INDEPENDENT AUDITOR'S REPORT

To the Members of **Svaksha Distillery Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Svaksha Distillery Limited** ("the Company"), which comprise the Balance Sheet as at March 31st 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow Statement for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with (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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lalit Kumar Periwal & Co. Chartered Accountants KOLKATA

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

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

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

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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

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

   i. The Company does not have any pending litigations 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;

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For LALIT KUMAR PERIWAL & COMPANY.
Chartered Accountants
Firm Registration No.0325872E

Lalit Kumar Periwal & Co.
FRN 0325872E
KOLKATA
Chartered Accountants

(Lalit Kumar Periwal)
Partner
Membership No. 063702

Place: Kolkata
Date: 18th June, 2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of **Svaksha Distilley Limited** for the year ended 31st March 2020, we report that:

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

(b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

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

ii. The Company does not have any inventory; hence paragraph 3(ii) of the Order is not applicable.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.

vi. Since the Company is not engaged in any manufacturing activities at present, the clause relating to maintenance of cost records under sub – section (1) of Section 148 of the Companies Act, 2013 is not applicable.

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing the undisputed statutory dues including income tax, goods & services tax and other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31st March, 2020 for a period of more than six months from the date they became payable.

viii. Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not default in repayment to dues to banks during the year. The Company does not have any outstanding debentures or dues to the financial institutions during the year.

ix. In our opinion and according to the information and explanations given to us, the Company has utilised the monies raised by way of debt instruments for the purposes for which they were raised.

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

xi. The Company has not paid or provided any managerial remuneration during the year and as such Clause 3(xi) of the Order is not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For LALIT KUMAR PERIWAL & COMPANY.
Chartered Accountants
Firm Registration No.0325872E

Lalit Kumar Periwal & Co.
FRN0325872E
KOLKATA
Chartered Accountants

(Lalit Kumar Periwal)
Partner
Membership No. 063702

Place: Kolkata
Date: 18th June, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **Svaksha Distillery Ltd** for the year ended 31 March 2020, we report that:

We have audited the internal financial controls over financial reporting of **Svaksha Distillery Ltd**("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For LALIT KUMAR PERIWAL & COMPANY.
Chartered Accountants
Firm Registration No.0325872E

Lalit Kumar Periwal & Co. Chartered Accountants FRN 0325872E KOLKATA

(Lalit Kumar Periwal)
Partner
Membership No. 063702

Place: Kolkata
Date: 18th June, 2020

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

Balance Sheet as at 31st March, 2020

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,746,824	4,151,620
Capital work in progress	5	190,012,255	104,621,834
Financial assets			
Loan	8	186,200	2,618,518
Other non-current assets	6	142,012,000	147,508,529
Total Non-Current Assets		335,957,279	258,900,501
Current Assets			
Financial assets			
Cash and cash equivalents	7	266,567	271,375
Cash and cash equivalents Other than above	7.1	-	1,150,000
Loans	8	72,180	-
Other Financial Assets	9	-	6,336
Other Current Assets	10	1,640,112	4,317,695
Total Current Assets		1,978,859	5,745,406
Total Assets		337,936,138	264,645,907
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	11	10,000,000	10,000,000
Other equity	12	(9,277,491)	(7,753,434)
Total Equity		722,509	2,246,566
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13	30,339,420	31,122,443
Total Non-Current Liabilities		30,339,420	31,122,443
Current liabilities			
Financial liabilities			
Borrowings	14	293,369,671	222,255,346
Trade payables			
Dues to micro and small enterprises		-	-
Dues to Others	15	181,962	339,217
Other financial liabilities	16	11,499,623	7,561,351
Other Current Liabilities	17	1,822,955	1,120,984
Total current liabilities		306,874,211	231,276,898
Total Liabilities		337,213,631	262,399,341
TOTAL EQUITY AND LIABILITIES		337,936,138	264,645,907

