

NORTHERN SPIRITS LIMITED

(Formerly known as 'NORTHERN SPIRITS PRIVATE LIMITED')

7th Annual Report

2018-19

NORTHERN SPIRITS LIMITED

Corporate Identity Number (CIN): L15500WB2012PLC185821

Corporate Profile

BOARD OF DIRECTORS

| | |
|--------------------------------|---|
| Mr. Ankush Bakshi | - <i>Managing Director</i> DIN: 02547254 |
| Mr. Anuj Bakshi | - <i>Executive Director</i> DIN: 02500120 |
| Mrs. Roshni Bakshi | - <i>Executive Director</i> DIN: 08090225 |
| Mrs. Kanika Bakshi | - <i>Executive Director</i> DIN:08090236 |
| Mr. Rahul Gupta | - <i>Non-Executive Independent Director</i> DIN: 05310120 |
| Mr. Sathvik Jain | - <i>Non-Executive Independent Director</i> DIN: 0773285 |
| Ms. Jagjit Singh Kochar | - <i>Non-Executive Independent Director</i> DIN: 06552295 |

AUDITORS

J. K SARAWGI & CO.
Chartered Accountants

CHIEF FINANCIAL OFFICER COMPANY SECRETARY

Mr. Amit Kumar
Ms. Nikita Sureka

REGISTERED OFFICE

5A, Woodburn Park Road, Woodburn Central
Unit-603, 6th Floor
Kolkata - 700 020
Telephone: 033-22902043
Website: www.northernspirits.in

BANKERS

DBS Bank India Ltd
Canara Bank
Karur Vysya Bank

REGISTRARS & SHARE TRANSFER AGENT

Cameo Corporate Services Ltd.
Subramanian Building
1, Club House Road, Chennai - 600 002
Ph.: 044 28460390
Website: www.cameoindia.com

7th ANNUAL GENERAL MEETING

Date -30th September, 2019
Day- Monday
Time- 02:30 P.M
Place: Kolkata

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NORTHERN SPIRITS LIMITED

REG. OFF: 5A, WOODBURN PARK ROAD, WOODBURN CENTRAL, UNIT 603 6TH FLOOR
KOLKATA-700020
CIN: L15500WB2012PLC185821

NOTICE

Notice is hereby given that the 7th Annual General Meeting of the members of **NORTHERN SPIRITS LIMITED** will be held on Monday, 30th September, 2019 at 02:30 P.M at 5A, Woodburn Park Road, Woodburn Central Unit-603, 6th Floor Kolkata-700 020 to transact following business as:

ORDINARY BUSINESS:

Item No-1 Adoption of Financial Statement and Report of Board of Directors and Auditors thereon.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“**RESOLVED** that the Board’s Report, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2019 and the Balance Sheet as at that date together with the Independent Auditors’ Report thereon be and are hereby considered, approved and adopted.”

Item No-2 Appointment of Mr. Anuj Bakshi (DIN 02500120) Director of the Company liable to retire by rotation.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“**RESOLVED** that pursuant to Section 152 of the Companies Act 2013 and other applicable provisions, if any, Mr. Anuj Bakshi (DIN: 02500120), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

Item no-3 Appointment of M/s. J. K Sarawgi & Co as Statutory Auditor of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. J. K Sarawgi & Co., Chartered Accountants (ICAI Registration no. 006836C), Kolkata be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Eleventh Annual General Meeting at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. J. K Sarawgi & Co., Chartered Accountants, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

RESOLVED FURTHER THAT any of the Board of Directors of the Company be and are hereby severally authorized to do all such acts as may required to give effect to the aforesaid resolution.”

Date: 06/09/2019

By the order of the Board
Northern Spirits Limited
Sd/-Nikita Sureka
Company Secretary

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Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy form has been provided in the Annual Report.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or member. The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the Meeting and can vote on a poll.

2. The register of member and share transfer books of the company will remain closed from 23rd September, 2019 to 30th September, 2019 (both days inclusive).
3. Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
4. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administrative) Rules, 2014, as may be amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is please to provide to the members the remote e-voting facility to exercise their vote at the 7th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services rendered by National Securities Depository Limited (NSDL) ("remote e-voting") on all the resolution set forth in this Notice. Please refer to the below instructions and general instructions relating to voting through electronic means which are being sent along with the Annual Report.
5. Remote E-voting facility:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

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<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID

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- for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to af2011@rediffmail.com <Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
7. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company a certified copy of relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company’s registered Office on all working days(except Saturdays, Sundays and Public holidays) during normal business hours up to the date of this Annual General Meeting.
9. The shares of the Company are mandated by the Securities and Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
10. The Identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL, Such Members are advised to bring the relevant identity card issued by the appropriate authorities to the Annual General Meeting.
11. Members desirous of getting any information about the accounts of the Company, are requested to send their queries at info@northernspirits.in so as to reach at-least ten days before the meeting at the registered office of the Company, so that the information required can be made readily available at the meeting.

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12. Members are requested to intimate change in their address immediately to M/s Cameo Corporate Services Ltd, the Company's Registrar and Share Transfer Agents, at their office at Subramanian Building, 1 Club House Road, Chennai-600002(IN).
13. Members holding shares in the physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant share certificates to M/s Cameo Corporate Services Ltd, the Company's Registrar and Share Transfer Agents, at their office at Subramanian Building, 1 Club House Road, Chennai-600002(IN).
14. Electronic copy of the Notice of the 7th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Registrar/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 7th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode.
15. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
16. Members may also note that the Notice of the 7th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website www.northernspirits.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: info@northernspirits.in.
17. Members can opt for one mode of voting either by polling or through remote e-voting. If members opt for remote e-voting then do not vote by polling or vice versa. However, in case members have casted their vote both by polling and remote e-voting, then vote done through remote e-voting shall be valid.
18. In terms of the provisions of section 107 of the Companies Act, 2013 since the resolutions as set out in this notice are being conducted through remote e-voting or polling the said resolutions will not be decided on show of hands at the AGM. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the company as on the cut off date i.e. September 23rd 2019.
19. The facility of voting either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 7th AGM. The members attending AGM, who have not casted their vote through remote e-voting, shall be able to exercise their voting rights at the AGM. The members who have already casted their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.
20. The Scrutinizer will scrutinize the voting process (both e-voting and voting by poll) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of e-voting period unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the company and submit the Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Meeting. The result shall be declared along with the Scrutinizer's Report shall be available on the

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Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the Stock Exchange.

21. Members/proxies should bring the attendance slip duly filed in and signed for attending the meeting.
22. The details for voting electronically are as under -
 - a. Date and time of commencement of voting through electronic means: **Friday, September 27, 2019 at 9.00 A. M.**
 - b. Date and time of end of voting through electronic means beyond which voting will not be allowed : **Sunday, September 29, 2019 at 5.00 P. M.**
 - c. During this period shareholders' of the Company, holding shares in dematerialized form, as on the cut-off date **September 23, 2019**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by NSDL for voting thereafter.**
 - d. Details of Website: www.evotingindia.com
 - e. Details of Scrutinizer: Mr. Anurag Fatehpuria, Practicing Company Secretary (ACS No: 34471) email id: af2011@rediffmail.com
 - f. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.

By order of the Board of Directors

FOR NORTHERN SPIRITS LIMITED

Place: Kolkata

Date: 06th September, 2019

Ankush Bakshi
Managing Director
(DIN: 02547254)

Anuj Bakshi
Director
(DIN: 02500120)

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ANNEXURE A

**Details of Directors seeking Re-appointment at the forthcoming
Annual General Meeting
(PURSUANT TO REGULATION 36(3) of THE SEBI (LISTING
OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015)**

| | |
|---|--|
| Name of the Director | Anuj Bakshi |
| Date of Birth | 12-01-1978 |
| Date of Appointment | 13-09-2012 |
| Experience | 17 years of experience in the Liquor Industry & looks after the Sales & Marketing Department of the Company of all regions in India. |
| Qualification | Bachelor of Commerce |
| Directors in other public Co | NIL |
| Other Position | NIL |
| Membership of Committees of other unlisted public Co | NIL |
| Inter Relationship | Promoter & Executive Director |
| Shares held in the Co | 4809600 |

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ANNEXURE B

Brief Profile of the Auditor M/s. J. K. Sarawgi & Co.

| SL. No | Particulars | Details |
|---------------|--|--|
| 1 | Name of the Auditor | J.K. Sarawgi & Company |
| 2 | Constitution | Partnership Firm |
| 3 | Address of the head Office | 141, Siddhartha Enclave, Near Ashram Chowk, New Delhi-110014 |
| 4 | Address of the Branch Office | 23A, N.S. Road, Fortuna Tower, 1 st Floor, Room No.27A, Kolkata- 700001 |
| 5 | Telephone no. | 03340047474 |
| 6 | Website & Email ID | kolkata@jksco.in |
| 7 | Date of Establishment | 23.11.1968 |
| 8 | Registration No of the Firm with ICAI | 006836C |
| 9 | Name & Mobile No of FCA Partner of the CA Firm for contact | Mr. Jeet Agarwal Mobile No.: 9883031646 |
| 10 | Details of Peer Review by ICAI | 2008-2011 2012-2015 2015-2018 |
| 11 | Manpower Nos | Articled Assistants-21 Other Audit Staff- 25 Professional Employee-15 |
| 12 | Services Provided | Special Audit, Statutory Audit, Internal Audit, Concurrent Audit, Stock & Receivables Audit, Income Tax Return Filings, etc. |

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| | | |
|---|-----------------|---|
| 3 | Industry Served | <ol style="list-style-type: none">1. Special Audit<ol style="list-style-type: none">a. Aircel Group of Companies: Aircel Limited, Aircel Cellular limited, Dishnet Wireless Limitedb. MMTC Limited2. Internal Audit:<ol style="list-style-type: none">a. South Eastern Coalfields Limitedb. IFCI Limitedc. J.K. Cementd. Housing & Urban Development Corporation Limitede. NPCC Limitedf. National Highways Authority of India Limited3. Statutory Audit:<ol style="list-style-type: none">a. PEC Limitedb. Air Force Wives Welfare Association, Ghaziabadc. Ankur Play Schoold. Station Head Quarter, Delhi Cantte. Army Wives Welfare Associationf. Railway Energy Management Company Limitedg. Delhi e Governance Society4. Concurrent Audit:<ol style="list-style-type: none">a. C& C Construction Limitedb. Panipat Jalandhar NH One Tollway Private Limitedc. B L Kashyap & Sons Limitedd. K.S. Oils Limitede. Action Ispat & Power Private Limited5. Stock & Receivables Audit:<ol style="list-style-type: none">a. Jindal Stainless Limitedb. Jindal Steel & Power Limitedc. BSES Rajdhani Power Ltd.d. HCL Infosystems Ltd.e. Andhra Cement Limitedf. SRS Limitedg. India Glycols Ltd.h. Kajaria Ceramics Ltd.i. Bajaj Energy (P) Ltd.j. MBL Infrastructures Limitedk. DCM Shriram Industries Ltd.l. Jindal Stainless Steelway Ltd.m. Omaxe Ltd.n. Panacea Biotec Ltd.o. National Industrial Corporation Ltd.p. Spentex Industries Ltd. |
|---|-----------------|---|

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ATTENDANCE SLIP

Annual General Meeting Monday the 30th Day of September, 2019 at 02.30 P.M at the registered office of the company at 5A, Woodburn Park Road, Woodburn Central, Unit-603 6th Floor, Kolkata-700020

| | |
|--|--|
| Name of Shareholder | |
| Address | |
| Registered DP ID & client ID | |
| No of shares held | |
| Name of proxy/ authorized representative if any, | |

I/We hereby accord my/our presence at Annual general meeting of the company to be held Monday the 30th day of September, 2019 at registered office at 5A, Woodburn Park Road, Woodburn Central, Unit-603 6th Floor, Kolkata-700020

Signature of shareholder/proxy/authorized representative

Note:

The member/proxy must bring this Attendance Slip at the meeting, duly completed and signed and hand over the same at the venue.

