S. Sannigrahi & CO.
Chartered Accountants

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 2020, 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, 2020, 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.

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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.

<u>Auditor's Responsibilities for the Audit of the Financial Statements</u>

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

S. Panigrahi & Co.
PATNA
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Chartered Accountants

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.

PATNA F. REG. No. 04995C Chartered Accountants

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-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.

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

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

Manish Chaurasia

[CA Manish Kumar Chaurasia]
Partner
Mem. No.: 408810
UDIN: 20408810AAAAFU3369

Place: Patna
Date: 04.09.2020

"Annexure 1" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

Panigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Goods & Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) 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.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

S. Sannigrahi & Co. * Chartered Accountants * PATNA F. REG. NO. 04995C

Manish Chaurasia

Place: Patna
Date: 04.09.2020

[CA Manish Kr. Chaurasia, *FCA*]
Partner
Mem. No.: 408810
UDIN: 20408810AAAAFU3369

"Annexure 2" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Chitwan Blenders & Bottlers Pvt. Ltd.

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

We have audited the internal financial controls over financial reporting of Chitwan Blenders & Bottlers Pvt. Ltd. ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

S. Sannigrahi & Co.
PATNA
F. REG. No.
04995
Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020.

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

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

Place: Patna
Date: 04.09.2020

Manish Chaurasia

[CA Manish Kumar Chaurasia, *FCA*]
Partner
M. No.: 408810
UDIN: 20408810AAAAFU3369

Chitwan Blenders & Bottelers Private Limited
Balance sheet as at 31 March 2020

	Particulars	Notes	As at 31 March 2020	As at 31 March 2019
	ASSETS			
I	**Non-current assets**			
	Property, plant and equipment	3	5,150	6,952
	Deferred tax assets (net)	4	1,99,982	1,75,293
	Total non-current assets		**2,05,132**	**1,82,245**
II	**Current assets**			
	Financial assets			
	(i) Cash and cash equivalents	5	1,14,490	6,33,794
	(ii) Loans	6	4,53,33,841	-
	Current tax assets (net)	7	26,273	28,686
	Other current assets	8	16,32,742	12,32,742
	Total current assets		**4,71,07,346**	**18,95,222**
	TOTAL ASSETS		**4,73,12,477**	**20,77,467**
	EQUITY AND LIABILITIES			
III	**Equity**			
	Equity share capital	9	19,98,000	19,98,000
	Other equity	10	(4,07,53,824)	(4,01,52,452)
	Total equity		**(3,87,55,824)**	**(3,81,54,452)**
	Liabilities			
IV	**Non-current liabilities**			
	Financial liabilities			
	(i) Borrowings	11	7,19,945	6,46,630
	Total non-current liabilities		**7,19,945**	**6,46,630**
V	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	12		
	- Total Outstanding dues to Micro and Small Enterprises		-	-
	- Total Outstanding dues of creditors other than Micro and Small Enterprises		4,90,66,131	-
	(ii) Other current financial liabilities	13	3,62,82,225	3,95,85,289
	Total current liabilities		**8,53,48,356**	**3,95,85,289**
	TOTAL EQUITY AND LIABILITIES		**4,73,12,477**	**20,77,467**

Summary of significant accounting policies

The accompanying notes 1 to 27 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 Chaurasia

S. Sannigrahi & Co. PATNA F. REG. No. 04995 Chartered Accountants

CA. MK Chaurasia
Partner
Membership No. 408810

Place : PATNA
Date: 04.09.2020

For and on behalf of the Board of Directors

Ratan Lal Jain
Director
DIN: 00030299

Place :
Date:

Arun Barik
Director
DIN: 07130542

Place :
Date:

SIGN & D

Chitwan Blenders & Bottelers Private Limited
Statement of Profit and Loss for the year ended 31 March 2020

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Other income		147	-
Total revenue		**147**	**-**
Expenses			
Cost of material consumed		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
Finance costs	14	73,315	73,315
Depreciation and amortisation expenses	15	1,801	52,836
Other expenses	16	5,51,093	5,41,463
Total expenses		**6,26,209**	**6,67,614**
Total profit before tax		**(6,26,062)**	**(6,67,614)**
Tax expense			
(i) Current tax	17	-	-
(ii) Deferred tax expense	17	(24,689)	45,21,974
		(24,689)	**45,21,974**
Total profit after tax		**(6,01,372)**	**(51,89,590)**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss,		-	-
Items that will be reclassified to profit or loss, net		-	-
Other comprehensive income/(loss) for the		**-**	**-**
Total comprehensive income for the year		**(6,01,372)**	**(51,89,590)**
Earnings/(loss) per equity share:	22		
Basic & diluted (in INR)		(30.10)	(259.74)
Face value per share (in INR)		10.00	10.00

The accompanying notes 1 to 27 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

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

Manish Chaurasia

CA. MK Chaurasia
Partner
Membership No. 408810

Place : Patna.
Date: 04.9.2020

For and on behalf of the Board of Directors

Ratan Lal Jain
Director
DIN: 00030299

Place :
Date:

Arun Barik
Director
DIN: 07130542

Place :
Date:

SIGN & D

Chitwan Blenders & Bottelers Private Limited
Statement of Changes in Equity for the year ended 31 March 2020

a) Equity share capital

Particulars	Number of shares	(In INR)
Issued, subscribed and paid up:		
As at 31 March 2018	**19,980**	**19,98,000**
Changes in equity share capital	-	-
As at 31 March 2019	**19,980**	**19,98,000**
Changes in equity share capital	-	-
As at 31 March 2020	**19,980**	**19,98,000**

b) Other equity

Particulars	Reserve and Surplus	Total
	Surplus in the statement of profit and loss	
Balance as at 31 March 2018	(3,49,62,862)	(3,49,62,862)
Profit for the year	(51,89,590)	(51,89,590)
Other comprehensive income for the year	-	-
Balance as at 31 March 2019	(4,01,52,452)	(4,01,52,452)
Profit for the year	(6,01,372)	(6,01,372)
Other comprehensive income for the year	-	-
Balance as at 31 March 2020	(4,07,53,824)	(4,07,53,824)

The accompanying notes 1 to 27 form an integral part of the financial statements.

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

SIGN & DA

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

S. Sannigrahi & Co.
PATNA
F. REG. No
04995
Chartered Accountants

CA. MK Chaurasia
Partner
Membership No. 408810

Place : Patna,
Date: 04.9.2020

For and on behalf of the Board of Directors

Ratan Lal Jain
Director
DIN: 00030299

Place :
Date:

Arun Barik
Director
DIN: 07130542

Place :
Date:

Chitwan Blenders & Bottelers Private Limited
Cash Flow Statement

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before taxation	(6,26,062)	(6,67,614)
Adjustments for:		
Deferred tax		
Loss on Sales of Fixed Assets	-	1,24,462
Depreciation	1,801	52,836
Interest costs	73,315	73,315
Interest income	-	-
Operating loss	**(5,50,946)**	**(4,17,003)**
Adjustment for working capital changes:		
Increasein trade receivables	-	22,87,943
(Decrease)/Increase in loans and other financial assets	(4,57,33,841)	16,902
Increase/(Decrease) in trade payables and current liabilities	4,57,63,070	(17,64,170)
Decrease in Other Current Assets	2,413	-
Movement in provisions	-	(6,650)
Cash generated from operations	**(5,19,304)**	**1,17,022**
Income tax paid		-
Net cash generated from/(used in) operating activities	**(5,19,304)**	**1,17,022**
B. Cash flow from investing activities		
Proceeds From Disposal Of Non-Current Assets	-	93,899
Long term Security Deposits	-	3,72,755
Net cash flow generated from/(used in) investing activities	**-**	**4,66,654**
C. Cash flow from financing activities		
Long 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)	**(5,19,304)**	**5,83,676**
Opening 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 beginning of the year	**6,33,794**	**50,118**
Closing balance of cash and cash equivalents (Refer Note 6)		
Cash in hand	-	-
In current accounts	1,14,490	6,33,794
Cash and cash equivalents as at end of the year	**1,14,490**	**6,33,794**

As per our attached report of even date

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

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

CA MK Chaurasia
Partner
Membership No. 408810

Place :
Date: 04. 9. 2020

For and on behalf of Board of Directors

Ratan Lal Jain
Director
DIN: 00030299

Place :
Date:

Arun Barik
Director
DIN: 07130542

Place :
Date:

Summary of significant accounting policies and other explanatory information

1. Company information

Chitwan Blenders & Bottlers Private Limited ("the Company") is a private limited company incorporated and domiciled in India. The address of its registered address is House No. 270, Road No. 3E New Patliputra Colony, Patna – 800013. It is incorporated under the Companies Act, 1956. The Company is engaged in the business of manufacture and sale of Alcoholic Beverages.

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, and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value measured at fair value.
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013.

b. 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 or substantively enacted at the end of 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 an 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 substantially 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 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.

PATNA F. REG. No. 04995C Chartered Accountants

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.

c. 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.

d. 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

e. 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 or 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 so profit or 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 or 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 or 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.

S. Sahnigiri & Co. PATNA F. REG. No. 04995C Chartered Accountants

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.

f. 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.

g. Property plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 or 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.

h. Depreciation / Amortisation

Depreciation is charged on written down value method as prescribed in Schedule II of the Companies Act, 2013 keeping a residual value of assets at 5% of the original cost, except in case of computers residual value is estimated at 1% of the original cost.

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.

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i. 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 removed 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 or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j. 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, 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 or Loss in the period in which they are incurred.

k. 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 and reserve 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.

l. Ind AS 116 'Leases'

The Company as lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

S. Sannigrahi & Co. PATNA F. REG. No. 04995C

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

m. Standards issued but not 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:

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

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.

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.

S.S. & Co. PATNA F. REG. No. 04995C Chartered Accountants

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 impact from this amendment.

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 impact from this amendment.

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 –

- The nature of the event; and
- 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.

n. Impact of COVID-19 pandemic

The Company is engaged in the business of manufacture and sale of Alcoholic Beverages. There is no impact on account of COVID-19 pandemic as Company doesn't have operations.

o. 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 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, provision for inventory obsolescence, impairment of investments/assets, etc.

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

i) Property, plant and equipment:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or 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 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.

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3 Property, plant and equipment

Particulars	Plant and machinery	Office equipments	Furniture and fixture	Computer	Total
Gross block					
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	-	2,11,453	21,16,621
As at 31 March 2019	-	-	**19,942**	**1,03,000**	**1,22,942**
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2020	-	-	**19,942**	**1,03,000**	**1,22,942**
Accumulated depreciation					
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	-	1,98,277	18,98,259
As at 31 March 2019	-	-	**13,000**	**1,02,990**	**1,15,990**
Depreciation charge	-	-	1,801	-	1,801
Deductions	-	-	-	-	-
As at 31 March 2020	-	-	**14,801**	**1,02,990**	**1,17,791**
Net block					
Balance as at 31 March 2019	-	-	**6,942**	**10**	**6,952**
Balance as at 31 March 2020	-	-	**5,141**	**10**	**5,150**

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4 **Deferred tax assets (net)**

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset arising on account of :		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1,99,982	1,75,293
Deferred tax assets (net) (A-B)	1,99,982	1,75,293

5 **Cash and cash equivalents**

Particulars	As at 31 March 2020	As at 31 March 2019
Cash in hand		-
Balances with banks in current accounts	1,14,490	6,33,794
Total	**1,14,490**	**6,33,794**

6 **Current loans**

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured considered good, unless otherwise stated		
Loans given to holding compamy	4,53,33,841	-
Total	**4,53,33,841**	**-**

7 **Current tax assets (net)**

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provisions)		
Advance Income Tax - TDS 2015-16	11,778	11,778
Advance Income Tax - TDS 2016-17	14,495	14,495
Advance Income Tax - TDS 2017-18	-	2,413
Total	26,273	28,686

8 **Other current assets**

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with statutory authorties	6,20,003	6,20,003
Advance Others	10,12,739	6,12,739
Total	**16,32,742**	**12,32,742**

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9 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised share capital		
20,000 (31 March 2018: 20,000) Equity Shares of Rs. 100/- Each	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
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**

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

Equity shares

Particulars	As at 31 March 2020		As at 31 March 2019	
Equity shares	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
Add : Shares Issued during the year	-	-	-	-
Balance outstanding at the end of the year	**19,980**	**19,98,000**	**19,980**	**19,98,000**

Preference shares

Particulars	As at 31 March 2020		As at 31 March 2019	
Preference shares	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
Add : Shares Issued during the year	-	-	-	-
Balance outstanding at the end of the year	**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 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Allied Blenders & Distillers Pvt Ltd	19,980	100.00%	19,980	100.00%
Total	**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 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Allied Blenders & Distillers Pvt Ltd	5,000	100.00%	5,000	100.00%
Total	**5,000**	100.00%	**5,000**	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 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 2020.

S. Sannigrahi & Co. Chartered Accountants PATNA F. REG. No. 04995C

10 **Other equity**

Particulars	As at 31 March 2020	As at 31 March 2019
Surplus in the statement of profit and loss	(4,07,53,824)	(4,01,52,452)
Total	**(4,07,53,824)**	**(4,01,52,452)**

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 2020	As at 31 March 2019
Balance at the beginning of the year	(4,01,52,451)	(3,49,62,862)
Add: Profit for the year	(6,01,373)	(51,89,590)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	**(4,07,53,825)**	**(4,01,52,452)**

11 **Non-current borrowings**

Particulars	As at 31 March 2020	As at 31 March 2019
12.5% Cumilative Redeemable preference Shares of Rs.100/- each.	7,19,945	6,46,630
Total	**7,19,945**	**6,46,630**

12 **Trade payables**

Particulars	As at 31 March 2020	As at 31 March 2019
- Total Outstanding dues to Micro and Small Enterprises (Refer note 22)	-	-
- Total Outstanding dues of creditors other than Micro and Small Enterprises	4,90,66,131	-
Total	**4,90,66,131**	**-**

13 **Other current financial liabilities**

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from Related Parties	3,60,29,825	3,93,91,889
Others	2,52,400	1,93,400
Total	**3,62,82,225**	**3,95,85,289**

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

14 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest cost on financial liability measured at amortised cost	73,315	73,315
Total	**73,315**	**73,315**

15 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	1,801	52,836
Total	**1,801**	**52,836**

16 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Audit Fees	59,000	59,000
Bank Charges	1,678	649
Electricity charges	-	21,720
Rates & Taxes	4,29,425	3,35,257
Rent	25,000	-
Professional Fees	35,990	-
Other Interest	-	372
Round Off	-	3
Loss on sale of property, plant and equipment	-	1,24,462
Total	**5,51,093**	**5,41,463**

Note: Auditors' remuneration

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	59,000	59,000
Tax audit	-	-
Total	**59,000**	**59,000**

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

17 Tax expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax expense		
Current tax for the year	-	-
Total current tax expense	-	-
Deferred taxes		
Net deferred tax expense	(24,689)	45,21,974
Total income tax expense	**(24,689)**	**45,21,974**

17.1 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 2020 and 31 March 2019:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before income tax expense	(6,26,062)	(6,67,614)
Income tax expense	(1,93,453)	(1,85,730)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Deferred Tax assets not created on business losses	1,68,764	47,07,705
Income tax expense	**(24,689)**	**45,21,974**

17.2 Deferred tax assets (net)

Particulars	As at 31 March 2020	Changes in deferred tax		As at 31 March 2019
		Profit & loss	Other comprehensive income/ loss	
Deferred tax asset on account of:				
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1,99,982	(24,689)	-	1,75,293
Net Deferred Tax	**1,99,982**	**(24,689)**	**-**	**1,75,293**

S. Sanrigrahi & Co. ★ Chartered Accountants ★ PATNA F. REG. No. 04995C

18 Fair value measurements

Financial instruments by category:

Particulars	31 March 2020	31 March 2019
	Amortised cost	Amortised cost
Financial Assets - Current		
Cash and cash equivalents	1,14,490	6,33,794
Current loans	4,53,33,841	-
Financial Liabilities - Non-current		
Borrowings	7,19,945	6,46,630
Financial Liabilities - Current		
Trade payables	4,90,66,131	-
Other financial liabilities	3,62,82,225	3,95,85,289

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

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19 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

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk has always been managed bythrough credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the . The financial instruments that are subject to concentration of credit risk principally consist of loans, cash and bank balances. However such loans are given to holding company and bank balances are with reputed banks hence there is no credit risk

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.

As at 31 March 2020

Particulars	Upto 1 year	Beyond 1 year	Total
Financial liabilities - Non current			
Borrowing	-	7,19,945	7,19,945
Financial Liabilities - Current			-
Trade payables	4,90,66,131		4,90,66,131
Other financial liabilities	3,62,82,225		3,62,82,225
Total	**8,53,48,356**	**7,19,945**	8,60,68,301

As at 31 March 2019

Particulars	Upto 1 year	Beyond 1 year	Total
Financial liabilities - Non current			
Borrowing	-	6,46,630	6,46,630
Financial Liabilities - Current			-
Other financial liabilities	3,95,85,289		3,95,85,289
Total	**3,95,85,289**	6,46,630	4,02,31,919

S. Sannigrahi & Co.
PATNA
F. REG. No. 04995C
Chartered Accountants

20 Capital Management

a) The capital composition is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	7,19,945	6,46,630
Less: Cash and bank balances	(1,14,490)	(6,33,794)
Net debt (A)	**6,05,455**	**12,836**
Equity (B)	(3,87,55,824)	(3,81,54,452)
Gearing ratio (A / B) (%)	**-1.56%**	**-0.03%**

b) Net debt reconciliation

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	1,14,490	6,33,794
Non- current borrowings	7,19,945	6,46,630

Particulars	As at 31 March 2020	As at 31 March 2019
Net Debt as at the beginning of the year	**6,46,630**	**5,73,315**
Cash flows		-
Finance costs	73,315	73,315
Net Debt as at the end of the year	**7,19,945**	**6,46,630**

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21 Related party disclosures

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

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

b) Transactions with related parties	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Business surplus		-
Sale of property, plant and equipment and Stock (IMFL/PM/Blend)		1,10,802
Loan	4,53,33,841	3,60,29,826

c) Balances with related parties	**As at 31 March 2020**	**As at 31 March 2019**
Other Payables (Working Capital Loan)		1,01,11,900
Loan to holding company	4,53,33,841	

22 **Earnings/ (loss) per share**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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	(6,01,372)	(51,89,590)
Weighted average number of equity shares:	19,980	19,980
Earnings/ (loss) per share:		
Basic & diluted	(30.10)	(259.74)
Nominal value per equity share	10.00	10.00

23 **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	-	-

24 **Contingent liabilities and Commitments**

There are no contingent liabilities as at the balance sheet date. (Previous year Rs. Nil)

25 **Segment reporting**

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 . Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

26 **Lease accounting**

Ind AS 116 - 'Leases' (Ind AS 116) was notified in March, 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It requires Company to record operating lease commitments to be part of balance sheet. The Company has not entered into any long term lease commitments, rather has one lease commitment for 12 months (short term). Hence there is no impact on account of implementation of Ind AS 116.
Rental Expenses of Rs. 25,000 is recorded for short-term lease payments in statement of profit & loss for the period ended 31 March 2020.

S. Sannigrahi & Co. Chartered Accountants PATNA F. REG. No. 049?5C

27 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 2020	Year ended 31 March 2019
ABD		
Balance As per Ledger		
Add: Sundry Creditors (ABD Parties)	1,11,56,657	66,39,037
:Entry Tax Payable(ABD)	36,446	36,446
	1,11,93,103	66,75,483
Less: Trade Receivable (ABD Parties)		
:Security Deposits with BSBC Ltd.	10,00,000	10,00,000
:Advance 19C LICENCE FEE(ABD	10,08,804	10,08,804
:Advance BOTTLING FEE(19B) ABD		
:Punjab National Bank	19,308	19,662
:Advance VAT (ABD)	(477)	(68,91,936)
The accompanying notes 1 to 31 form an integral part of the financial statements.		
:Advance Excise Duty (ABD)	91,65,468	1,15,38,953
	1,11,93,103	66,75,483
Total	-	-

As per our report of even date attached.

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

S. Sannigrahi & Co. PATNA F. REG. No. 04995C Chartered Accountants

MK Chaurasia
Partner
Membership No. 408810

Place : PATNA
Date: 04.09.2020

For and on behalf of the Board of Directors

Ratan Lal Jain
Director
DIN: 00030299

Place :
Date:

Arun Barik
Director
DIN: 07130542

Place :
Date:

SIGN & D