The above Balance Sheet should be read in conjunction with the accompanying notes 1 to 34

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

For LALIT KUMAR PERIWAL & COMPANY
Chartered Accountants
FRN : 0325872E

Lalit Kumar Periwal & Co. FRN 0325872E KOLKATA Chartered Accountants

CA Lalit Kumar Periwal
Partner
Membership No.: 063702

Place : Kolkata
Dated : 18.06.2020

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

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

Particulars	Note	For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
Other Income	18	63,222	62,136
Total Income		63,222	62,136
EXPENSES			
Employee Benefit Expenses	19	-	-
Finance Costs	20	133,009	189,276
Depreciation	21	620,588	570,895
Other Expenses	22	833,682	848,056
Total Expenses		1,587,279	1,608,227
Profit before Exceptional Items & Tax		(1,524,057)	(1,546,091)
Exceptional Items		-	-
Profit before Tax		(1,524,057)	(1,546,091)
Tax Expenses:	23		
- Current Tax		-	-
- Deferred Tax		-	-
Profit for the year		(1,524,057)	(1,546,091)
Earnings per equity share of face value of Rs. 10 each			
Basic	24	(1.52)	(1.55)
Diluted	24	(1.52)	(1.55)
The above Statement of Profit and Loss should be read in conjunction with the accompanying notes	1 to 34		

This is the Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board

For LALIT KUMAR PERIWAL & COMPANY
Chartered Accountants
FRN : 0325872E

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

CA Lalit Kumar Periwal
Partner
Membership No.: 063702

Place : Kolkata
Dated : 18.06.2020

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

CASH FLOW STATEMENT FOR THE YEAR 2019-20

(Fig in Rs.)

		2019-20	2018-19
A	**Cash Flow From Operating Activities**		
	Net Profit before taxation & Exceptional Items	**(1,524,057)**	(1,546,091)
	Adjustment for		
	Depreciation	**620,588**	570,895
	Prior period adjustment for preference share interest	-	4,883,168
	Finance Cost	**133,009**	189,276
	Operating Profit before Working Capital Changes	**(770,460)**	4,097,248
	Adjustment for		
	(Increase) / Decrease in Loans, Other Financial Assets & Other Assets	**10,540,586**	(142,515,543)
	Increase / (Decrease) in Trade Payables & Other Liabilities	**4,482,987**	(2,781,292)
	Cash Generated from Operations	**14,253,113**	(141,199,586)
	Net Cash Flow from Operating Activities {A}	**14,253,113**	(141,199,586)
B	**Cash Flow From Investing Activities**		
	Purchase of Property, Plant & Equipment including CWIP	**(85,606,214)**	(56,526,252)
	Net Cash Flow from Investing Activities {B}	**(85,606,214)**	(56,526,252)
C	**Cash Flow From Financing Activities**		
	Finance Cost	**(133,009)**	(189,276)
	Proceeds from Current & Non Current Borrowings	**70,331,302**	199,208,893
	Net Cash Flow from Financing Activities {C}	**70,198,293**	199,019,617
	Net Increase / (Decrease) in Cash & Cash Equivalents [A+B+C]	**(1,154,808)**	1,293,779
	Cash & Cash Equivalents as at 01/04/2019	**1,421,375**	127,596
	Cash & Cash Equivalents as at 31/03/2020	**266,567**	1,421,375

This is the Statement of Cash Flow referred to in our report of even date

For and on behalf of the Board

For LALIT KUMAR PERIWAL & COMPANY
Chartered Accountants
FRN : 0325872E

Lalit Kumar Periwal & Co. Chartered Accountants FRN0325872E KOLKATA

CA Lalit Kumar Periwal
Partner
Membership No.: 063702

Place : Kolkata
Dated : 18.06.2020

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

Statement of changes in Equity for the year 31-March-2020

A . Equity Share Capital (Fig in Rs.)