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Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L15500WB2012PLC185821
Name of the company : NORTHERN SPIRITS LIMITED
Registered office : 5A, Woodburn Park Road, Woodburn Central, Unit-603 6th Floor Kolkata-700020
E- mail : info@northernspirits.in
Website : www.northernspirits.in
Name of the member (s) :
Registered Address :

E-mail Id :

Folio No/ Client ID :
DP ID :

I/We, being the member of ----- Equity Shares of the above named Company, hereby appoint

Name :
Address :

E-mail id :

Signature :.....,

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the Annual General Meeting of the Company, to be held on the 30th day of September, 2019 At 02.30 P.M at 5A, Woodburn Park Road, Woodburn Central, Unit-603 6th Floor Kolkata-700020 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

| Resolution No | Agenda | For | Against |
|---------------|--|-----|---------|
| 1 | To consider & adoption of Audited Financial Statement and Report of Board of Directors and Auditors thereon. | | |
| 2 | To approve the Appointment of Mr Anuj Bakshi (DIN 02500120) as Director who retires by rotation. | | |
| 3 | To Approve the appointment of M/s. J.K Sarawgi & Co as Statutory Auditor | | |

Signed this..... day of..... 2019

Signature of Shareholder _____

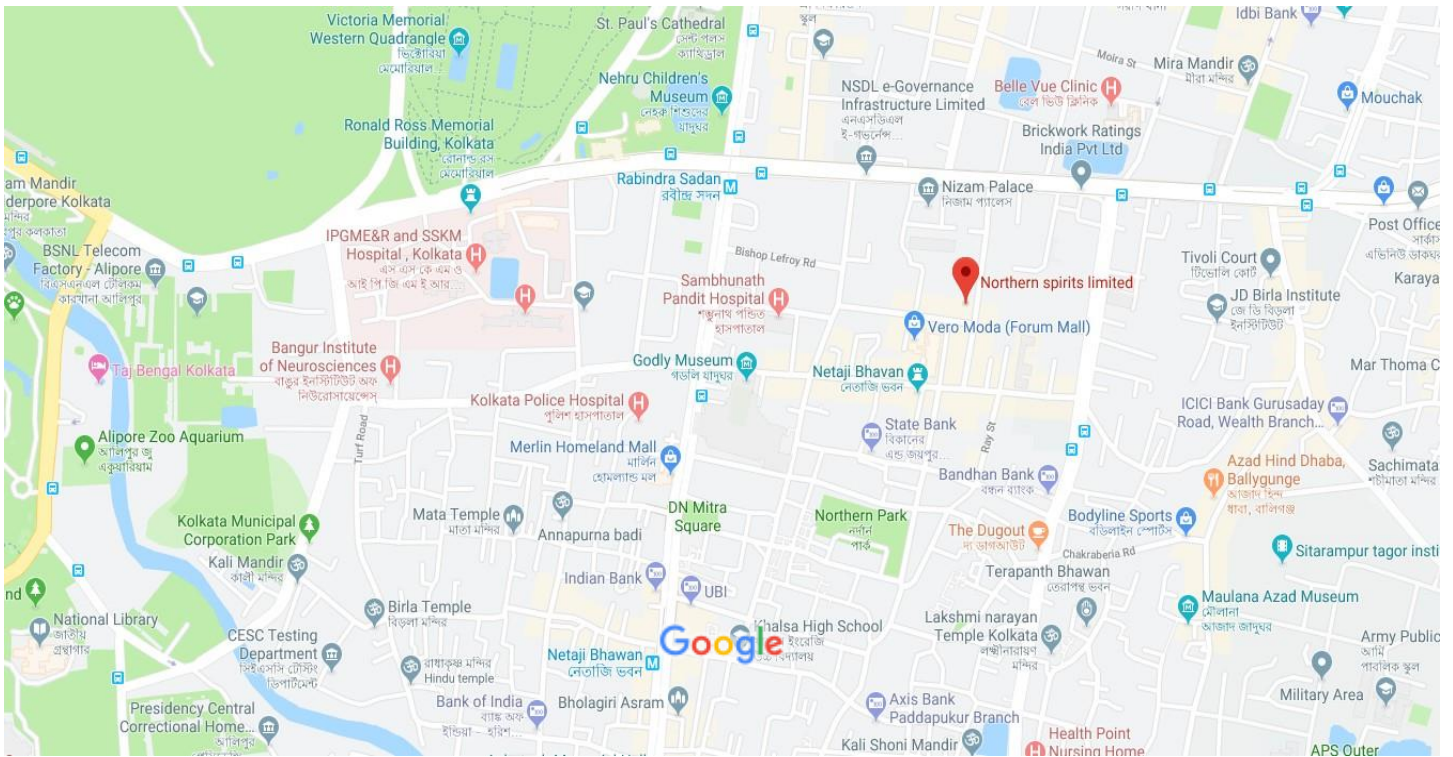
Signature of Proxy holder(s)_____

| |
|-------------------------------------|
| Please Affix Revenue Stamp |
|-------------------------------------|

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. A Proxy need not be member of the Company.

ANNEXURE C

Route Map to the venue of the Annual General Meeting



NORTHERN SPIRITS LIMITED
5A, WOODBURN PARK ROAD, WOODBURN CENTRAL, UNIT-603, 6TH FLOOR
KOLKATA – 700 020.
CIN No- L15500WB2012PLC185821

DIRECTOR'S REPORT

To
The Shareholders

The Board of Directors have pleasure in presenting 7th Annual Report of the Company along with the Audited Financial Statements of M/s **NORTHERN SPIRITS LIMITED** for the year ended on 31st March, 2019.

Financial Performance

The summarized financial results of the company are given in the table below:-

FINANCIAL RESULTS:

| PARTICULARS | 31.03.2019 | 31.03.2018 |
|--|---------------------|--------------------|
| Net Profit/ (Loss) before Tax | 15,45,31,785 | 13,609,225 |
| <i>Tax Expenses:</i> | | -- |
| Less: Current Tax | 5,40,86,125 | 35,00,000 |
| Less: Tax expenses for earlier years | 4,35,401 | 0 |
| Less: MAT credit Entitlement | 0 | 0 |
| Less: Deferred Tax liability | (5,83,507) | (53,572) |
| <i>Profit/(Loss) after tax for the year</i> | 10,05,93,766 | 10,162,798 |
| Profit/(Loss) balance brought forward | 1,31,43,734 | 29,80,936 |
| Transfer to General Reserve | - | -- |
| <i>Profit/(Loss) balance C/f to Balance sheet</i> | 11,37,37,500 | 1,31,43,734 |

State of the Company's affairs:

The Company is primarily engaged in the business of trading and distributing of imported wines, liquors and beverages on PAN India Basis.

Balance sheet grew by 3.55 times on year to year to reach Rs.9381.25 Lacs as on 31st March, 2019. Revenue from operations stood at Rs.1102.81 lacs.

Reserves

The Company has not transferred any percentage (%) of profit to the General Reserves during the year under consideration.

Dividend

The Company retained its profit to invest the same into the expansion of its business into other regions in India. Hence, there was no dividend being declared.

Initial Public Offer

During the year under review, your Company come up with a public issue of 43,02,000 equity shares of Rs.10/- each at a premium of Rs. 33/- per share aggregating to the total Rs. 18,49,86,000/- . The Issue opened on 22nd of March, 2019 and closed on 27th of March, 2019. Subsequently the shares of the Company got listed on the first week of April, 2019 on SME platform of BSE Limited i.e. on 4th April, 2019.

Material Changes affecting Financial Position of the Company

The Paid-up Capital of the Company has changed from Rs 12050000/- to Rs 117492000/- because Company has brought Allotment of Shares during the year under review. No material changes or a commitment has been made by the Board Member or Company between the year ending date and the date of Director's report.

Share Capital

There was no increase in authorised share capital made by the Company during the year, however Company has allotted 10544200(one core five lakh forty four thousand two hundred) equity shares during the Financial Year.

As on 31st March'2018, the authorised capital and issued, subscribed and Paid-up share capital of the Company stood at Rs 19,00,00,000/- and Rs. 11,74,92,000/- respectively comprising 117,49,200 equity shares of Rs. 10/- each.

Utilization of IPO Fund

The Initial Public Offer fund is utilized for the purpose for which the amount is raised as mentioned in the prospectus.

Conversion into Public Limited Company

Your company converted from Private Limited Company to Public limited Company during the year under review. The Company had received a fresh certificate of Incorporation on 3rd of May, 2018 consequent upon conversion into Public Limited Company.

Industrial Relation

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013("the Act") and rule 12(1) of the Companies (Management & Administration) Rules, 2015, extract of Annual return is attached with this Report marked as **Annexure D**.

Details of Board Meetings

During the year under review Board of Directors met twenty one(21) times, viz 20.04.2018, 24.04.2018, 28.04.2018, 13.05.2018, 14.05.2018, 17.05.2018, 28.05.2018, 09.06.2018, 11.06.2018, 04.07.2019,

30.07.2018, 04.08.2018, 06.08.2018, 08.09.2018, 10.09.2018, 13.09.2018, 14.09.2018, 01.10.2018, 03.11.2018, 24.11.2018, 22.01.2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of which are mentioned herein below :

| Name of the Director | Category | No of Meetings entitled to attend | No of Meetings attended |
|----------------------|----------------------|-----------------------------------|-------------------------|
| Anuj Bakshi | Executive Director | 21 | 21 |
| Ankush Bakshi | Managing Director | 21 | 21 |
| Roshni Bakshi | Executive Director | 21 | 21 |
| Kanika Bakshi | Executive Director | 21 | 21 |
| Rahul Gupta | Independent Director | 10 | 10 |
| Sathvik Jain | Independent Director | 10 | 10 |
| Jagjit Singh Kochar | Independent Director | 13 | 13 |

Board of Directors

There has been a change in the structure of the Board during the Financial Year. Appointment of Nikita Sureka as Company Secretary on 20th April, 2018 & as Compliance Officer of the Company on 6th August, 2018.

Varun Narendra Mehta (DIN: 08105105) and Jagjit Singh Kochar (DIN: 06552295) was appointed as Independent Director on 11th June, 2018 but due to personal reasons Varun Narendra Mehta resigned on 16th July, 2018.

Further Rahul Gupta (DIN: 05310120), Sathvik Jain (DIN: 07732825) was appointed on 04th August, 2018 as an Independent Directors. Amit Kumar was appointed as Chief financial officer on 04th August, 2018.

