |
| Balance outstanding at the end of the year | 5,000 | 5,00,000 | 5,000 | 5,00,000 | 5,000 | 5,00,000 |

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

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | | As at 1 April 2017 | |
|--------------------------------------|---------------------|----------------|---------------------|----------------|--------------------|----------------|
| | Number of shares | % of holding | Number of shares | % of holding | Number of shares | % of holding |
| Allied Blenders & Distillers Pvt Ltd | 19,980 | 100.00% | 19,980 | 100.00% | 19,980 | 100.00% |
| Total | 19,980 | 100.00% | 19,980 | 100.00% | 19,980 | 100.00% |

(c) Shareholders holding more than 5% of the preference shares in the Company

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | | As at 1 April 2017 | |
|--------------------------------------|---------------------|----------------|---------------------|----------------|--------------------|----------------|
| | Number of shares | % of holding | Number of shares | % of holding | Number of shares | % of holding |
| Allied Blenders & Distillers Pvt Ltd | 5,00,000 | 100.00% | 5,00,000 | 100.00% | 5,00,000 | 100.00% |
| Total | 5,00,000 | 100.00% | 5,00,000 | 100.00% | 5,00,000 | 100.00% |

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

The Company has two class of shares equity & preference having a par value of Rs. 100 per share. Each Shareholder is eligible for one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend declared by the Board of Directors are subject to the approval of the shareholders in the Annual General Meeting except the case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The accompanying notes 1 to 31 form an integral part of the financial statements.

(d) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2019.



Chitwan Blenders & Bottlers Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March

16 Other income

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Sale of Packaging Material & RM | - | 85,96,532 |
| Sale Of Scrap | - | 26,38,336 |
| Rental Income | - | 48,00,000 |
| Interest Income | - | 24,134 |
| Liability no longer required- Written in | - | 19,50,086 |
| Total | - | 1,80,09,088 |

17 Cost of material consumed

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Raw material and packing material consumed | - | - |
| Opening stock | - | 1,99,38,579 |
| Add: Purchases | - | - |
| Less: Sale/Trasfer | - | - |
| Less: Closing stock | - | (1,57,81,058) |
| Total | - | 41,57,521 |

18 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|----------------------------------|-----------------------------|-----------------------------|
| At the beginning of the Year | - | - |
| Finished goods (Continued brand) | - | 50,80,229 |
| At the end of the Year | - | 50,80,229 |
| Finished goods (Continued brand) | - | - |
| Total | - | 50,80,229 |

19 Finance costs

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Interest cost on financial liability measured at amortised cost | 73,315 | 73,315 |
| Total | 73,315 | 73,315 |

20 Depreciation and amortisation expenses

The accompanying notes 1 to 31 form an integral part of the financial statements.

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Depreciation on property, plant and equipment | 52,836 | 23,61,405 |
| Total | 52,836 | 23,61,405 |

21 Other expenses

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Audit Fees | 59,000 | 59,000 |
| Bank Charges | 649 | 745 |
| Electricity charges | 21,720 | 5,31,473 |
| Repairs & Maintaince to Others | - | 31,214 |
| Rates & Taxes | 3,35,257 | 4,250 |
| Rent | - | 30,40,659 |
| Printing & Stationary | - | 13,222 |
| Postage & Courier | - | 11,330 |
| Other Interest | 372 | 70,241 |
| Conveyance | - | 88,250 |
| Round Off | 3 | 10 |
| Loss on sale of property, plant and equipment | 1,24,462 | 1,15,01,885 |
| Miscellaneous Expenses | - | 14,26,365 |
| Total | 5,41,463 | 1,67,78,644 |

Note: Auditors' remuneration

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-----------------|-----------------------------|-----------------------------|
| Statutory audit | 59,000 | 59,000 |
| Tax audit | - | - |
| Total | 59,000 | 59,000 |