Balance as at 31st Mar'19	Changes in equity share capital during the year	Balance as at 31st Mar'20
10,000,000	-	**10,000,000**

B. Other Equity (Fig in Rs.)

	Reserve & Surplus	Total
	Retained earnings	
Balance as at 31st Mar'18	(11,090,511)	(11,090,511)
Profit /(Loss) for the year	(1,546,091)	(1,546,091)
Prior Period Adjutment	4,883,168	4,883,168
Total Comprehensive Income for the year	**3,337,077**	**3,337,077**
Balance as at 31st Mar'19	**(7,753,434)**	**(7,753,434)**
Profit /(Loss) for the year	(1,524,057)	(1,524,057)
Total Comprehensive Income for the year	**(1,524,057)**	**(1,524,057)**
Balance as at 31st Mar'20	**(9,277,491)**	**(9,277,491)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes
This is the Statement of Changes in Equity referred to in our report of even date

For LALIT KUMAR PERIWAL & COMPANY
Chartered Accountants
FRN : 0325872E

CA Lalit Kumar Periwal
Partner
Membership No.: 063702
Place : Kolkata
Dated : 18.06.2020

Lalit Kumar Periwal & Co. FRN 0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED

Director

For and on behalf of the Board

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

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

1. CORPORATE AND GENERAL INFORMATION

Svaksha Distillery Limited was incorporated on 12th June, 2014 as a Public Limited Company in India under the Companies Act 2013. It is a subsidiary of BCL IndustriesLimited (BCL). The Companyhas been set up to carry out business of distilliers, manufactures, formulators, processors etc.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.6. Operating Cycle for current and non-current classification

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 the Schedule III to the Companies Act, 2013 and Ind AS 1.The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

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

Fair value is the price 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.2. INCOME TAX

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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.2.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.2.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that 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 utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.3. PROPERTY, PLANT AND EQUIPMENT

3.3.1. <u>Tangible Assets</u>

3.3.1.1. <u>Recognition and Measurement:</u>

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.3.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred 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 derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.3.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.3.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.3.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4. REVENUE RECOGNITION

Revenue is recognised based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment,and excludes taxes & duties collected on behalf of the Governmentand is reduced for estimated customer returns, rebates and other similar allowances.

3.4.1. Sale of Products:

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

3.4.2. Other Income:

3.4.2.1. Interest Income: For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.4.2.2. Other Income: Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

3.5. EMPLOYEE BENEFITS

3.5.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.6. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.7. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.7.1. Financial Assets

- Recognition and Initial Measurement:

  All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- Classification and Subsequent Measurement:

  For purposes of subsequent measurement, financial assets are classified in four categories:
  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

  - Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
    - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
    - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

- Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➢ Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.7.2. Financial Liabilities

➢ Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➢ Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➢ Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.7.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize 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 counterparty.

3.8. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders bythe weighted average number of equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potentialequity shares by the weighted average number of equity shares outstanding during the year plus the weighted averagenumber of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.9. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.10. Provisions, Contingent Liabilities and Contingent Assets

3.10.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.10.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.10.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.11. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

SVAKSHA DISTILLERY LIMITED

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

- **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful lives of depreciable/ amortisable assets**: Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTE : 5 PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Fig in Rs.)