Mr. Anuj Bakshi (DIN: 02500120) is liable to retire by rotation and being eligible thereof, offers himself for re-appointment. Details of the Director is attached with this report & marked as **Annexure A**.

Committees of the Board

To provide better corporate governance & transparency currently the Board has three Committees viz. Audit Committee, Stakeholders Relationship Committee and Nomination & remuneration Committee to look into various aspects for which they have been constituted.

a. Audit Committee

The Audit Committee comprises of non-executive Independent Directors and Director as its Member.

The Chairman of the Committee is an Independent Director.

The composition of the Audit Committee is detailed below:-

| SL No | Name | Status | Nature of Directorship |
|-------|---------------|----------|------------------------|
| 1 | Sathvik Jain | Chairman | Independent Director |
| 2 | Rahul Gupta | Member | Independent Director |
| 3 | Ankush Bakshi | Member | Managing Director |

b. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of non-executive Independent Directors. The Chairman of the Committee is an Independent Director.

The composition of the Stakeholders Relationship Committee is detailed below:-

| SL No | Name | Status | Nature of Directorship |
|--------------|---------------------|---------------|-------------------------------|
| 1 | Rahul Gupta | Chairman | Independent Director |
| 2 | Sathvik Jain | Member | Independent Director |
| 3 | Jagjit Singh Kochar | Member | Independent Director |

c. Nomination & Remuneration Committee

The Nomination and Remuneration Committee comprises of non-executive Independent Directors. The Chairman of the Committee is an Independent Director.

The composition of the Nomination and Remuneration Committee is detailed below:-

| SL No | Name | Status | Nature of Directorship |
|--------------|---------------------|---------------|-------------------------------|
| 1 | Jagjit Singh Kochar | Chairman | Independent Director |
| 2 | Rahul Gupta | Member | Independent Director |
| 3 | Sathvik Jain | Member | Independent Director |

The Composition is also been placed on the website of the Company www.northernspirits.in

Change in the Registered Office of the Company

There has been change in the registered office of the Company by shifting it from 5A, Woodburn Central, Unit-603, Kolkata-700020 to 5A, Woodburn Park Road, Woodburn Central, Unit 603, 6th Floor, Kolkata-700020.

Corporate Governance Report

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- a. Listed entity having paid up equity share capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;
- b. Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2018-2019.

Report of Frauds by Auditors Report

The report of the Statutory Auditors along with respective notes to the Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There was no adverse remark made by Statutory Auditors of the Company. There was no fraud reported in the Audit report for the Financial Year.

Statutory Auditor

The Board has recommended via Board Resolution Dated 24th of May, 2019 the appointment of M/s. J. K Sarawgi & Co. (FRN No. 006836C), Chartered Accountants, as the Statutory Auditors of the Company. The Board even called an Extra-Ordinary General Meeting of the members of the Company on 21st June, 2019 to take the approval from them towards the said appointment. As per Section 139(8)(i) of the Companies Act, 2013 any casual vacancy occurred due to resignation of the existing Auditor of the Company he shall hold office till the conclusion of the next Annual General Meeting. He shall hold office for a period of 5 consecutive years until the conclusion of 11th Annual General Meeting in the ensuing Annual General Meeting of the Company. Brief Details of the Auditor will form part of this Report & marked as **Annexure B**.

Dematerialisation of Shares

During the year under review, all the equity shares were dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents 100% of the total paid-up capital of the Company. The Company ISIN No. is INE01BL01012 and Registrar and Share Transfer Agent is Cameo Corporate Services Limited.

Management Discussion and Analysis

As required under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) the Management Discussion and Analysis of the Company for the year under review is presented in a separate section forming the part of the Annual Report is attached here with as **Annexure E**.

Director Remuneration

Neither any remuneration nor any sitting fees was paid to the Directors of the Company during the year 2018-19.

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

During the year under review, the Company has not made any loans, guarantees or investment within the meaning of Section 186 of Companies Act, 2013.

The details of Investments made by Company is given in the notes to the Financial Statements, if any.

Particulars of Contracts or Arrangements with Related Party Transactions

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Sections 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto has to be disclosed in Form No. AOC-2, however, no transactions has been conducted during the year with the related parties therefore the same is not required to be filed. The particulars of existing contracts or arrangements are been disclosed in the notes on accounts enclosed herewith.

Key managerial personnel

- Ankush Bakshi (Managing Director)
- Amit Kumar (Chief Financial Officer)
- Nikita Sureka(Company Secretary)

Non-executive/Independent director

- Sathvik Jain
- Rahul Gupta
- Jagjit Singh Kochar

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

In pursuance of section 134(3)(m) of the Companies Act,2013 read with the Companies (Accounts) Rules, 2015, are not relevant in view of the nature of business activities of the Company and the same is not applicable in this regard.

The company has not entered into any technology transfer agreement and also there are no foreign currency and outgo during the financial year.

Risk Management

Risk Management is the process of identification, assessment and prioritization of risks followed by co-ordinated efforts to minimize, monitor and mitigate/ control the probability and / or impact of unfortunate events or maximize the realization of opportunities. The Company has laid a Risk Assessment and Minimization procedure to identify, assess and treat elements of risk which in the opinion of the board may threaten the existence of the Company.

Details of Subsidiary/Joint Venture/ Associate Companies

During the year under review, the Company nor have an Associate Company nor have any of the Subsidiary/Subsidiaries or Joint Venture.

Deposits

During the year under review, the Company has not accepted any deposits within the meaning of the Non-banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 and in terms of Section 73(2) of the Companies Act, 2013.

Internal Financial Controls with Reference to Financial Statements

The Company has maintained adequate financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and increasing complexity of operations.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, any such cases will be referred to Local

Complaint Committee under the supervision of District Officer. During the year, no such complaint was received under the said Act.

Corporate Social Responsibility

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 as it is not applicable to the Company.

Other Regulatory Requirement

The company has been complied with all regulatory requirement of Central Government and State Government and there was no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of company's operations.

Particulars of Employees

No Employee in the Company was in receipt of remuneration in excess of the amount mentioned Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015.

Vigil Mechanism

Your Directors would like to inform that till now provisions of establishment of Vigil Mechanism do not apply to the Company.

Director's Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors hereby make the following statements in terms of clause (c) of Sub-section 134 of the Companies Act, 2013 and confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.
- c) the directors had taken proper and sufficient care for the maintenance if adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors has in all material prospects established, an adequate internal financial controls system over financial reporting and other important areas which are commensurate with the size of the Company activities and operating as planned.
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Directors take this opportunity to express their thanks to Ministry of Corporate Affairs and other agencies of Central and State government for their kind support and guidance.

The directors wish to place on record their appreciation for the dedicated efforts put in by the employees of the company at all levels who have contributed to the growth and performance of the company.

The directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

For and on behalf of the Board
NORTHERN SPIRITS LIMITED

ANKUSH BAKSHI
MANAGING DIRECTOR
DIN: 02547254

ANUJ BAKSHI
DIRECTOR
DIN: 02500120

NIKITA SUREKA
COMPANY SECRETARY

AMIT KUMAR
CHIEF FINANCIAL OFFICER

Place: Kolkata

Date: 30TH May, 2019

ANNEXURE-D

| |
|--|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2019 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. |

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|---|--|
| i | CIN | L15500WB2012PLC185821 |
| ii | Registration Date | 13/09/2012 |
| iii | Name of the Company | NORTHERN SPIRITS LIMITED |
| iv | Category/Sub-category of the Company | Company limited by Shares |
| v | Address of the Registered office & contact details | 5A, WOODBURN PARK ROAD, WOODBURN CENTRAL, UNIT 603, 6TH FLOOR KOLKATA-20 Telephone: 033 2290 2043 |
| vi | Whether listed company | No |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | No |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Wholesale of intoxicants like Wines & liquors | 4630 | 100% |
| 2 | | | |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| Sl. No. | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|-------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |

SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year | |
|--|---|-----------|-----------|-------------------|---|------------|------------|-------------------|--------------------------|-------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | - | 0 | - | - | - | 0 | - | - | - | - |
| a) Individual/HUF | - | 1204900 | 1,204,900 | 99.99 | - | 10749000 | 10,749,000 | 91.49 | 9,544,100 | 81.23 |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | - | - | - | - | - | - | - | - | - | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL:(A) (1) | - | 1204900 | 1,204,900 | 99.99 | - | 10749000 | 10,749,000 | 91.49 | 9,544,100 | 81.23 |
| (2) Foreign | | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - | - |
| e) Any other... | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (A) (2) | - | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter | | | | | | | | | | |
| (A)= (A)(1)+(A)(2) | - | 1,204,900 | 1,204,900 | 99.99 | - | 10,749,000 | 10,749,000 | 91.49 | 9,544,100 | 81.23 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - | - |
| g) FIIS | - | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B)(1): | - | - | - | - | - | - | - | - | - | - |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporates | - | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | 0.00 | - | - | - | 0.00 | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh. | - | 100 | 100 | 0.01 | - | 200 | 200 | 0.00 | 100 | 0.00 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | - | - | - | - | - | 1,000,000 | 1,000,000 | 8.51 | 1,000,000 | 8.51 |
| c) Others (specify) | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B)(2): | - | 100 | 100 | 0.01 | - | 1,000,200 | 1,000,200 | 8.51 | 1,000,100 | 8.51 |
| Total Public Shareholding | | | | | | | | | | |
| (B)= (B)(1)+(B)(2) | - | 100 | 100 | 0.01 | - | 1,000,200 | 1,000,200 | 8.51 | 1,000,100 | 8.51 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 1,205,000 | 1,205,000 | 100.00 | - | 11,749,200 | 11,749,200 | 100.00 | 10,544,200 | 89.74 |

(ii) **SHARE HOLDING OF PROMOTERS & PROMOTERS GROUP**

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|-------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Anuj Bakshi | 570000 | 47.30 | NIL | 4809600 | 40.94 | NIL | 36.08 |
| 2 | Ankush Bakshi | 570000 | 47.30 | NIL | 5809600 | 49.45 | NIL | 44.60 |
| 3 | Kulbir Bakshi | 35000 | 2.90 | NIL | 70000 | 0.60 | NIL | 0.30 |
| 4 | Amita Bakshi | 19900 | 1.65 | NIL | 39800 | 0.34 | NIL | 0.17 |
| 5 | Roshni Bakshi | 5000 | 0.41 | NIL | 10000 | 0.09 | NIL | 0.04 |
| 6 | Kanika Bakshi | 5000 | 0.41 | NIL | 10000 | 0.09 | NIL | 0.04 |
| | Total | 1204900 | 99.99 | NIL | 10749000 | 91.49 | NIL | 80.98 |

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

| Sl. No. | | Share holding at the beginning of the year | | Cumulative Share holding during the year | |
|---------|--|---|--------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 1204900 | 99.99 | | |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | # There is change in promoters's shareholding during the Financial year 2018-19 | | | |
| | At the end of the year | 10749000 | 91.49 | | |

Note: The Change in % of total shares of the Company between 01-04-2018 to 31-03-2019 is on account of Allotment of 10544200 shares