22 Tax expense

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---------------------------------|--------------------------|--------------------------|
| Current tax expense | | |
| Current tax for the year | | |
| Total current tax expense | - | - |
| Deferred taxes | | |
| Net deferred tax expense | 45,21,974 | (8,82,264) |
| Total income tax expense | 45,21,974 | (8,82,264) |

22.1 The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2019 and 31 March 2018:

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|--------------------------|--------------------------|
| Profit before income tax expense | (6,67,613) | (1,04,42,026) |
| Income tax expense | (1,85,730) | (28,77,039) |
| Tax effect of amounts which are not deductible / (taxable) in calculating taxable income | | |
| Deferred Tax assets not created on business losses | 47,07,703 | 19,94,776 |
| Income tax expense | 45,21,974 | (8,82,264) |

22.2 Deferred tax assets (net)

| Particulars | As at 31 March 2019 | Changes in deferred tax recognised | | As at 31 March 2018 | Changes in deferred tax recognised | | As at 1 April 2017 |
|--|---------------------|------------------------------------|----------------------------------|---------------------|------------------------------------|----------------------------------|--------------------|
| | | Profit & loss | Other comprehensive income/ loss | | Profit & loss | Other comprehensive income/ loss | |
| Deferred tax liabilities on account of: | | | | | | | |
| Timing difference between book depreciation and depreciation as per Income Tax Act, 1961 | 1,75,293 | (45,21,974) | - | 46,97,267 | 8,82,264 | - | 38,15,003 |
| Net Deferred Tax | (1,75,293) | 45,21,974 | - | (46,97,267) | (8,82,264) | - | (38,15,003) |



23 Fair value measurements

Financial instruments by category:

| Particulars | 31 March 2019 | | 31 March 2018 | | 1 April 2017 | |
|--|----------------|-------|----------------|-------|----------------|-------|
| | Amortised cost | FVTPL | Amortised cost | FVTPL | Amortised cost | FVTPL |
| Financial Assets - Non-current | | | | | | |
| Non-current Loans | - | - | 3,72,755.00 | - | 3,51,035.00 | - |
| Financial Assets - Current | | | | | | |
| Trade receivables | - | - | 22,87,940 | - | 5,77,122 | - |
| Cash and cash equivalents | 6,38,794 | - | 50,118 | - | 11,97,665 | - |
| Current loans | - | - | - | - | 11,50,791 | - |
| Financial Liabilities - Non-current | | | | | | |
| Borrowings | 6,46,630 | - | 5,73,315 | - | 5,00,000 | - |
| Financial Liabilities - Current | | | | | | |
| Trade payables | - | - | 2,13,796 | - | 32,10,991 | - |
| Other financial liabilities | 3,95,85,288 | - | 4,11,35,661 | - | 5,07,36,246 | - |

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 consolidated 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.

II. Valuation techniques used to determine fair value

The fair values are based on discounted cash flows using a discount rate determined considering the incremental borrowing rate of the Company.

III. Assets and liabilities which are measured at amortised cost for which fair values are disclosed

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of trade receivables, cash and bank balances, current loans, borrowings, trade payables, and other current financial liabilities are considered to be approximately equal to the fair value.



Chitwan Blenders & Bottlers Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

24 Financial risk management

The Company is primarily exposed to risk of fluctuations in credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Company focuses on assessment of 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 of borrowings, trade and other payables. The Company's principal financial assets include loans, trade receivables, cash and bank balances that derive directly from its operations.

A Credit risk

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

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|------------------------------|------------------------|------------------------|-----------------------|
| Upto 180 days | - | 22,87,940 | - |
| More than 180 days | - | - | 5,77,122 |
| Total | - | 22,87,940 | 5,77,122 |
| Provision for doubtful debts | - | - | - |

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, trade payables and other financial liabilities.