Sr. No	Particulars	Gross Block				Depreciaton				Net Carrying Amount as at 31st March, 2020	Net Carrying Amount as at 31st March, 2019
		As at 1st April, 2019	*Addition / Inter head adjustment during the year*	*Deduction during the year*	*As at 31st March, 2020*	*As at 1st April, 2019*	*Depreciation Charged during the Year*	*Deduction during the Year*	*As at 31st March,2020*		
i	**Tangible Assets**										
	Vehicles *	3,412,665	40,600	-	3,453,265	665,708	410,075	-	1,075,783	**2,377,482**	2,746,957
	Computers	63,012	143,332	-	206,344	12,191	60,654	-	72,845	**133,499**	50,821
	Office Equipment	73,120	19,116	-	92,236	7,830	14,498	-	22,328	**69,908**	65,290
	Plant & Machinery	1,412,843	12,744	-	1,425,587	124,291	135,361	-	259,652	**1,165,935**	1,288,552
	Sub Total	**4,961,640**	**215,792**	-	**5,177,432**	**810,020**	**620,588**	-	**1,430,608**	**3,746,824**	**4,151,620**
ii	**Capital Work in Progress**										
	Land	30,368,853	**9,376,198**	-	39,745,051	-	-	-	-	**39,745,051**	30,368,853
	Building										
	- Admin Building	7,738,071	**1,520,227**	-	9,258,298	-	-	-	-	**9,258,298**	7,738,071
	- Boundary Wall	17,918,276	**1,981,996**	-	19,900,272	-	-	-	-	**19,900,272**	17,918,276
	- Canteen Building	1,699,572	**1,549,576**	-	3,249,148	-	-	-	-	**3,249,148**	1,699,572
	- Factory Building										
	- Boiler	2,359,653	**5,111,168**	-	7,470,821	-	-	-	-	**7,470,821**	2,359,653
	- Fermentation	8,370,914	**5,932,560**	-	14,303,473	-	-	-	-	**14,303,473**	8,370,914
	- Distillation		**5,492,466**	-	5,492,466	-	-	-	-	**5,492,466**	-
	- Weighbridge	1,766,816	**47,200**	-	1,814,016	-	-	-	-	**1,814,016**	1,766,816
	-DDGS Godown		**7,671,574**	-	7,671,574	-	-	-	-	**7,671,574**	-
	-Dryer Section		**1,039,904**	-	1,039,904	-	-	-	-	**1,039,904**	-
	-Power House Building		**5,092,380**	-	5,092,380	-	-	-	-	**5,092,380**	-
	Electrical Installation	1,658,362	**3,539,109**	-	5,197,471	-	-	-	-	**5,197,471**	1,658,362
	Tube Well	745,764	**(20,000)**		725,764	-	-	-	-	**725,764**	745,764
	Plant & Machinery - Silo	-	**10,205,727**	-	10,205,727	-	-	-	-	**10,205,727**	-
	Road	-	**2,459,819**	-	2,459,819	-	-	-	-	**2,459,819**	-
	Pre-operative Expenses **										
	Salary & Other Remuneration	5,108,448	**5,665,370**	-	10,773,818	-	-	-	-	**10,773,818**	5,108,448
	Travelling	1,269,328	**264,856**	-	1,534,184	-	-	-	-	**1,534,184**	1,269,328
	Site Maintainnance	6,887,033	**(2,467,681)**		4,419,352	-	-	-	-	**4,419,352**	6,887,033
	Rates & Taxes	-	-			-	-	-	-	**-**	-
	Misc Expenses	509,058	**392,023**	-	901,081	-	-	-	-	**901,081**	509,058
	Professional Fees	6,570,981	**2,556,305**	-	9,127,286	-	-	-	-	**9,127,286**	6,570,981
	Interest on Borrowing Cost	11,650,706	**17,979,646**	-	29,630,352	-	-	-	-	**29,630,352**	11,650,706
	Sub Total	104,621,834	85,390,422	-	190,012,255	-	-	-	-	190,012,255	104,621,834
	Total	109,583,474	85,606,214	-	195,189,687	810,020	620,588	-	1,430,608	193,759,079	108,773,454
	Total Previous Year	53,057,222	56,526,252	-	109,583,474	239,125	570,895	-	810,020	108,773,454	-

5.1 *

Refer Note No. 13.1 & 13.2 for information on property, plant and equipment pledged as securities by the Company.

5.2 **

Refer Note No. 19, 20 & 22 for expenses transferred to Capital work-in progress

NOTE 6: OTHER NON-CURRENT ASSETS

	As At 31st March, 2020	As At 31st March, 2019
Advances for Purchase of Land	-	4,318,505
Capital Advances	142,012,000	143,190,024
Total	**142,012,000**	**147,508,529**

NOTE 7: CASH AND CASH EQUIVALENTS

	As At 31st March, 2020	As At 31st March, 2019
Bank Balances:		
In Current Accounts	155,665	100,112
Cash in Hand	110,902	171,263
Total cash and cash equivalents	**266,567**	**271,375**

NOTE 7.1: CASH AND CASH EQUIVALENTS OTHER THAN ABOVE

	As At 31st March, 2020	As At 31st March, 2019
Other Bank Balances:		
In Fixed Deposit Account	-	1,150,000
Total cash and cash equivalents	-	**1,150,000**

NOTE 8: LOANS

	As At 31st March, 2020		As At 31st March, 2019	
	Current	Non Current	Current	Non Current
Security Deposits (Unsecured, considered good)		186,200		2,618,518
Loan To Employees (Unsecured, considered good)	72,180			-
Total	**72,180**	**186,200**	-	**2,618,518**

8.1 No loans are due from directors or other officers of the company either severally or jointly with any person, nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 9: OTHER FINANCIAL ASSETS

	As At 31st March, 2020	As At 31st March, 2019
Interest accrued on Fixed Deposits	-	6,336
Total	-	**6,336**

NOTE 10: OTHER CURRENT ASSETS

	As At 31st March, 2020	As At 31st March, 2019
Advances to Suppliers & Service Providers	567,240	3,396,706
Tax Deducted at Source	-	6,145
Balances with Government & Statutory Authorities	1,072,872	914,844
Total	**1,640,112**	**4,317,695**

NOTE 11: SHARE CAPITAL

	As At 31st March, 2020		As At 31st March, 2019	
	Units	Amount	Units	Amount
11.1 Authorized Share Capital				
Equity Shares of Rs. 10/- each	6,000,000	60,000,000	6,000,000	60,000,000
Cumulative Redeemable Preference Shares of Rs 100/- each (CRPS)	400,000	40,000,000	400,000	40,000,000
Total		100,000,000		100,000,000
11.2 Issued, Subscribed and Fully Paid Up Capital				
Equity Shares of ` 10 each fully paid-up	1,000,000	10,000,000	1,000,000	10,000,000
Total		10,000,000		10,000,000

11.3 The details of Shareholders holding more than 5% shares :

	As At 31st March,2020		As At 31st March, 2019	
Name of Shareholder	No. of Shares	% of Shares	No. of Shares	% of Shares
BCL Industries Ltd and its nominees	510,000	51.00	510,000	51.00
E-Edit Infotech Pvt. Ltd.	150,000	15.00	150,000	15.00
Svarna Infrastructure & Builders Pvt. Ltd.	150,000	15.00	150,000	15.00
Pankaj Kumar Jhunjhunwala	100,000	10.00	100,000	10.00
Shweta Jhunjhunwala	90,000	9.00	90,000	9.00

11.4 The reconciliation of the number of shares outstanding is set out below:

Particulars	As At 31st March, 2020	As At 31st March, 2019
Equity Shares outstanding at the beginning of the year	1,000,000	1,000,000
Equity Shares outstanding at the end of the year	1,000,000	1,000,000

11.5 ***Rights, Preferences and restrictions attached to the Equity Shares***

The equity shares of the company with face value of Rs.10/- each rank pari-passu in all respects, including voting rights and entitlement to dividend.

In the event of liquidation of the company, the holders of Equity Share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of Equity Shares held by the share holders.

11.6 BCL Industries Ltd is the Holding Company of the Company.

NOTE 12: OTHER EQUITY

	As At 31st March,2020		As At 31st March, 2019	
Retained Earnings				
Balance at the beginning of the year	(7,753,434)		(11,090,511)	
Add: Prior Period Adjustment	-		4,883,168	
Add: Profit / (Loss) for the year	(1,524,057)		(1,546,091)	
	(9,277,491)		(7,753,434)	
		(9,277,491)		(7,753,434)
Balance at the end of the year		(9,277,491)		(7,753,434)

12.1 Refer note no 13.7 for Prior Period Adjustment

12.2 Retained Earnings : Represents accumulated profits / (losses) of the Company and remaining undistributed as on date.

NOTE 13: BORROWINGS

	As At 31st March, 2020		As At 31st March, 2019	
	Non Current	Current	Non Current	Current
Term Loans - Secured				
From Banks				
13.1. Axis Bank				
Secured by hypothecation of vehicle financed by them, Interest @ 8.5% P.A repayable in 48 Installment	143,413	601,114	744,527	552,288
13.2. ICICI Bank Limited				
Secured by hypothecation of vehicle financed by them, Interest @ 8.7% P.A repayable in 48 Installment	196,007	181,909	377,916	166,803
Sub Total	339,420	783,023	1,122,443	719,091
13. 3 Unsecured Loans				
From Holding Company	-	282,837,592	-	206,498,550
From Bodies Corporate	-	10,532,079	-	15,756,796
Sub Total	-	293,369,671	-	222,255,346
13.4 Preference Shares	30,000,000		30,000,000	-
Total	**30,339,420**	**294,152,694**	**31,122,443**	**222,974,437**

13.5 Unsecured Loans are payable on demand

13.6 Rights, Preferences and restrictions attached to the Preference Shares

11% CRPS of Rs. 100/- each are redeemable at a premium of Rs 37/- per share, shall be non-participating, shall have priority with respect to payment of dividend or repayment of capital vis-à-vis Equity Shares of the company, shall not participate in surplus fund, shall not participate in surplus assets and Profit on winding up which may remain after the entire capital has been repaid, shall be entitled to dividend on cumulative basis, shall not be converted into Equity Shares and shall have voting rights in accordance with the law.

On 23rd July 2018, the Preference Shareholders of the company have accorded sanction for variation in the rights of the CRPS to the extent that the period of redemption shall be considered as 13 years from the respective due dates of allotment (previously 3 years) keeping in view the future business plan of the company and to conserve its financial resources due to commercial expediency and owing to the development and expansion plans.

13.7 Due to the above variation in rights, an amount of Rs. 48,83,168/- charged in earlier years on account of redemption was reversed in the previous year and was shown as Prior Period Adjustment with Retained Earnings.

13.8 Refer note no 25 for information on the carrying amounts of property, plant & equipment pledged as security for current borrowings.

NOTE 14: CURRENT BORROWINGS

	As At 31st March, 2020	As At 31st March, 2019
Unsecured Loans		
From Holding Company	282,837,592	206,498,550
From Bodies Corporate	10,532,079	15,756,796
Total	293,369,671	222,255,346

NOTE 15 : TRADE PAYABLES

	As At 31st March, 2020	As At 31st March, 2019
Trade Payables for goods and services		
Micro, Small & Medium Enterprises	-	-
Trade Payable - others	181,962	339,217
Total	**181,962**	**339,217**

15.1 There is no principal amount and interest overdue to Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

15.2 DISCLOSURE AS REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006, TO THE EXTENT ASCERTAINED, AND AS PER NOTIFICATION NUMBER GSR 679€ DATED 4TH SEPTEMBER, 2015 IS AS UNDER -

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Principal amount due and remaining unpaid	-	-
2	Interest due on above and the unpaid interest	-	-
3	Interest paid	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

NOTE 16 : OTHER CURRENT FINANCIAL LIABILITIES

	As At 31st March, 2020	As At 31st March, 2019
Current maturities of Non Current debts	783,023	719,091
Interest Accured and Due-		
For Preference Shares	3,431,136	2,574,950
For Others	4,185,606	3,153,034
Employee Related Liability	362,815	352,866
Retention Money	1,295,513	761,410
Amount Payable for Capital Goods	1,441,529	-
Total	**11,499,623**	**7,561,351**

16.1 Refer note no 13.7 for calculation of Redemption on Preference Shares

NOTE 17 : OTHER CURRENT LIABILITIES

	As At 31st March, 2020	As At 31st March, 2019
Statutory Dues Payable	1,822,955	1,120,984
	1,822,955	**1,120,984**

NOTES TO PROFIT & LOSS A/C

NOTE 18: OTHER INCOME	2019-20	2018-19
Interest on Fixed Deposit & Security Deposit	16,126	27,908
Insurance Claim Received	18,950	32,170
Discount Received	-	2,058
Income Tax Refund & interest thereon	28,146	-
Total	63,222	62,136

NOTE 19: EMPLOYEE BENEFIT EXPENSES	2019-20	2018-19
Salaries	5,633,679	4,570,426
Staff Welfare Expenses	31,691	33,812
	5,665,370	4,604,238
Less : Transferred to Capital work-in progress	5,665,370	4,604,238
Total	-	-

NOTE 20: FINANCE COSTS	2019-20	2018-19
Interest to Banks	129,885	186,910
Interest to others	17,123,460	10,660,100
Interest on Preference Shares	856,186	-
Other Financial Charges	3,124	2,366
	18,112,655	10,849,376
Less : Transferred to Capital work-in progress	17,979,646	10,660,100
Total	133,009	189,276

NOTE 21: DEPRECIATION AND AMORTISATION EXPENSE	2019-20	2018-19
Depreciation	620,588	570,895
Total	620,588	570,895

NOTE 22: OTHER EXPENSES	2019-20	2018-19
Establishment Expenses		
Repairs & Maintenance	20,720	22,700
Travelling & Conveyance	529,712	904,221
Site Maintainance	1,634,293	1,302,384
Vehicle Expenses	380,579	399,352
Rate & Taxes	12,100	13,106
Professional Fees	1,463,800	1,266,871
Printing & Stationary	45,580	66,651
Auditors' Remuneration:		
- Audit Fees	5,000	5,000
Miscellaneous Expenses	340,272	458,019
	4,432,056	4,438,304
Less : Transferred to Capital work-in progress	3,598,375	3,590,248
Total	833,682	848,056

NOTE 23: TAX EXPENSES	2019-20	2018-19
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

23.1 Reconciliation of estimated Income tax expense at statutory Income tax rate to income tax expense reported in statement of Profit & Loss

	2019-20	2018-19
Profit before income tax expense	(1,524,057)	(1,546,091)
Statutory Income Tax rate*	26.00%	26.00%
Estimated Income Tax Expense	(396,255)	(401,984)
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense		
Others	(396,255)	(401,984)
Income tax expense in Statement of Profit & Loss	-	-

* Applicable Statutory Income Tax rate for both Financial Year 2019 -20 & 2018 - 19 is 26%.

NOTE 24: EARNING PER SHARE (EPS)	2019-20	2018-19
Face Value per Equity Share (Rs)	10.00	10.00
Profit /(Loss) attributed to Equity Shareholders of the Compnay (Rs.)	(1,524,057)	(1,546,091)
Weighted Average number of Equity Shares	1,000,000	1,000,000
Basic Earnings per Share (Rs.)	(1.52)	(1.55)
Diluted Earnings per Share (Rs.)	(1.52)	(1.55)

NOTE 25: Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are as follows :

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Non-current			
First charge			
Property, Plant & Equipments - Vehicles	5	2,377,482	2,746,957
Total non-currents assets pledged as security		**2,377,482**	**2,746,957**
Total assets pledged as security		**2,377,482**	**2,746,957**

NOTE 26: Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Cash and Cash Equivalents			266,567			1,421,375
Loans			72,180			-
Security Deposits			186,200			2,618,518
Other Current Financial Assets			-			6,336
Total Financial Assets	-	-	**524,947**	-	-	**4,046,228**
Financial Liabilities						
Borrowings			293,369,671			222,255,346
Trade Payables			181,962			339,217
Other Financial Libilities			11,499,623			7,561,351
Total Financial Liabilities	-	-	**305,051,256**	-	-	**230,155,914**

NOTE 27: Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

NOTE 27.1

The management assessed that the fair values of cash and cash equivalents, trade payables, short term borrowings and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 27.2

The management considers that the carrying amounts of Financial Assets and Financial Liabilities recognised at nominal cost / amortised cost in the financial statements approximate their fair values.

NOTE 28: Related Party Disclosures

28.1 As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
BCL Industries Ltd	Holding Company

28.2 Transactions during the year with related parties (Fig in Rs.)

Sr No	Nature of Transactions	Holding Company
(A)	Interest Paid	**15,976,158** *9377524*
(B)	Advances Received (Net)	**76,339,042** *194859245*

Note: Figures in italic represents Previous Year's amounts.

28.3 Closing Balance (Fig in Rs.)

	Relationship	As At 31st March, 2020	As At 31st March, 2019
Advances Payable	Holding Company	**282,837,592**	206,498,549

28.4 The transactions with related parties are carried out in the normal course of business made on terms equivalent to those that prevail in arm's length transactions.

NOTE 29:- Financial Risk Management

Financial risk management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

NOTE 29.1

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Company has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. Based on the business model, macro economic enviroment of the business and past trends, the management has determined nil percentage for any class of financial asset under expected credit loss.

NOTE 29.2

Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

NOTE 29.2.1

Maturity Analysis for financial liabilities

a The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings				339,420	30000000	30,339,420
Loans repayable on demand	293,369,671	-	-			293,369,671
Trade payables		181,962				181,962
Other financial liabilities	4,185,606	362,815	783,023		3431136	8,762,580
Total	297,555,277	544,777	783,023	339,420	33,431,136	332,653,634

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings				1,122,443	30000000	31,122,443
Loans repayable on demand	222,255,346	-	-			222,255,346
Trade payables		339,217				339,217
Other financial liabilities	3,153,034	352,866	719,091		2574950	6,799,941
Total	225,408,380	692,083	719,091	1,122,443	32,574,950	260,516,947

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

NOTE 29.3

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two type of risks: Foreign Exchange Risk, Interest Rate Risk.

NOTE 29.3.1

Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The management has assessed that exposure of the Company in foreign currency at the end of the year is Rs. Nil (2019: Rs. Nil)

NOTE 29.3.2

Interest Rate Risk

The Company's long term borrowings and short term borrowing carries fixed rate of interest. The management has assessed that exposure of the Company in interest rate risk at the end of the year is Rs. Nil (2019: Rs. Nil)

NOTE 30:- Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	31st March 2020	31st March 2019
Net Debt	323,709,091	253,377,789
Total Equity	722,509	2,246,566
Net Debt to Equity Ratio	448.03	112.78

NOTE 31 :- Fair Value Hierarchy

During the year ended March 31, 2020 and March 31, 2019 there are no transfers between level 1, level 2 and level 3.

NOTE 31.1 Explanation to the fair value hierarchy

Fair value is the price 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. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

NOTE 32:-Contingent Liabilities & Contingent Assets

The Company does not have any Contingent Liabilities & Contingent Assets

NOTE 33:-Based on the fixed assets of the Company and plans contemplated by the management of setting up a distillery plant, going concern status of the Company is maintained.

NOTE 34:-Previous year figures have been regrouped / rearranged wherever considered necessary.

Signatures to Note 1 to 34

For LALIT KUMAR PERIWAL & COMPANY
Chartered Accountants
FRN : 0325872E

CA Lalit Kumar Periwal
Partner
Membership No.: 063702

Place : Kolkata
Dated : 18.06.2020

Lalit Kumar Periwal & Co.
FRN 0325872E
KOLKATA
Chartered Accountants

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director