Change in Promoters Shareholding

| Sl. No. | Name & Type of Transaction | Share holding at the beginning of the year-2018 | | Transaction during the year | | Cumulative Share holding during the year-2019 | |
|---------|----------------------------|---|----------------------------------|-----------------------------|--------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | Date of transaction | No of Shares | No. of shares | % of total shares of the Company |
| 1 | Anuj Bakshi | 570000 | 47.30 | | | | |
| | Allotment | | | 7/4/2018 | 2334800 | | |
| | Allotment | | | 9/8/2018 | 2904800 | | |
| | Transfer | | | 1/11/2019 | 1000000 | 4809600 | 40.94 |
| | At the end of the year | | | | | 4809600 | 40.94 |
| 2 | Ankush Bakshi | 570000 | 47.30 | | | | |
| | Allotment | | | 7/4/2018 | 2334800 | | |
| | Allotment | | | 9/8/2018 | 2904800 | 5809600 | 49.45 |
| | At the end of the year | | | | | 5809600 | 49.45 |
| 3 | Kulbir Bakshi | 35000 | 2.90 | | | | |
| | Allotment | | | 9/8/2018 | 35000 | 70000 | 0.60 |
| | At the end of the year | | | | | 70000 | 0.60 |
| 4 | Amita Bakshi | 19900 | 1.65 | | | | |
| | Allotment | | | 9/8/2018 | 19900 | 39800 | 0.34 |
| | At the end of the year | | | | | 39800 | 0.34 |
| 5 | Roshni Bakshi | 5000 | 0.41 | | | | |
| | Allotment | | | 9/8/2018 | 5000 | 10000 | 0.09 |
| | At the end of the year | | | | | 10000 | 0.09 |
| 6 | Kanika Bakshi | 5000 | 0.41 | | | | |
| | Allotment | | | 9/8/2018 | 5000 | 10000 | 0.09 |
| | At the end of the year | | | | | 10000 | 0.09 |
| | | 1204900 | 99.99 | | | 10749000 | 91.49 |

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| Sl. No. | Name & Type of Transaction | Share holding at the beginning of the year-2018 | | Transaction during the year | | Cumulative Share holding during the year-2019 | |
|---------|----------------------------|---|----------------------------------|-----------------------------|--------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | Date of transaction | No of Shares | No. of shares | % of total shares of the Company |
| 1 | Hitesh Mohanbhai Patel | 0 | 0.00 | | | | |

| | | | | | | | |
|---|---------------------------------------|---|------|-----------|--------|----------------|-------------|
| | Transfer | | | 1/11/2019 | 500000 | 500000 | 4.26 |
| | At the end of the year | | | | | 500000 | 4.26 |
| 2 | Valueworth Capital Management Pvt Ltd | 0 | 0.00 | | | | |
| | Transfer | | | 1/11/2019 | 300000 | 300000 | 2.55 |
| | At the end of the year | | | | | 300000 | 2.55 |
| 3 | R. Sheshagiri | 0 | 0.00 | | | | |
| | Allotment | | | 1/11/2019 | 100000 | 100000 | 0.85 |
| | At the end of the year | | | | | 100000 | 0.85 |
| 4 | Subhas Vithaldas Shah | 0 | 0.00 | | | | |
| | Allotment | | | 1/11/2019 | 100000 | 100000 | 0.85 |
| | At the end of the year | | | | | 100000 | 0.85 |
| | | 0 | 0.00 | | | 1000000 | 8.51 |

(v) **Shareholding of Directors & KMP**

| Sl. No. | Name | Date | Share holding at the beginning of the year-2018 | | Increase/decrease in the shareholding | Reason | Cumulative Share holding during the year-2019 | |
|---------|---------------------|-----------|---|----------------------------------|---------------------------------------|----------------------|---|----------------------------------|
| | | | No. of Shares at the | % of total shares of the Company | | | No. of shares | % of total shares of the Company |
| 1 | Anuj Bakshi | 4/1/2018 | 570000 | 47.30 | | Allotment & Transfer | | |
| | | 3/31/2019 | 0 | 0.00 | 4239600 | | 4809600 | 40.94 |
| 2 | Ankush Bakshi | 4/1/2019 | 570000 | 47.30 | | Allotment | | |
| | | 3/31/2019 | 0 | 0.00 | 5239600 | | 5809600 | 49.45 |
| 3 | Roshni Bakshi | 4/1/2018 | 5000 | 0.41 | | Allotment | | |
| | | 3/31/2019 | 0 | 0.00 | 5000 | | 10000 | 0.09 |
| 4 | Kanika Bakshi | 4/1/2018 | 5000 | 0.41 | | Allotment | | |
| | | 3/31/2019 | 0 | 0.00 | 5000 | | 10000 | 0.09 |
| 5 | Jagjit Singh Kochar | 4/1/2018 | 100 | 0.01 | | Allotment | | |
| | | 3/31/2019 | 0 | 0.00 | 100 | | 200 | 0.00 |
| | | | 1150100 | 95.44 | | | 10639400 | 90.55 |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | | |
|--|--|--------------------|----------|-----------------------|---|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness | |
| Indebtness at the beginning of the financial year | - | - | - | - | - |
| i) Principal Amount | 50,255,102 | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - | - |
| | - | - | - | - | - |
| Total (i+ii+iii) | 50,255,102 | - | - | 50,255,102 | |
| | - | - | - | - | |
| Change in Indebtedness during the financial year | - | - | - | - | |
| Additions | 1,477,739,433 | - | - | - | |
| Reduction | (1,081,061,473) | - | - | - | |
| Net Change | 396,677,960 | - | - | 396,677,960 | |
| | | | | | |
| Indebtedness at the end of the financial year | - | - | - | - | |
| i) Principal Amount | 446,933,062 | - | - | - | |
| ii) Interest due but not paid | - | - | - | - | |
| iii) Interest accrued but not due | - | - | - | - | |
| | - | - | - | - | |
| Total (i+ii+iii) | 446,933,062 | | | 446,933,062 | |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | | Total Amount | |
|-------|--|----------------------------|---|---|---|--------------|---|
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | - | - | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock option | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - | - |
| | as % of profit | - | - | - | - | - | - |
| | others (specify) | - | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - | - |
| | Total (A) | - | - | - | - | - | - |
| | Ceiling as per the Act. | - | - | - | - | - | - |

B. Remuneration to other directors:

| Sl.No. | Particulars of Remuneration | Name of the Directors | | | Total Amount | |
|--------|--|-----------------------|---|---|--------------|---|
| 1 | Independent Directors | - | - | - | - | - |
| | (a) Fee for attending board committee meetings | - | - | - | - | - |
| | (b) Commission | - | - | - | - | - |
| | (c) Others, please specify | - | - | - | - | - |
| | Total (1) | - | - | - | - | - |
| 2 | Other Non Executive Directors | - | - | - | - | - |
| | (a) Fee for attending board committee meetings | - | - | - | - | - |
| | (b) Commission | - | - | - | - | - |
| | (c) Others, please specify. | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | - |
| | Overall Ceiling as per the Act. | - | - | - | - | - |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | | Total |
|---------|--|--------------------------|--------------------------|------------|--------------|-------|
| 1 | Gross Salary | CEO | Company Secretary | CFO | Total | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | - | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | as % of profit | - | - | - | - | - |
| | others, specify | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | | - | - | - | - | - |
| | Total | - | - | - | - | - |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act. | Brief Description | Details of Penalty/Punishment/Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|-------------------------------------|-------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | no | no | no | no | no |
| Punishment | no | no | no | no | no |
| Compounding | no | no | no | no | no |
| B. DIRECTORS | | | | | |
| Penalty | no | no | no | no | no |
| Punishment | no | no | no | no | no |
| Compounding | no | no | no | no | no |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | no | no | no | no | no |
| Punishment | no | no | no | no | no |
| Compounding | no | no | no | no | no |

For and on behalf of the Board
NORTHERN SPIRITS LIMITED

Date: 5/30/2019
Place: Kolkata

ANKUSH BAKSHI
MANAGING DIRECTOR
DIN: 02547254

ANUJ BAKSHI
DIRECTOR
DIN: 02500120

Annexure E

MANAGEMENT DISCUSSION ANALYSIS REPORT

ECONOMIC SCENARIO

Global economy:

Global expansion has weakened in FY 18 (3.7%) Vs FY17 (3.8%) driven by the negative effects of tariff increases enacted in the United States and China earlier this year. Global growth is expected to scale up to 3.5% & 3.6% in 2019 and 2020 respectively, strengthened by strong momentum, favourable market sentiment, accommodative financial conditions, and expanding fiscal policy in United States (US) which is expected to boost both domestic and international markets.

Indian Economy:

India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.. As per the second advanced estimates issued by the Central Statistics Organisation (CSO), India's GDP at constant prices is expected to grow by 7.2% in the financial year 2018-19 as compared to 7.1% in the financial year 2017-18 The government's impetus on Make in India, investment in infrastructure and Smart Cities, rising disposable incomes, implementation of the Seventh Pay Commission, recovery in exports and lower inflation cumulatively contributed to growth. As per Harvard University report, India topped the list of the fastest growing economies in the world for the coming decade with growth expectations of 7.9% annually till 2026, ahead of China and US.

INDUSTRY OVERVIEW

India is one of the fastest growing alcohol markets in the world. Rapid increase in urban population, sizable middle class population with rising spending power, and a sound economy are certain significant reasons behind increase in consumption of alcohol in India. India is expected to be the third largest consumer economy as its consumption is expected to triple to US\$ 4 trillion by 2025, led by shift in consumer behaviour and expenditure pattern. With nearly 62% of population younger than 35 years, India is a young country with median age 27.9 in 2018. This provides tremendous opportunity to drive growth of alcobev industry on the back of its rising working-age population.

SEGMENT WISE PERFORMANCE OF INDIAN SPIRITS MARKET OVERVIEW

The Alcobev Industry in India has been growing at more than 12% CAGR for the decade starting 2001 making it one of the fastest growing markets in the World. In 2018, the Industry bounced back to about 3-4% growth after experiencing sharp decline of about 2.7% in 2017 (some of the causes like Supreme Court-order banning sale of alcohol near highways and distribution changes in some states like in West Bengal, Chhattisgarh and Jharkhand contributed to this decline).

The Indian Alcobev Industry is segmented into IMFL (Indian Made Foreign Liquor), IMIL (Indian Made Indian Liquor), Wine, Beer and imported alcohol. The heavy import duty and taxes levied raised the prices of imported alcohol to a large extent. IMFL category accounts for almost 72% of the market. IMFL sales in value grew 6% in the financial year under review. With consumer demand picking up, the industry is expecting to grow in mid-single-digit in the coming financial year as well.

COMPANY OVERVIEW

At Northern Spirits we are defined by our values and inspired by the future. We want to become the most coveted luxury alcohol beverages Company in India. We know that we can achieve this only with full

commitment and involvement of all our employees. Living and believing the values is one way of helping us achieve our vision. We are Family owned and we keep a strong connection with them and stay true to our values and heritage.