Chitwan Blenders & Bottlers Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

25 Capital Management

a) The capital composition is as follows:

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|------------------------------|------------------------|------------------------|------------------------|
| Gross debt | 6,46,630 | 5,73,315 | 5,00,000 |
| Less: Cash and bank balances | (6,33,794) | (50,118) | (11,97,665) |
| Net debt (A) | 12,836 | 5,23,197 | (6,97,665) |
| Equity (B) | (3,81,54,451) | (3,29,64,863) | (2,34,05,100) |
| Gearing ratio (A / B) (%) | -0.03% | -1.59% | 2.98% |

b) Net debt reconciliation

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---------------------------|------------------------|------------------------|------------------------|
| Cash and cash equivalents | 6,33,794 | 50,118 | 11,97,665 |
| Non-current borrowings | 6,46,630 | 5,73,315 | 5,00,000 |

| Particulars | Cash and cash equivalents | Non-current borrowings |
|------------------------------|------------------------------|---------------------------|
| Net Debt as at 1 April 2019 | 11,97,665 | 5,00,000 |
| Cash flows | (11,47,547) | - |
| Finance costs | - | 73,315 |
| Net Debt as at 31 March 2018 | 50,118 | 5,73,315 |
| Cash flows | 5,83,676 | - |
| Finance costs | - | 73,315 |
| Net Debt as at 31 March 2019 | 6,33,794 | 6,46,630 |

26 First time adoption of Ind AS

First Ind AS Financial statements

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance is set out in the following tables and notes:



Chitwan Blenders & Bottlers Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

The accompanying notes 1 to 31 form an integral part of the financial statements.

Optional exemptions availed

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

Mandatory exceptions applied

Estimates

The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the Company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



B First time adoption reconciliations

Reconciliation of equity from previous GAAP to Ind AS

| Particulars | Note | Equity as at 31 March 2018 | Equity as at 1 April 2017 |
|---|------|-------------------------------|------------------------------|
| Equity as per previous GAAP | | (3,23,91,548) | (2,29,05,100) |
| GAAP adjustments: | | | |
| Impact on account of preference share classified as liability | B.1 | (5,73,315) | (5,00,000) |
| Total - GAAP adjustments | | (5,73,315) | (5,00,000) |
| Equity as per Ind AS | | (3,29,64,863) | (2,34,05,100) |

Reconciliation of total comprehensive income from previous GAAP to Ind AS

| Particulars | Note | Year ended 31 March 2018 |
|---|------|-----------------------------|
| Net profit/ (loss) for the period as per previous GAAP | | (94,86,448) |
| GAAP adjustments: | | |
| Impact on account of fair valuation of preference share | B.1 | (73,315) |
| Total - GAAP adjustments | | (73,315) |
| Net profit/ (loss) after tax as per Ind AS | | (95,59,763) |
| Total comprehensive income after tax as per Ind AS | | (95,59,763) |

Explanations to reconciliations

B.1 Impact on account of preference share classified as liability

Previous GAAP -The Company has issued Cumulative redeemable preference Shares which carries fixed cumulative dividend. The preference shares were grouped under share capital.

Ind AS - Cumulative redeemable preference Shares with redemption are classified as financial liability under Ind AS and accounted at fair value on initial recognition and subsequently at amortised cost. Dividend paid to shareholders is considered as finance cost in Ind AS.



Chitwan Blenders & Bottlers Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

27 Related party disclosures

a) Name of the related parties and nature of relationship (where there are transactions):

| | |
|---|---------------------------------|
| Name of related party Allied Blenders And Distillers Private Limited | Relationship Holding company |
|---|---------------------------------|

b) Transactions with related parties

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|--|--|
| Business surplus | - | 1,13,50,705 |
| Sale of property, plant and equipment and Stock (IMFL/PM/Blend) | 1,10,802 | 1,68,42,744 |
| Loan | 3,60,29,826 | 3,60,29,826 |

c) Balances with related parties

| | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---------------------------------------|------------------------|------------------------|------------------------|
| Other Payables (Working Capital Loan) | 1,01,11,900 | 2,38,13,131 | 6,71,36,509 |