Strength & opportunities

- Our client base across 8 Big States of India. Currently supplying to more than 2000 Nos Hotels, Clubs, Bars, Retails and Modern Trade across these states.
- Distributing well established and market leaders in their categories.
- Own Infrastructure to develop our brands and not use third party licenses.
- Experience of the Promoters, In-House back end teams to liaison with Governments and giving one-point solution to our suppliers. Experienced Managers from the trade leading our sales.
- Continuity, Fresh Stocks, Fast Decisions by management is the advantage with us.
- Per Capita Consumption in China is 15 ltr per person where as India stands at 1Ltr.
- Awareness and High Aspirations of the consumers has fuelled the premiumisation effect which is our Target Audience.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a well-established internal control system. The Company strives to maintain a dynamic system of internal controls over financial reporting to ensure reliable financial recordkeeping, transparent financial reporting and disclosure and protection of physical and intellectual property.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company recorded total revenue Rs 109.60 crore during the year under review as compared to Rs 25.86 crore in FY 2017-18. The net profit during the year under review stood at Rs 10.05 crore as against Rs 1.01 crore in FY 2017-18.

CAUTIONARY STATEMENT

The statements in the "Management Discussion and Analysis Report" section describes the Company objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NORTHERN SPIRITS LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NORTHERN SPIRITS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the 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, 2019, and profit/loss, and its cash flows for the year ended on that date.

Basis for opinion

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

Management's Responsibility for the Standalone 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 standalone 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 Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statement

Our objective are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud and 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 147 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair representation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone 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 standalone 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 wherever applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company's (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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For J K Sarawgi & Company

Chartered Accountants

FRN No.: 006836C

FCA Jeet Agarwal

Partner

Membership No.: 064038

Place: Kolkata

Dated: 30/05/2019

Re: NORTHERN SPIRITS LIMITED

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31st March, 2019, we report that:

- **Fixed Assets**

- i. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii. The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

- **Inventories**

- i. The Inventories have been physically verified by the management at reasonable intervals during the year.
- ii. The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- iii. The Company has maintained proper records of inventories and no discrepancies were noticed on physical verification as compared with the book records.

- **Loans Given By Company**

- i. The company has not granted any fresh secured or unsecured loan to related parties during the period under review under Section 189 of the Act.
- ii. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable.

- **Loan To Directors and Investment By The Company**

No loan has been issued by the company to either of the directors' and has not given any guarantee for loans taken by others from Bank or Financial Institution, to which provisions of Section 185 and 186 of the Act apply.

- **Deposits**

The company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act during the period under review.

- **Cost Records**

Maintenance of cost records is not prescribed by the Central Government under Section 148(i) of the Act.

- **Statutory Dues**

- i. According to the information given to us and on the basis of examination of records of the Company, the company is generally regular in depositing the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Income Tax and other material statutory dues with the appropriate authorities. There is no default of the company with respect to the same.
- ii. There are no undisputed amounts payable as at 31st March, 2019 for a period of more than six months from the date they become payable.
- iii. There were no undisputed amounts payable in respect to Income Tax, etc. as on 31st March, 2019.

- **Repayment of Loans**

The company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

- **Utilisation of Funds**

No funds have been raised by the Company by way of initial public offer or further public offer during the year under review. The company has not taken any term loan during the year as per the information given to us.

- **Reporting of Fraud**

During the course of audit no fraud has been committed or reported by the company or any of its employees during the year.

- **Approval of Managerial Remuneration**

There was no managerial remuneration paid during the year and as such the provisions of Clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- **Nidhi Company**

The company does not qualify as a Nidhi Company as per Section 406 of the Companies Act 2013. Hence, clause 3(xi) of the order is not applicable.

- **Related Party Transactions**

The company have not entered into any transaction with related parties which are in compliance with Section 177 and Section 188 of the Companies Act, 2013 and as such provisions of Clause 3(xiii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- **Private Placement of Preferential Issues**

The company has made private placement of shares during the year under review and the requirements of Section 42 of the Companies Act, 2013 have been complied with and the amount which were raised have been fully utilized for the purpose for which funds were raised.

- **Non-Cash Transactions**

The company has followed the limits and conditions as per the Companies Act 2013 in respect of non-cash transactions with directors or their relatives. Hence, reporting under clause (xv) of the Order is not applicable.

- **Registration under RBI Act**

The company is not liable to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **J K Sarawgi & Co.**

Chartered Accountants

FRN No.: 006836C

FCA Jeet Agarwal

Partner

Membership No.: 064038

Place: Kolkata

Dated: 30/05/2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls over Financial Reporting 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 **NORTHERN SPIRITS LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India” (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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”) issued by the Institute of Chartered Accountants of India (ICAI) and the standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 March 31, 2019, 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).

For **J K Sarawgi & Co**

Chartered Accountants

FRN No.: 006836C

FCA Jeet Agarwal

Partner

Membership No.: 064038

Place: Kolkata

Dated: 30/05/2019

NORTHERN SPIRITS LIMITED

Balance Sheet as at 31st March, 2019

(All amounts in INR)

| | Notes | As at 31st March, 2019 | As at 31st March, 2018 |
|-------------------------------------|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 3(A) | 105,665,873 | 48,960,451 |
| (b) Intangible assets | 3(B) | 6,902 | - |
| (c) Deferred tax Assets | 4 | 728,972 | 145,465 |
| (d) Other non-current assets | 5 | 9,151,092 | 1,831,666 |
| Current assets | | | |
| (a) Inventories | 6 | 331,839,911 | 63,477,611 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 7 | 373,427,151 | 83,029,776 |
| (ii) Cash and cash equivalents | 8 | 3,749,458 | 2,067,186 |
| (iii) Other Bank Balances | 9 | 32,028,255 | - |
| (c) Other current assets | 5 | 81,527,874 | 6,617,578 |
| TOTAL ASSETS | | 938,125,489 | 206,129,733 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 10 | 117,492,000 | 12,050,000 |
| (b) Other Equity | | 294,704,300 | 52,063,734 |
| Liabilities | | | |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 446,933,062 | 50,255,103 |
| (ii) Trade payables | | 14,816,413 | 27,371,362 |
| (b) Other current liabilities | 12 | 10,093,589 | 60,889,534 |
| (c) Provisions | 13 | 54,086,125 | 3,500,000 |
| TOTAL EQUITY AND LIABILITIES | | 938,125,489 | 206,129,733 |

The above balance sheet should be read in conjunction with accompanying notes.
The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For J.K.SARAWGI & CO.
Chartered Accountants
FRN: 006836C

For and on behalf of the Board of Directors

(JEET AGARWAL)
Partner
Membership number: 064038

Place: Kolkata
Date: May 30, 2019

Anuj Bakshi
Executive Director

Ankush Bakshi
Managing Director

Nikita Sureka
Company Secretary

Amit Kumar
Chief Financial Officer

Place: Kolkata
Date: May 30, 2019

NORTHERN SPIRITS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2019

(All amounts in INR)

| | Notes | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|--|-------|--|--|
| I Revenue From Operations | 14 | 1,102,681,973 | 258,684,744 |
| II Other Income | 15 | 2,910,729 | - |
| III Total Income (I+II) | | 1,105,592,702 | 258,684,744 |
| IV EXPENSES | | | |
| Purchases of Stock-in-Trade | 16 | 1,024,067,305 | 196,146,994 |
| Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates | 17 | (268,362,300) | (37,806,798) |
| Employee benefits expense | 18 | 12,131,771 | 8,965,984 |
| Finance costs | 19 | 46,817,884 | 2,122,635 |
| Depreciation and amortization expense | | 3,224,784 | 676,676 |
| Other expenses | 20 | 133,181,472 | 74,970,028 |
| Total expenses (IV) | | 951,060,916 | 245,075,518 |
| V Profit before exceptional items and tax (III-IV) | | 154,531,786 | 13,609,226 |
| VI Exceptional Items | | - | - |
| VII Profit before tax (V+VI) | | 154,531,786 | 13,609,226 |
| VIII Tax expense: | | | |
| Current Tax | 21 | 54,521,526 | 3,500,000 |
| Deferred Tax | 21 | (583,507) | (53,572) |
| IX Profit for the year (VII-VIII) | | 100,593,767 | 10,162,798 |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss: | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B (i) Items that will be reclassified to profit or loss: | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| X Other Comprehensive Income [A (i-ii)+B (i-ii)] | | - | - |
| XI Total Comprehensive Income for the year (IX+X) | | 100,593,767 | 10,162,798 |
| XII Earnings per equity share (Face Value ` 1.00 each): | | | |
| Earning per equity share:(Before Bonus) | 22 | Rs. 22 | Rs. 13 |
| Earning per equity share:(After Bonus) | 22 | Rs. 10 | Rs. 5 |
| Gross Sales Value (net of rebates and discounts) (A) | | 1,185,947,096 | 327,185,684 |
| Taxes other than Excise Duty | | 89,905,736 | 68,500,940 |
| Gross Revenue from sale of products and services [C = (A-B)] | | 1,096,041,360 | 258,684,744 |
| Other Operating Revenues (D) | | 6,640,613 | - |
| Revenue From Operations [E = (C+D)] | | 1,102,681,973 | 258,684,744 |

The above balance sheet should be read in conjunction with accompanying notes.

The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For J.K. SARAWGI & CO
Chartered Accountants
FRN: 006836C

For and on behalf of the Board of Directors

Anuj Bakshi
Executive Director

Ankush Bakshi
Managing Director

(JEET AGARWAL)
Partner
Membership number: 064038

Nikita Sureka
Company Secretary

Amit Kumar
Chief Financial Officer

Place: Kolkata
Date: May 30, 2019

Place: Kolkata
Date: May 30, 2019

NORTHERN SPIRITS LIMITED

Cash Flow Statement for the year ended 31st March, 2019

| | (All amounts In INR) | |
|---|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| A. Cash Flow from Operating Activities | | |
| PROFIT BEFORE TAX | 154,531,785 | 13,609,226 |
| ADJUSTMENTS FOR: Depreciation and amortization expense | 3,224,784 | 628,376 |
| Interest paid | 46,817,884 | 2,122,635 |
| Interest Income | -2,910,729 | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 201,663,725 | 16,360,237 |
| ADJUSTMENTS FOR: Inventories | -268,362,300 | -37,806,798 |
| Trade receivables | -290,397,375 | -41,392,508 |
| Loans and advances | -82,229,722 | -6,773,855 |
| Tax Expenses of Earlier Years | -435,401 | - |
| Other Payables | -66,850,894 | 399,742 |
| CASH GENERATED FROM OPERATIONS | - | - |
| Income tax paid | - | - |
| Interest Income | 2,910,729 | - |
| NET CASH FROM OPERATING ACTIVITIES | -503,701,239 | -69,213,182 |
| B. Cash Flow from Investing Activities | | |
| Purchase of property, plant and equipment, Intangibles etc. | -59,937,108 | -96,078 |
| NET CASH USED IN INVESTING ACTIVITIES | -59,937,108 | -96,078 |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of share capital | 247,488,800 | 36,000,000 |
| Repayment of non-current borrowings | - | -17,324,768 |
| Interest paid | -46,817,884 | -2,122,635 |
| NET CASH USED IN FINANCING ACTIVITIES | 200,670,916 | 16,552,597 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | -362,967,431 | -52,756,663 |
| OPENING CASH AND CASH EQUIVALENTS | -48,187,916 | 4,568,747 |
| CLOSING CASH AND CASH EQUIVALENTS | -411,155,348 | -48,187,916 |

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows"

2. CASH AND CASH EQUIVALENTS:

| | | |
|-------------------------------------|---------------|--------------|
| Cash and cash equivalents as above | 411,155,348 | 48,187,916 |
| Cash credit facilities (Note 11) | (446,933,062) | (50,255,102) |
| Cash and cash equivalents (Note 08) | 3,749,458 | 2,067,186 |
| Other bank balances (Note 09) | 32,028,255 | - |

The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For and on behalf of the Board of Directors

For J.K.SARAWGI & CO.
Chartered Accountants
FRN: 006836C

Anuj Bakshi
Executive Director

Ankush Bakshi
Managing Director

(JEET AGARWAL)
Partner
Membership number: 064038

Nikita Sureka
Company Secretary

Amit Kumar
Chief Financial Officer

Place: Kolkata
Date: May 30, 2019

Place: Kolkata
Date: May 30, 2019

NORTHERN SPIRITS LIMITED

Statement of changes in equity for the year ended 31st March, 2019

(All amounts in INR)

A. Equity Share Capital

| | Balance at the beginning of the reporting year | Changes in equity share capital during the year | Balance at the end of the reporting year |
|-------------------------------------|--|---|--|
| For the year ended 31st March, 2018 | 4,050,000 | 8,000,000 | 12,050,000 |
| For the year ended 31st March, 2019 | 12,050,000 | 105,442,000 | 117,492,000 |

B. Other Equity

| | Reserves and Surplus | | | | |
|--|----------------------|----------------------------|----------------------------|-------------------|--------------|
| | Capital Reserve | Securities Premium Account | Capital Redemption Reserve | Retained Earnings | Total |
| Balance as at 31st March, 2018 | - | 10,920,000 | - | 2,980,936 | 13,900,936 |
| Profit for the year | - | 28,000,000 | - | 10,162,798 | 38,162,798 |
| Other Comprehensive Income (net of tax) | - | - | - | - | - |
| Total Comprehensive Income for the year | - | 38,920,000 | - | 13,143,734 | 52,063,734 |
| Issue of Bonus Shares | - | - | - | - | - |
| Balance as at 31st March, 2019 | - | 38,920,000 | - | 13,143,734 | 52,063,734 |
| Profit for the year | - | 200,792,800 | - | 100,593,766 | 301,386,566 |
| Other Comprehensive Income (net of tax) | - | - | - | - | - |
| Total Comprehensive Income for the year | - | 239,712,800 | - | 113,737,500 | 353,450,300 |
| Issue of Bonus Shares | - | (58,746,000) | - | - | (58,746,000) |
| Balance as at 31st March, 2019 | - | 180,966,800 | - | 113,737,500 | 294,704,300 |

Securities Premium Account: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013. During the year under review the Company has taken over the shares of esrtwhile M/s. United Wines a sole proprietorship concern and issued share 4669600 of face value Rs 10/- each with a premium of Rs 43/- the total premium amounted to Rs 20,07,92,800/-

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The above statement of change in equity be read in conjunction with accompanying notes

The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For and on behalf of the Board of Directors

For J.K.SARAWGI & CO.
Chartered Accountants
FRN: 006836C

Anuj Bakshi
Executive Director

Ankush Bakshi
Managing Director

(JEET AGARWAL)
Partner
Membership number: 064038

Nikita Sureka
Company Secretary

Amit Kumar
Chief Financial Officer

Place: Kolkata
Date: May 30, 2019

Place: Kolkata
Date: May 30, 2019

Notes to the Financial Statements

(All amounts in INR)

| Particulars | Gross Block | | | | | | Depreciation and Amortization | | | | | | Net Book Value | | | |
|--|------------------------|---------------|-----------------------------|------------------------|-------------------|-----------------------------|-------------------------------|------------------------|----------------|--------------------------------|-----------------------|------------------|--------------------------------|-----------------------|------------------------|------------------------|
| | As at 31st March, 2017 | Additions | Withdrawals and adjustments | As at 31st March, 2018 | Additions | Withdrawals and adjustments | As at 31st March, 2019 | Up to 31st March, 2017 | For the year | On Withdrawals and adjustments | Upto 31st March, 2018 | For the year | On Withdrawals and adjustments | Upto 31st March, 2019 | As at 31st March, 2019 | As at 31st March, 2018 |
| 3A. Property, plant and equipment | | | | | | | | | | | | | | | | |
| Fire Extinguisher | 75,725 | 7,635 | - | 83,360 | 105,032 | - | 188,392 | 23,401 | 10,595 | - | 33,996 | 20,703 | - | 54,699 | 133,693 | 49,364 |
| Air Conditioner | 142,781 | - | - | 142,781 | 85,201 | - | 227,982 | 48,361 | 17,090 | - | 65,451 | 29,418 | - | 94,869 | 133,113 | 77,330 |
| Furniture | 1,913,882 | - | - | 1,913,882 | 529,164 | - | 2,443,046 | 492,341 | 368,037 | - | 860,378 | 381,968 | - | 1,242,346 | 1,200,700 | 1,053,504 |
| Laptop | 105,900 | - | - | 105,900 | 49,720 | - | 155,620 | 59,633 | 29,222 | - | 88,855 | 20,326 | - | 109,181 | 46,439 | 17,045 |
| Intercom | 15,865 | - | - | 15,865 | 16,402 | - | 32,267 | 2,208 | 2,472 | - | 4,680 | 4,993 | - | 9,673 | 22,594 | 11,185 |
| Water Machine | 16,400 | - | - | 16,400 | 8,150 | - | 24,550 | 5,387 | 1,993 | - | 7,380 | 1,786 | - | 9,166 | 15,384 | 9,020 |
| Invertor | 36,000 | - | - | 36,000 | 61,429 | - | 97,429 | 14,512 | 3,889 | - | 18,401 | 9,828 | - | 28,229 | 69,200 | 17,599 |
| Computer | 140,100 | 34,000 | - | 174,100 | 305,218 | - | 479,318 | 80,767 | 56,243 | - | 137,010 | 116,112 | - | 253,122 | 226,196 | 37,090 |
| DVR | 47,025 | 44,443 | - | 91,468 | - | - | 91,468 | 11,901 | 12,695 | - | 24,596 | 12,104 | - | 36,700 | 54,768 | 66,872 |
| Bar Code Printer | 93,844 | - | - | 93,844 | 118,810 | - | 212,654 | 23,813 | 12,676 | - | 36,489 | 29,468 | - | 65,957 | 146,697 | 57,355 |
| Office at Woodburn Park | 43,434,536 | - | - | 43,434,536 | - | - | 43,434,536 | - | - | - | - | - | - | - | 43,434,536 | 43,434,536 |
| Office at Rajarhat | 3,844,954 | - | - | 3,844,954 | - | - | 3,844,954 | - | - | - | - | - | - | - | 3,844,954 | 3,844,954 |
| Land & Building | - | - | - | - | 50,245,840 | - | 50,245,840 | - | - | - | - | - | - | - | 50,245,840 | - |
| Maruti Eco Van | 442,526 | - | - | 442,526 | - | - | 442,526 | 119,177 | 100,982 | - | 220,159 | 87,390 | - | 307,549 | 134,977 | 222,367 |
| Printer | 36,960 | - | - | 36,960 | 66,300 | - | 103,260 | 3,959 | 5,973 | - | 9,932 | 54,177 | - | 64,109 | 39,151 | 27,028 |
| Bio Metric Machine | - | 10,000 | - | 10,000 | - | - | 10,000 | - | 769 | - | 769 | 1,671 | - | 2,440 | 7,560 | 9,231 |
| Scanning Machine | 37,275 | - | - | 37,275 | - | - | 37,275 | 5,564 | 5,740 | - | 11,304 | 4,701 | - | 16,005 | 21,270 | 25,971 |
| CCTV | - | - | - | - | 190,117 | - | 190,117 | - | - | - | - | 23,556 | - | 23,556 | 166,561 | - |
| Coffee Machine | - | - | - | - | 12,959 | - | 12,959 | - | - | - | - | 2,346 | - | 2,346 | 10,613 | - |
| Generator | - | - | - | - | 219,699 | - | 219,699 | - | - | - | - | 39,766 | - | 39,766 | 179,933 | - |
| Delivery Van | - | - | - | - | 69,666 | - | 69,666 | - | - | - | - | 27,379 | - | 27,379 | 42,287 | - |
| Electric Fittings | - | - | - | - | 25,476 | - | 25,476 | - | - | - | - | 5,528 | - | 5,528 | 19,948 | - |
| Mobile Phone | - | - | - | - | 124,499 | - | 124,499 | - | - | - | - | 22,534 | - | 22,534 | 101,965 | - |
| Water Purifier | - | - | - | - | 12,282 | - | 12,282 | - | - | - | - | 2,223 | - | 2,223 | 10,059 | - |
| Motor Car | - | - | - | - | 7,089,642 | - | 7,089,642 | - | - | - | - | 2,214,095 | - | 2,214,095 | 4,875,547 | - |
| Office Equipments | - | - | - | - | 195,585 | - | 195,585 | - | - | - | - | 34,579 | - | 34,579 | 161,006 | - |
| Television | - | - | - | - | 96,747 | - | 96,747 | - | - | - | - | 17,130 | - | 17,130 | 79,617 | - |
| Aqua Guard | - | - | - | - | 24,830 | - | 24,830 | - | - | - | - | 4,494 | - | 4,494 | 20,336 | - |
| Bar Code Scanner | - | - | - | - | 235,040 | - | 235,040 | - | - | - | - | 21,027 | - | 21,027 | 214,013 | - |
| CURRENCY COUNTING MACHINE | - | - | - | - | 8,000 | - | 8,000 | - | - | - | - | 1,083 | - | 1,083 | 6,917 | - |
| TOTAL | 50,383,773 | 96,078 | - | 50,479,851 | 59,895,808 | - | 110,375,659 | 891,024 | 628,376 | - | 1,519,400 | 3,190,386 | - | 4,709,786 | 105,665,873 | 48,960,451 |
| 3B. Intangible Assets (acquired) | | | | | | | | | | | | | | | | |
| Track and Traces Software | - | - | - | - | 41,300 | - | 41,300 | - | - | - | - | 34,398 | - | 34,398 | 6,902 | - |
| TOTAL | - | - | - | - | 41,300 | - | 41,300 | - | - | - | - | 34,398 | - | 34,398 | 6,902 | - |

Notes :

Land and Building include gross amounts of INR 5,02,45,840 in respect of which the title deed is yet to be registered in the name of the Company.

Property plant and equipment pledged as security

Refer to note 11 for information on property given as mortgaged to the existing Bankers of the company.

Notes to the Financial Statements

| 4. Deferred tax Assets | As at 31st March, 2019 | As at 31st March, 2018 |
|------------------------|------------------------|------------------------|
| Deferred tax assets | 728,972 | 145,465 |
| TOTAL | 728,972 | 145,465 |

| Movement in deferred tax assets balances | Opening Balance | Recognised in profit or loss | Recognised in OCI | Recognised directly in Equity |
|---|-----------------|------------------------------|-------------------|-------------------------------|
| 2018-19 | | | | |
| Deferred Tax assets in relation to: | | | | |
| On fiscal allowances on property, plant and equipment, etc. | 91,893 | 637,079 | | |
| Total deferred tax assets | 91,893 | 637,079 | | |
| 2017-18 | | | | |
| Deferred Tax assets in relation to: | | | | |
| On fiscal allowances on property, plant and equipment, etc. | 91,893 | 53,572 | | |
| Total deferred tax assets | 91,893 | 53,572 | | |

| 5. Other Assets | As at 31st March, 2019 | | As at 31st March, 2018 | |
|--------------------------------------|------------------------|------------------|------------------------|------------------|
| | Current | Non-Current | Current | Non-Current |
| Capital Advances (Refer Note 3B) | | | | |
| Advances other than capital advances | 73,814,942 | - | 2,369,771 | - |
| Security Deposits | | | | |
| – With Statutory Authorities | - | 48,300 | 48,300 | 48,300 |
| – Others* | | 9,102,792 | - | 1,783,366 |
| Advances to Excise | 400,120 | - | 589,271 | - |
| Balance with Government Authorities | | | | |
| – GST Credit | 361,085 | | 908,828 | |
| – Income Tax | 6,945,911 | | 2,695,592 | |
| – MAT Asset Account | 5,816 | | 5,816 | |
| TOTAL | 81,527,874 | 9,151,092 | 6,617,578 | 1,831,666 |

* Includes Deposit for Godown, Other Deposits & Deposit Against Maintenance at Woodburn Park

| 6. Inventories | As at 31st March, 2019 | As at 31st March, 2018 |
|---|------------------------|------------------------|
| (At lower of cost and net realisable value) | | |
| Stock-in-trade (goods purchased for resale) | 331,839,911 | 63,477,611 |
| TOTAL | 331,839,911 | 63,477,611 |

| 7. Trade Receivables (Current) | As at 31st March, 2019 | As at 31st March, 2018 |
|--------------------------------|------------------------|------------------------|
| Unsecured, considered good | 373,427,151 | 83,029,776 |
| TOTAL | 373,427,151 | 83,029,776 |

| 8. Cash and cash equivalents | As at 31st March, 2019 | As at 31st March, 2018 |
|--------------------------------------|------------------------|------------------------|
| Balances with Banks Current accounts | 3,198,365 | 1,475,699 |
| Cash on hand | 551,093 | 591,487 |
| TOTAL | 3,749,458 | 2,067,186 |

Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

| 9. Other bank balances | As at 31st March, 2019 | As at 31st March, 2018 |
|------------------------|------------------------|------------------------|
| Fixed Deposit balances | | |
| In deposit accounts* | 32,028,255 | - |
| TOTAL | 32,028,255 | - |

*Represents Fixed deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

Notes to the Financial Statements

| | As at 31st March, 2019 (No. of Shares) | As at 31st March, 2019 | As at 31st March, 2018 (No. of Shares) | As at 31st March, 2018 |
|--|---|---------------------------|---|---------------------------|
| 10. Equity Share capital | | | | |
| Authorised | | | | |
| Equity Shares of ₹ 10.00 each | 19000000 | 190,000,000 | 1500000 | 15,000,000 |
| Issued and Subscribed | | | | |
| Equity Shares of ₹ 10.00 each, fully paid with voting rights | 11749200 | 117,492,000 | 1205000 | 12,050,000 |
| A) Reconciliation of number of Equity Share outstanding | | | | |
| As at beginning of the year | 1205000 | 12,050,000 | 405000 | 4,050,000 |
| Add: Issue of Shares | 4669600 | 46,696,000 | - | - |
| As at end of the year | 5874600 | 58,746,000 | 800000 | 8,000,000 |

Terms/rights attached to equity share

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) Shareholders Holding more than 5% of the Equity Shares In the Company

| | As at 31st March, 2019 (No. of Shares) | As at 31st March, 2019 | As at 31st March, 2018 (No. of Shares) | As at 31st March, 2018 |
|---------------|---|---------------------------|---|---------------------------|
| Anuj Bakshi | 4809600 | 40.94 | 570000 | 47.30 |
| Ankush Bakshi | 5809600 | 49.45 | 570000 | 47.30 |

C) Equity Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March

| | As at 31st March, 2019 (No. of Shares) | As at 31st March, 2018 (No. of Shares) |
|---|---|---|
| Shares issued in 2018-19 pursuant to the Scheme of Takeover Between Northern Spirits Ltd and United Wines | 4669600 | - |

D) Equity Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March

| | As at 31st March, 2019 (No. of Shares) | As at 31st March, 2018 (No. of Shares) |
|--------------------------------|---|---|
| Bonus Shares issued in 2018-19 | 5874600 | - |

E) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

| 11. Current Borrowings | Terms of re-payment | Interest Rate for(18-19) | As at 31st March, 2019 | As at 31st March, 2018 |
|-------------------------|---------------------|--------------------------|---------------------------|---------------------------|
| Secured | | | | |
| Loans from Banks | | | | |
| Cash Credit Facilities* | | | | |
| DBS Bank India Limited | Payable on demand | [(MCLR, | 240,647,535 | - |
| Canara Bank | Payable on demand | [(One year MCLR, | 147,617,087 | - |
| Karur Vysya Bank | Payable on demand | [(One year MCLR, | 58,668,440 | 50,255,102 |
| TOTAL | | | 446,933,062 | 50,255,102 |

*Cash credit facilities are secured by hypothecation of Property.

| 12. Other liabilities | As at 31st March, 2019 | As at 31st March, 2018 |
|----------------------------------|---------------------------|---------------------------|
| Current | | |
| Statutory Liabilities | 5,298,953 | 928,040 |
| Advances received from customers | 4,005,618 | 58,543,583 |
| Others | | |
| --Liabilities For Expenses | 789,018 | 1,417,911 |
| TOTAL | 10,093,589 | 60,889,534 |

| 13. Provisions | As at 31st March, 2019 | As at 31st March, 2018 |
|------------------------|---------------------------|---------------------------|
| Provision for Taxation | 54,086,125.00 | 3,500,000.00 |
| TOTAL | 54,086,125 | 3,500,000 |

Notes to the Financial Statements

| 14. Revenue From Operations | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|--|--|--|
| Sale of Products | 1,185,947,096 | 258,684,744 |
| | 1,185,947,096 | 258,684,744 |
| Gross Revenue from sale of products and services* [including excise duty] | 1,185,947,096 | 327,185,684 |
| Less:- Excise Duty | -89,905,736 | -68,500,940 |
| Other Operating Revenues# | 6,640,613 | - |
| TOTAL | 1,102,681,973 | 258,684,744 |
| * Revenue from Contracts with Customers | | |
| With effect from 1st April, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for sales of goods and services to a customer. | | |
| # Consists Of Income From Promotership Margin | | |
| The Company has no such Contract with the customer as it work on order basis. | | |
| 15. Other Income | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Interest income | 2,910,729 | - |
| TOTAL | 2,910,729 | - |
| 16. Purchase of Stock in Trade | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Purchase of Stock in Trade | 1,024,067,305 | 196,146,994 |
| TOTAL | 1,024,067,305 | 196,146,994 |
| 17.Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-progress and Intermediates | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Opening Stock | | |
| Finished Goods | 63,477,611 | 25,670,813 |
| Closing Stock | | |
| Finished Goods | 331,839,911 | 63,477,611 |
| Net(Increase\ Decrease) | -268,362,300 | -37,806,798 |
| 18. Employee Benefits Expense | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Salary & Exgratia | 11,998,246 | 8,784,381 |
| Staff welfare expenses | 133,525 | 181,603 |
| TOTAL | 12,131,771 | 8,965,984 |

Notes to the Financial Statements

| 19. Finance Costs | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|--|--|--|
| Interest Paid | 44,694,531 | 1,804,035 |
| Bank Charges | 704,718 | - |
| Loan Processing Fees | 1,418,636 | 318,600 |
| TOTAL | 46,817,884 | 2,122,635 |
| 20. Other Expenses | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Freight Outward | 3,274,968 | 2,172,437 |
| Custom Duty | 105,667,634 | 46,957,411 |
| Labour Charges | 74,250 | 381,177 |
| Packing Expenses & Delivery Charges | 90,128 | 29,050 |
| Clearing & Forwarding | 3,664,907 | 876,436 |
| Loading & Unloading Expenses | 324,578 | 45,065 |
| Electric Expenses | 376,023 | 265,040 |
| Audit Fees | 86,800 | 25,000 |
| Consultancy Charges/Legal Expenses | 930,400 | 2,848,766 |
| Rent Paid* | 5,398,998 | 2,274,114 |
| Travelling Charges | 159,221 | 226,801 |
| Office Expenses | 1,034,813 | 922,884 |
| Insurance Charges | 1,161,794 | 508,105 |
| Miscellaneous Expenses | 619,475 | 369,927 |
| Rates & Taxes | 4,915,200 | 5,256,452 |
| Telephone Expenses | 263,521 | 160,186 |
| Computer Software | 198,338 | 65,128 |
| Foreign Exchange Difference | 116,355 | 184,806 |
| Rebate & Discount | 3,184,498 | 11,401,243 |
| Lisiting Fees | 278,771 | - |
| Roc Fees | 1,360,800 | - |
| TOTAL | 133,181,472 | 74,970,028 |
| * The company has paid lease rental of Rs.53,98,998/- during the year | | |
| 21. Income Tax Expenses | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| A. Amount recognised in profit or loss Current tax | | |
| Income tax for the year Current tax | 54,086,125 | 3,500,000 |
| Adjustments/ (credits) related to previous years - Net | 435,401 | - |
| Total Current tax | 54,521,526 | 3,500,000 |
| B. Deferred tax | | |
| Deferred tax for the year | (583,507) | (53,572) |
| Deferred Tax TOTAL | (583,507) | (53,572) |
| 22. Additional Notes to the Financial Statements | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Earnings per share: | | |
| Earnings per share has been computed as under: | | |
| (a) Profit for the year (` in Crores) | 100,593,767 | 10,162,798 |
| (b) Weighted average number of Ordinary shares outstanding for the basic earnings per share:(Before Bonus Issue) | 4672018 | 781987 |
| (c) Weighted average number of Ordinary shares outstanding for the computing basic earnings per share: (After Bonus Issue) | 10546618 | 2032560 |
| (d) Earnings per share on profit for the year (Face Value ` 1.00 per share) | | |
| Earning per equity share:(Before Bonus) | 22 | 13 |
| Earning per equity share:(After Bonus) | 10 | 5 |

Notes to the Financial Statements

23. EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS- 19 " Employee Benefits" :

a. Defined Contribution Plans

Provident Fund:

Provident Fund covers substantially all permanent workmen. Contributions towards Provident Fund are made as a percentage of salary, as per regulations to a fund administered by government authority.

The obligation of the Company is limited to the extent of contributions made on a monthly basis.

During the year, the Company has recognised the following amounts in the Statement of Profit & Loss, which are included in contribution to provident fund in the employee benefit expense.

| Particulars | For the year ended March 31, | |
|----------------|------------------------------|------|
| | 2019 | 2018 |
| Provident Fund | 185,801.00 | - |

b. Defined Benefit Plans

Gratuity:

Currently the Company does not have any employee who is eligible for payment of gratuity.

24. FINANCIAL RISK MANAGEMENT

The Company's activities exposes it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

| Risk | Exposure arising from | Measurement | Management |
|----------------------------|--|--|--|
| Credit Risk | Cash and cash equivalents, deposits with banks, trade receivables, loans and other financial assets measured at amortised cost | Review of receivables | Diversification of bank deposits, monitoring of credit limits and assessment of recoverability of loan from subsidiaries |
| Liquidity Risk | Borrowings and other financial liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market Risk- Interest Rate | Short-term borrowings at floating liabilities | Sensitivity Analysis of interest rates | Diversified portfolio of fixed and variable interest rate loans |

25. OPERATING LEASES

The company's significant operating leasing arrangements are in respect of premises. These arrangements are usually renewable on mutually agreeable terms. The company has paid lease rental of Rs. 53,98,998.54/- during the year.

26. CONTINGENT LIABILITIES

There are no contingent liabilities during the period under review.

27. CORPORATE SOCIAL RESPONSIBILITY

No CSR amount is required to be spent as per Section 135 of the Companies Act, 2013.

28. CAPITAL AND OTHER COMMITMENTS

There are no capital commitments during the period under review.

29. RELATED PARTY TRANSACTIONS

| (i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationships | | | |
|--|---------------------------|--------------------------|--|
| Sl. No. | Name of the Related Party | Relationship | |
| 1 | Ankush Bakshi | Key Managerial Personnel | |
| 2 | Amit Kumar | | |
| 3 | Anuj Bakshi | | |
| 4 | Roshni Bakshi | | |
| 5 | Kanika Bakshi | | |
| 6 | Nikita Sureka | | |

(ii) Transactions during the year with related parties: Nil

30. The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures relating to amount unpaid as on 31st March, 2019 together with interest paid or payable under this Act have not been given.

31. The company does not have any derivative contracts as at 31st March, 2019.

32. Previous Year's figures have been regrouped/reclassified to confirm to the current year's classification.

33. All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee.

As per our report on even date

For J.K.SARAWGI & CO.
Chartered Accountants
FRN: 006836C

For and on behalf of the Board of Directors

Anuj Bakshi
Executive Director

Ankush Bakshi
Managing Director

Nikita Sureka
Company Secretary

Amit Kumar
Chief Financial Officer

(JEET AGARWAL)
Partner
Membership number: 064038

Place: Kolkata
Date: May 30, 2019

Place: Kolkata
Date: May 30, 2019

NOTES TO FINANCIAL STATEMENTS

Company overview

Northern Spirits Limited (“the Company” or “NSL”) is a public company domiciled and headquartered in Kolkata, India. It is incorporated under the Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange Limited.

Northern Spirits chose New Delhi (NCR) as its business capital, the paradise that constantly brews promises for the liquor entrepreneurs. NCR cherishes the pride of a trendsetting alcohol consumption pattern that has inspired Northern Spirits to select New Delhi as the starting point. And the best thing is that it has been enjoying a business growth of 40% YOY for last 4years.

The Promoters of Northern Spirits have a commendable experience of more than 35 years that includes: A strong start in Punjab since 1975 and then in Maharashtra through ‘Wine Enterprises’ since 1991. In the year 2002-03 the entrepreneurial Journey of our promoters, commenced in the state of West Bengal, through its Group concern ‘United Wines’ whose Proprietor is Mr. Anuj Bakshi. This background lays the foundation for Northern Spirits Ltd to be a Pan-Indian operator along with key indicators which instill confidence within its channel partners. NSL is adorned with experienced office, Commendable sales persons and experts and efficient professional managers.

United Wines a sole proprietorship firm (proprietor Mr. Anuj Bakshi) started its operations as Distributor of Alcoholic Beverages in 2002 and was focusing mainly on IMFL brands in Eastern region and whereas Northern Spirits Ltd started its operations in 2012 as Importer & Distributor of fine Alcoholic Beverages and focused on imports of leading international brands such as William Grants (Glenfiddich Single Malt, Grants Whisky, Monkey Shoulder Whisky, Balvenie Single Malt, Hendricks Gin), Bacardi Global (Grey Goose Vodka, Bombay Sapphire Gin, Dewar’s Whisky, Martini Vermouth), Shepherd Neame Beer, Amigos Beer, Carlo Rossi California Wines, Tomich Australian Wines, Cooper’s Australian Beer, West Cork Irish Whiskey, Two Tree Gin, Reddot Wheat Beer, Aqua Riva Mexican Tequila & Organika Russian Vodka and are distributing the same in Northern Region – Delhi, North East, West Bengal.

As a strategic move, the management decided to integrate the two different businesses in a single entity for better corporate governance and Compliance. Accordingly, On 1st April 2018 United Wines was merged with Northern Spirits Limited. The highlights of Integrations are:

- Corporate structuring of operations resulting in increased efficiency and transparency,
- Resource optimization,
- Improved productivity with synergy benefits,
- Bank exposure only in one entity - Northern Spirits Ltd, leading to ease in servicing the loan.

NSL has crafted the International Brand Space for itself with all the necessary resources in place and has ventured into the biggest and the toughest market of New Delhi. All the major global brands have their head offices in NCR and this has been a drive for NSL to be a Pan-Indian player. With a well-organized professional team, NSL has grabbed all the opportunities that NCR has to offer. Attention to efficiency and good performance has opened up big opportunities to distribute brands across high consumption states and union territories of:

- Chandigarh
- Uttar Pradesh
- Himachal Pradesh
- Punjab

NOTES TO FINANCIAL STATEMENTS

Note 1 - Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation of financial statements

i) Compliance with Ind AS

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

ii) Historical cost convention

These financial statements have been prepared on a historical cost basis, except where fair value measurement is required by the relevant Ind AS.

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 (Division II) to the Act. Based on the nature of products and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

iii) New and amended standards adopted by the company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing April 1, 2018:

- Amendment to Ind AS 12, Income Taxes
- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 1, Presentation of Financial Statements
- Ind AS 7, Statement of Cash Flows
- Ind AS 33, Earnings per Share
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38, Intangible Assets
- Ind AS 32, Financial Instruments: Presentation
- Ind AS 115, Revenue from Contracts with Customers

The amendments listed above did not have any impact on the amounts recognized in prior period and current period, and are not expected to significantly affect the future periods.

1.2 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

Operating lease

An operating lease is a lease other than a finance lease. Lease in which a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. The rental payments under operating lease are recognized as expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

NOTES TO FINANCIAL STATEMENTS

1.3 Foreign Currency Transaction

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently, monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognized in profit or loss. Differences arising on settlement of monetary items are also recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. The Company has not availed the exemption available in IND AS 101, to continue capitalization of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date.

1.4 Property, plant and equipment and Intangible assets

Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any except that on adoption of Ind AS, the Company had measured Property, plant and equipment at deemed cost, using the net carrying value as per previous GAAP as at March 31, 2015. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable 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 derecognized when replaced. All expenses in the nature of repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value method (WDV) as per the Companies Act 2013 as below:

| Asset category | WDV Rates | Basis of determination of Written Down Value |
|------------------------|-----------|--|
| Buildings | | |
| - Buildings | 4.87% | Assessed to be in line with Schedule II of the Act |
| Plant and Machinery | | |
| - Others | 18.10% | Assessed to be in line with Schedule II of the Act |
| Furniture and Fittings | 25.89% | Assessed to be in line with Schedule II of the Act |
| Office Equipment | | |
| - Computers | 63.16% | Assessed to be in line with Schedule II of the Act |
| - Others | 63.16% | Assessed to be in line with Schedule II of the Act |
| Vehicles | 39.30% | Assessed to be in line with Schedule II of the Act |

Intangible assets

On adoption of Ind AS, the Company has measured Intangible assets at deemed cost, using the net carrying value as per previous GAAP as at March 31, 2015.

Computer Software

Computer software acquired or developed is carried at cost less accumulated amortization and impairment losses, if any. Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of customised computer software applications are recognized as intangible assets under development or intangible assets when ready for intended use, when the following criteria are met:

NOTES TO FINANCIAL STATEMENTS

- a. It is technically feasible to complete the software so that it will be available for use,
- b. there is an ability to use or sell the software,
- c. it can be demonstrated that the software will generate probable future economic benefits,
- d. adequate technical, financial and other resources to complete the development and to use the software are available, and
- e. the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the customized computer software applications include employee costs and other directly attributable costs and are amortized from the point at which the software asset is available for use.

Amortization method

The Company amortizes intangible assets using the written down value method over their estimated useful lives as follows:

- Computer software – 5years.

1.5 Financial Instruments

A) Financial Assets:

a) Recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value. Financial assets are subsequently classified and measured at amortized cost. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

i) Trade Receivables:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the Effective Interest Rate (EIR) method net of any Expected Credit Losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

ii) Loans

On initial recognition, Loans are measured at fair value. Since the objective is to hold these financial assets to collect contractual cash flows that are solely payments of principal and interest, these assets are subsequently measured at amortized cost using the EIR method less impairment, if any.

iii) Other financial assets:

On initial recognition, other financial assets are measured at fair value, and subsequently, measured at the amortized cost, less impairment if any. Loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

b) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

B) Financial Liabilities:

a) Recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value and subsequently measured at amortized cost.

NOTES TO FINANCIAL STATEMENTS

Trade and other payables

In case of trade and other payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period

b) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

The Company did not have any financial instruments recognized at fair value through Profit and Loss/ fair value through Other Comprehensive Income anytime during the year or during the comparative year.

c) offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities 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.

1.6 Inventories

Inventories which comprise finished goods and stock-in-trade are carried at the lower of cost or net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost of inventories, weighted average cost method is used. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow-moving items.

1.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances with banks that are readily convertible to known amounts of cash and 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.

1.8 Revenue recognition

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

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

Revenue from sale of products:

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

NOTES TO FINANCIAL STATEMENTS

Revenue from promotership margin:

Revenue is recognized on transfer of service in accordance with the terms of agreement.

1.9 Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is netted off from interest cost under the head "Interest Cost (Net)" in the statement of profit and loss.

1.10 Employee Benefits

Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

1.11 Income tax

Income tax expense 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, if any.

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax on Minimum Alternative Tax ('MAT') credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of deferred tax relating to MAT credit entitlement to the extent there is no longer reasonable certainty that the Company will pay normal income-tax during the specified period.

1.12 Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period, as per Ind AS 33 on Earnings per share. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS

1.13 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognized for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.14 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. 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.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in Statement of profit and loss as other gains/(losses). 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.

1.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

1.16 MSME Disclosures

The Company has no suppliers and customers covered under Micro, Small and Medium Enterprises Development Act, 2006. Management believe that on confirmation there will not be any material impact on statement of financial statements.

1.17 Related Party Disclosures

Key Management personnel

- Ankush Bakshi (Managing Director)
- Anuj Bakshi (Executive Director)
- Roshni Bakshi (Executive Director)

NOTES TO FINANCIAL STATEMENTS

- Kanika Bakshi(Executive Director)
- Amit Kumar (Chief Financial Officer)
- Nikita Sureka (Company Secretary)

Non Executive/Independent Directors

- Jagjit Singh Kochar
- Sathvik Jain
- Rahul Gupta

1.18 Exceptional items

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

1.19 Segmental information

The Company is engaged in the business of purchase and sale of beverage alcohol (spirits and wines). The Management of the Company (being the Chief Operating Decision Maker) assesses performance and allocates resources for the business of the Company as a whole and hence the management considers company's business activities as a single operating segment (viz. Beverage alcohol). As such no segment disclosures have been made in the financial statements as at and for the year ended March 31, 2019.

Note 2 – Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. 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. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

- Estimation of provisions and contingent liabilities – Note 13

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.