Chitwan Blenders & Bottlers Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

28 Earnings/ (loss) per share

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Profit Computation for both Basic and Diluted earnings/ (loss) per share: | | |
| Net profit/ (loss) attributable to equity share holders for basic earnings/ (loss) per share | (51,89,588) | (95,59,763) |
| Weighted average number of equity shares: | 19,980 | 19,980 |
| Earnings/ (loss) per share: | | |
| Basic & diluted | (259.74) | (478.47) |
| Nominal value per equity share | 10.00 | 10.00 |

29 Due to Micro, Small and Medium Enterprises

Based on the information available with the Company, There are no dues outstanding in respect of Micro, Small and Medium Enterprises at the Balance sheet date. Further, no interest during the year has been paid or payable in respect thereof. This disclosure has been determined to the extent such parties have been identified on the basis of the information available with the Company.

| | | |
|---|---|---|
| The principal amount remaining unpaid to supplier as at the end of accounting year (included in Trade Payables). | - | - |
| The interest due thereon unpaid to supplier as at the end of accounting year | - | - |
| The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2018-19. | - | - |
| 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). | - | - |
| The amount of interest accrued during the year and remaining unpaid at the end of the accounting year | - | - |



30 Confirmation of balances of Debtors and Creditors

The company was manufacturing IMFL of different brand of different company as per contract/arrangement with them. Presently the company is working under the agreement for Tie-Up Manufacturing of IMFL Products with Allied Blenders & Distillers Pvt. Ltd (ABD). It was also into a tie-up arrangement with USL which stood discontinued with effect from 1st day of April 2016. As per agreement for Tie-Up Manufacturing of IMFL Products, the company will be reimbursed all eligible expenditure incurred to manufacture IMFL of the assigned brand. As per arrangement, USL & ABD is controlling all collection from sales and payment to suppliers and for that all debtors and creditors balance in respect of sale and purchases of their products are transferred to their account.

On 05.04.2016, the State Government of Bihar imposed a ban on the wholesale and retail trade in, and consumption of foreign liquor in the State of Bihar. The amount paid to the exchequer (VAT, Licence Fees and Excise Duty) for such IMFL products pertaining to ABD Brands has been shown as excess paid to Authorities pending refund from the State Government. A writ petition was filed for recovery of the amount paid to the exchequer which could not be sold to retailers in State of Bihar on account of Government imposition. The company was not given any advance notice of imposition of prohibition by the State of Bihar.

Detail of Current Account with Brand Owner

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| ABD | | |
| Balance As per Ledger | | |
| Add: Sundry Creditors (ABD Parties) | 66,39,037 | 1,89,15,815 |
| :Entry Tax Payable(ABD) | 36,446 | 36,446 |
| | 66,75,483 | 1,89,52,261 |
| Less: Trade Receivable (ABD Parties) | | |
| :Security Deposits with BSBC Ltd. | - | 2,75,338 |
| :Advance 19C LICENCE FEE(ABD) | 10,00,000 | 10,00,000 |
| :Advance BOTTLING FEE(19B) ABD | 10,08,804 | 15,92,279 |
| :Advance import pass fee (ABD) | - | 292 |
| :Advance VAT (ABD) | - | 11,319 |
| | (68,91,936) | 45,14,064 |
| The accompanying notes 1 to 31 form an integral part of the financial statements. | 19,662 | 20,016 |
| :Advance Excise Duty (ABD) | 1,15,38,953 | 1,15,38,953 |
| Total | 66,75,483 | 1,89,52,261 |

As per our report of even date attached.

For : S.Sannigrahi & Co.
 Chartered Accountants
 Firm Registration No: 4995/C



Mansh Chandra
 A. MK Chaurasia
 Partner
 Membership No. 408810

Place: PATNA
 Date: 09-09-2019

For and on behalf of the Board of Directors

[Signature]

Ramakrishnan Ramaswamy
 Director
 DIN: 00773787

Place :
 Date:

[Signature]

Arun Barik
 Director
 DIN: 07130542

Place :
 Date: