

NORTHERN SPIRITS LIMITED

(Formerly known as 'NORTHERN SPIRITS PRIVATE LIMITED')

8th Annual Report

2019-20

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

Punjab National Bank
Canara Bank

REGISTRARS & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt Ltd
23, R.N Mukherjee Road, 5th Floor
Kolkata - 700 001
Ph.: 033 2248 2248
Website: www.mdpl.in

8th ANNUAL GENERAL MEETING

Date -29th September, 2020
Day- Tuesday
Venue-Registered office
Time- 11:30 A.M
Place: Kolkata

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NOTICE

Notice is hereby given that the 8th Annual General Meeting of the members of **NORTHERN SPIRITS LIMITED** will be held on Tuesday, 29th September, 2020 at 11:30 A.M at 5A, Woodburn Park Road, Woodburn Central, Unit-603, 6th Floor, Kolkata-700020 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, 2020 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. Ankush Bakshi (DIN 02547254) 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. Ankush Bakshi (DIN: 02547254), 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.”

Date: 05/09/2020

By the order of the Board
Northern Spirits Limited

Sd/-Nikita Sureka
Company Secretary

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 22nd September, 2020 to 29th September, 2020 (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 8th 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.
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: <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 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:
- a) 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.

- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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.
 - d) 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?

1. 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.
2. 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.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 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.
12. Members are requested to intimate change in their address immediately to M/s Maheshwari Datamatics Pvt Ltd, the Company's Registrar and Share Transfer Agents, at their office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001(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 Maheshwari Datamatics Pvt Ltd, the Company's Registrar and Share Transfer Agents, at their office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001(IN).
14. Electronic copy of the Notice of the 8th 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 Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
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 8th Annual General Meeting and the Annual Report for the financial year 2019-20 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 21st 2020.
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 8th 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 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: **Saturday, September 26, 2020 at 9.00 A. M.**
 - b. Date and time of end of voting through electronic means beyond which voting will not be allowed : **Monday, September 28, 2020 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 21, 2020**, 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

Ankush Bakshi
Managing Director
(DIN: 02547254)

Anuj Bakshi
Director
(DIN: 02500120)

Place: Kolkata
Date: 05/09/2020

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	Ankush Bakshi
Date of Birth	21-09-1979
Date of Appointment	13-09-2012
Experience	17 years of rich experience in liquor business with hands on experience in trading of beverages & other related products. He looks after the overall operations of the Company.
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 & Managing Director
Shares held in the Co	5809600

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.

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 Limited b. MMTC Limited 2. Internal Audit: <ol style="list-style-type: none"> a. South Eastern Coalfields Limited b. IFCI Limited c. J.K. Cement d. Housing & Urban Development Corporation Limited e. NPCC Limited f. National Highways Authority of India Limited 3. Statutory Audit: <ol style="list-style-type: none"> a. PEC Limited b. Air Force Wives Welfare Association, Ghaziabad c. Ankur Play School d. Station Head Quarter, Delhi Cantt e. Army Wives Welfare Association f. Railway Energy Management Company Limited g. Delhi e Governance Society 4. Concurrent Audit: <ol style="list-style-type: none"> a. C& C Construction Limited b. Panipat Jalandhar NH One Tollway Private Limited c. B L Kashyap & Sons Limited d. K.S. Oils Limited e. Action Ispat & Power Private Limited 5. Stock & Receivables Audit: <ol style="list-style-type: none"> a. Jindal Stainless Limited b. Jindal Steel & Power Limited c. BSES Rajdhani Power Ltd. d. HCL Infosystems Ltd. e. Andhra Cement Limited f. SRS Limited g. India Glycols Ltd. h. Kajaria Ceramics Ltd. i. Bajaj Energy (P) Ltd. j. MBL Infrastructures Limited k. 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.

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 8TH Annual Report of the Company along with the Audited Financial Statements of M/s **NORTHERN SPIRITS LIMITED** for the year ended on 31st March, 2020

Financial Performance

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

FINANCIAL RESULTS:

PARTICULARS	31.03.2020	31.03.2019
Net Profit/ (Loss) before Tax	5,04,69,718	15,45,31,786
<i>Tax Expenses:</i>		
Less: Current Tax	140,40,675	5,40,86,125
Less: Tax expenses for earlier years	0	4,35,401
Less: MAT credit Entitlement	0	0
Less: Deferred Tax liability	2,88,014	(5,83,507)
<i>Profit/(Loss) after tax for the year</i>	3,61,41,028	10,05,93,766
Profit/(Loss) balance brought forward	11,37,37,500	1,31,43,734
Transfer to General Reserve	-	-
<i>Profit/(Loss) balance C/f to Balance sheet</i>	14,98,78,528	11,37,37,500

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 0.16 times on year to year to reach Rs.10850.30 Lacs as on 31st March, 2020. Revenue from operations stood at Rs.16099.73 lacs.

Change(s) in the nature of business, if any

There has been no change pertaining to the nature of business of the Company during the year under review.

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 during the year under review.

Reserves

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

Changes in Share Capital

There was no increase in authorised and paid up share capital made by the Company during the year. The Company has allotted 43,02,000 Equity Shares of the Company raised by Initial Public Offer (IPO) on 01st April, 2020.

As on 31st March 2019, the paid up share capital stood at Rs 11,74,92,000 divided into 11749200 Equity shares of Rs 10 each. As on 31st March, 2020 the paid up share capital stood at Rs 16,05,12,000 divided into 16051200 Equity shares of Rs 10 each.

Details pertaining to Shares in suspense account

Disclosures with respect to Demat Suspense Account as provided in Part F of Schedule V of the SEBI LODR Regulations, 2015

During the year under review, there are no shares lying in the Demat Suspense account.

Initial Public Offer

During the year under review, the 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 11,74,92,000/- to Rs 16,05,12,000/- because Company has brought allotment of 43,02,000 equity shares via Initial Public offer (IPO) 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.

Utilization of IPO Fund

The Initial Public Offer (IPO) fund is utilized for the purpose for which the amount is raised as mentioned in the Offer document.

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 C**.

Details of Board Meetings

During the year under review Board of Directors met sixteen (16) times, viz 01.04.2019, 24.05.2019, 30.05.2019, 10.08.2019, 13.08.2019, 25.09.2019, 10.10.2019, 14.11.2019, 19.11.2019, 26.11.2019, 03.12.2019, 09.12.2019, 14.01.2019, 12.02.2020, 20.02.2020, 13.03.2020 . 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	16	16
Ankush Bakshi	Managing Director	16	16
Roshni Bakshi	Executive Director	16	15
Kanika Bakshi	Executive Director	16	16
Rahul Gupta	Independent Director	16	16
Sathvik Jain	Independent Director	16	15
Jagjit Singh Kochar	Independent Director	16	15

Board of Directors

There has been a no change in the structure of the Board during the Financial Year.

Mr. Ankush Bakshi (DIN: 02547254) 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**.

None of the Directors are disqualified to be appointed as directors under section 164(2) of the Companies Act, 2013.

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

During the year under review, the Committee of Directors met twice i.e 30/05/2019 & on 14/11/2019.

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

During the year under review, the Committee of Directors met twice i.e 30/05/2019 & on 13/11/2019.

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

During the year under review, the Committee of Directors met twice i.e 30/05/2019 & on 13/11/2019.

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 no change in the registered office of the Company.

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 2019-2020.

Report of Frauds in the 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

During the year under review, the Company existing resigned and new Auditor M/s J. K Sarawgi & Co was appointed at the Extra-ordinary General Meeting of the members of the Company held on 21st June, 2019 till the ensuing Annual General Meeting (AGM). At the 7th Annual General Meeting of the Company held on 30th September, 2019 M/s. J. K Sarawgi & Co was appointed for 5(five) years. Since the appointment is not subject to ratification of the appointment by the members at every AGM, no resolution is proposed at this AGM pursuant to the provisions of Companies (Amendment) Act, 2017. Brief Details of the Auditor will form part of this Report & marked as **Annexure B**.

Secretarial Audit Report

Pursuant to section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a Secretarial Audit has been carried out by Mr Anurag Fatehpuria, Practicing Company Secretary (ACS: 34471 and COP No. 12855) and his report is annexed as Annexure – D.

In addition, the Company has also obtained Secretarial Compliance Report for the year ended March 31, 2020 in terms of the SEBI Circular issued on February 08, 2019, which is annexed as Annexure – D1. The said report has been submitted to the stock exchanges.

Disclosure on Employee Stock Option/ Purchase Scheme

As per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 there was no stock option/purchase scheme was given to any employee of the Company.

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 M/s. Maheshwari Datamatics Private 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

The Details of the remuneration paid to the Directors are mentioned in the Financial Statement attached with this report.

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 of 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 have in all material respects 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: 05/09/2020

ANNEXURE-1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2020
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	Yes
vii	Name of Exchange	Bombay Stock Exchange, SME Platform
viii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s Maheshwari Datamatics Pvt Ltd Add: 23, R.N, Mukherjee Road, 5th Floor, Kol-1

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	10,749,000	0	10,749,000	91.49	10,749,000	0	10,749,000	66.97	-	0.00
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	10,749,000	0	10,749,000	91.49	10,749,000	0	10,749,000	66.97	-	0.00
(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)	10,749,000	-	10,749,000	91.49	10,749,000	-	10,749,000	66.97	-	0.00
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	300,000	-	300,000	2.55	549,500	-	549,500	3.42	(249,500)	(2)
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh.	200	-	200	0.00	374,200	-	374,200	2.33	374,000	2.33
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	700,000	-	700,000	5.96	4,378,500	-	4,378,500	27.28	3,678,500	22.92
c) Others (specify)	-	-	-	-	-	-	-	0.00	-	0
SUB TOTAL (B)(2):	1,000,200	-	1,000,200	8.51	5,302,200	-	5,302,200	33.03	4,302,000	26.80
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	1,000,200	-	1,000,200	8.51	5,302,200	-	5,302,200	33.03	4,302,000	26.80
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11,749,200	-	11,749,200	100.00	16,051,200	-	16,051,200	100.00	4,302,000	26.80

(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	4809600	40.94	-	4809600	29.96	12.00	10.97
2	Ankush Bakshi	5809600	49.45	-	5809600	36.19	18.12	13.25
3	Kulbir Bakshi	70000	0.60	-	70000	0.44	-	0.16
4	Amita Bakshi	39800	0.34	-	39800	0.25	-	0.09
5	Roshni Bakshi	10000	0.09	-	10000	0.06	-	0.02
6	Kanika Bakshi	10000	0.09	-	10000	0.06	-	0.02
	Total	10749000	91.49	0.00	10749000	66.97	30.12	24.38

(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	10749000	91.49	10749000	91.49
	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)	0	0	0	0
	At the end of the year	10749000	66.97	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-2019		Cumulative Share holding during the year-2020	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	HITESH MOHAN PATEL	500000	4.26		
	At the end of the year			1128000	7.03
2	DIMPLE V PATEL	0	0.00		
	At the end of the year	0	0.00	732000	4.56
3	HITESH MOHANBHAI PATEL	0	0.00		
	At the end of the year	0	0	563000	3.51
4	VIPUL M PATEL .	0	0.00		
	At the end of the year	0	0.00	357000	2.22
5	VALUEWORTH CAPITAL MANAGEMENT PVT LTD	300000	2.55		
	At the end of the year	300000	2.55	300000	1.87
6	HINABEN M BUDHVANI	0	0		
	At the end of the year	0	0	135000	0.84
7	SHARAD AGARWAL	0	0		
	At the end of the year	0	0	130000	0.81
8	BHAVNA HITESH PATEL	0	0		
	At the end of the year	0	0	120000	0.75
9	AMIT JAYANTILAL PATEL .	0	0		
	At the end of the year	0	0	108000	0.67
10	HITESH MOHANLAL PATEL .	0	0		
	At the end of the year	0	0	102000	0.64
	TOTAL				

(v) Shareholding of Directors & KMP

Sl. No.	Name	Designation	Share holding at the beginning of the year-2019		Cumulative Share holding during the year-2020	
			No. of Shares at the	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Anuj Bakshi	Director	4809600	40.94		
2	Ankush Bakshi	M.D	5809600	49.45		
3	Roshni Bakshi	Director	10000	0.09		
4	Kanika Bakshi	Director	10000	0.09		
5	Jagjit Singh Kochar	Director	200	0.00		
	Total		10639400	90.55	10642400	66.30

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	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	
	-	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-	-
Additions	2,362,102,903	-	-	-	-
Reduction	2,379,176,888	-	-	-	-
Net Change	(17,073,984)	-	-	(17,073,984)	
Indebtedness at the end of the financial year	-	-	-	-	-
i) Principal Amount	429,859,078	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
	-	-	-	-	-
Total (i+ii+iii)	429,859,078	-	-	429,859,078	

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
		CEO	Company Secretary	CFO	Total	
1	Gross Salary					
	(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	-	-	-	-	-

Type	Section of the Companies Act.	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeall 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

Annexure E

MANAGEMENT DISCUSSION ANALYSIS REPORT

ECONOMIC SCENARIO

Global economy:

Before the outbreak of Covid-19 pandemic, global growth was projected to rise from an estimated 2.9 per cent in 2019 to 3.3 per cent in 2020 and 3.4 per cent for 2021. This reflected negative surprises to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years.

On the positive side, market sentiment had been boosted by tentative signs that manufacturing activity and global trade are bottoming out, a broad-based shift toward accommodative monetary policy, intermittent favourable news on US-China trade negotiations, and diminished fears of a no-deal Brexit, leading to some retreat from the risk-off- environment.

Trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity—especially manufacturing and trade—in the second half of 2019.

In the third quarter of 2019, growth across emerging market economies (including India, Mexico, and South Africa) was weaker than expected, largely due to country-specific shocks weighing on domestic demand.

Furthermore, the COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by – 3 per cent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario – which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 per cent in 2021 as economic activity normalizes, helped by policy support.

Indian Economy:

India's GDP growth moderated to 4.8 per cent in H1 of 2019-20, amidst a weak environment for global manufacturing, trade and demand. In 2019-20, fiscal deficit was budgeted at ₹7.04 lakh crore (US\$ 99.56 billion) (3.3 per cent of GDP), as compared to ₹6.49 lakh crore (US\$ 91.86 billion) (3.4 per cent of GDP) in 2018-19. Inflation increased from 3.3 per cent in H1 of 2019-20 to 7.35 per cent in December 2019-20 due to temporary increase in food inflation. Reforms undertaken during 2019-20 to boost investment, consumption and exports:

- Speeding up the insolvency resolution process under Insolvency and Bankruptcy Code (IBC).
- Easing of credit, particularly for the stressed real estate and NBFC sectors.
- The National Infrastructure Pipeline for the period FY 2020- 2025 launched.

In wake of Covid, several leading agencies have projected a sharp dip in India's GDP growth. World Bank puts India's GDP growth forecast in the range of 1.5-2.8%; IMF has projected a growth forecast of 1.9% for F20 followed by a quick turnaround and growth of 7.4% in F21 on a distorted base of fiscal 2020. Oxford Economics expects India's GDP for calendar year 2020 to contract by 1% followed by quick spur in 2021 of 8.9% on the contracted base.

INDUSTRY OVERVIEW

India is one of the fastest growing alcohol markets in the world. Alcohol consumption in India amounted to about 5.4 billion liters in 2016 and was estimated to reach about 6.5 billion liters by 2020. The steady increase in consuming these beverages can be attributed to multiple factors including the rising levels of disposable income and a growing urban population among others. Although the average per adult intake of alcohol was considerably low in India when compared to other countries such as the United States,

heavy drinkers among young Indians were more prevalent. This provides tremendous opportunity to drive growth of alcohol industry on the back of its rising working-age population. It is expected that per capita consumption will increase with changes in life style and aspiration of the population.

SEGMENT WISE PERFORMANCE OF INDIAN SPIRITS MARKET OVERVIEW

➤ Industry Performance

The Alcohol 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 2019, the Industry experienced significant headwinds on back of slower economy growth. The impact of this slowdown has been aggravated by the increasing raw materials prices.

➤ Market Segmentation

The Indian Alcohol 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.

➤ Consumption Pattern

The states of Karnataka, Maharashtra, West Bengal, Odisha, Telangana, Delhi, Haryana, Punjab etc. are amongst the largest consuming states for alcohol in India. The most popular channel of alcohol sale in India is liquor stores as its consumption is primarily an outdoor activity and supermarkets and malls are present only in the tier I and tier II cities of India.

➤ Constantly changing regulatory environment

Recently, Government in the State of Andhra Pradesh has changed the route to market by setting up state managed retail outlets and discontinuing private retailers. In contrast, State of Chhattisgarh has rolled back from Govt. controlled to private parties which is expected to flourish the industry.

➤ Growth Drivers

Indian alcohol industry holds huge growth potential given the low per capita consumption and the demographics and aspirations of the growing younger population. Favourable demographics with a median age of 27.9 years and growing social acceptability of alcohol consumption are likely to bode well for the industry. The organised players stand to benefit from steady growth in the conversion from country liquor to IMFL given increasing health concerns associated with consumption of country liquor.

➤ Growing prevalence of premium alcohol

With more Indians travelling abroad, rising aspirations, favourable environment for imported liquor and higher disposable income, consumers are upgrading towards Premium segments in the country. The rise in premiumisation is clearly reflective in the increased focus of the big players on semi-premium and Premium categories with an increase in launches and increased marketing of these categories. Another trend which is gaining traction in the alcohol space is the growing popularity of grain-based liquor as against traditionally popular molasses based liquor.

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, Retailers 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.
- Awareness and High Aspirations of the consumers has fuelled the premiumisation effect which is our Target Audience.
- Strengthen and accelerate core brands

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 160.99 crore during the year under review as compared to Rs 110.55 crore in FY 2018-19. The net profit during the year under review stood at Rs 3.61 crore as against Rs 10.05 crore in FY 2018-19.

COVID-19 ASSESSMENT

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, your company's operations at all of its warehouses and other locations were temporarily stopped from March 22, 2020. Operations have since resumed in a staggered manner beginning May 2020 with adequate precautions being taken in accordance with Government guidelines. Your company has a prudent liquidity risk management policy for maintenance of required cash and / or has access to funds through adequate unutilized sanctioned borrowing limits from banks and is confident of servicing its debt obligations as they fall due. The Company has assessed its existing controls and internal financial reporting processes and made appropriate changes, as required, in view of the situation arising due to COVID-19 pandemic. Company has also reviewed its contracts/arrangements and does not expect any material impact on account of non-fulfillment of the obligations by any party.

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.

By the order of the Board
Northern Spirits Limited

Sd/-Nikita Sureka
Company Secretary

Place: Kolkata
Date: 05/09/2020

Annexure D

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

NORTHERN SPIRITS LIMITED

5A, Woodburn Park Road, Woodburn Central, 6th Floor, Unit 603

Kolkata -700020.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**NORTHERN SPIRITS LIMITED**” (CIN: **L15500WB2012PLC185821**) (hereinafter called “the Company”). Secretarial Audit was conducted based on records made available to me in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:



- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the year)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the company during the year)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the year)



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the year)
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(w.e.f. 01/12/2015)

Other laws as may be applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non- Executive and Independent Directors. There is no change in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the board, as recorded in the minutes of the Board meetings.

Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



I further report that the Company got In-principal approval of the Exchange on 31st January, 2019 to list its Equity shares on the BSE SME platform which subsequently got listed on 04th April, 2019.

There were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

I further report that during the year the Company has sought the approval from its members at the Extra-Ordinary General meeting (EGM) dated 21st June, 2019 for Appointment of M/s. J.K Sarawgi & Co as the Statutory Auditors of the company in place of M/s. Agarwal Saha & Associates

I further report that Audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the company and I am not responsible for any lapses in those compliances on the part of the company.



Anurag fatehpuria

Place: Kolkata

Date: 05.09.2020

Anurag Fatehpuria

Company Secretary

ACS 34471; CP No. 12855

UDIN: A034471B000669127

Note: This report is to be read with our letter of even date which is annexed herewith and forms an integral part of this report.

ANNEXURE - A

To,
The Members
NORTHERN SPIRITS LIMITED
5A, Woodburn Park Road, Woodburn Central, 6th Floor, Unit 603
Kolkata -700020.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NORTHERN SPIRITS LIMITED (CIN: L15500WB2012PLC185821)** (the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon. Further, my Secretarial Audit report of even date is to be read along with this Annexed letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.



7. I further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.



Place: Kolkata

Date: 05.09.2020

Anurag fatehpuria

Anurag Fatehpuria

Company Secretary

ACS 34471 CP No 12855

UDIN: A034471B000669127

**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, 2020, 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, 2020, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 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: 31/08/2020

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, 2020, 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, 2020 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, 2020.

- **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.

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- **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: 31/08/2020

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, 2020 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, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by 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, 2020

(All amounts in INR)

	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3(A)	103,290,008	105,665,873
(b) Intangible assets	3(B)	-	6,902
(c) Deferred tax Assets	4	440,958	728,972
(d) Other non-current assets	5	1,919,456	9,151,092
Current assets			
(a) Inventories	6	389,676,462	331,839,911
(b) Financial Assets			
(i) Trade receivables	7	396,297,215	373,427,151
(ii) Cash and cash equivalents	8	781,537	3,749,458
(iii) Other Bank Balances	9	47,366,891	32,028,255
(c) Other current assets	5	145,257,779	81,527,874
TOTAL ASSETS		1,085,030,305	938,125,489
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	160,512,000	117,492,000
(b) Other Equity		472,811,328	294,704,300
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	429,859,078	446,933,062
(ii) Trade payables		3,654,765	14,816,413
(b) Other current liabilities	12	4,152,459	10,093,589
(c) Provisions	13	14,040,675	54,086,125
TOTAL EQUITY AND LIABILITIES		1,085,030,305	938,125,489

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: 31st August, 2020

Anuj Bakshi
Executive Director

Ankush Bakshi
Managing Director

Nikita Sureka
Company Secretary

Amit Kumar
Chief Financial Officer

NORTHERN SPIRITS LIMITED

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

(All amounts in INR)

	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I Revenue From Operations	14	1,608,082,412	1,102,681,973
II Other Income	15	1,890,937	2,910,729
III Total Income (I+II)		1,609,973,349	1,105,592,702
IV EXPENSES			
Purchases of Stock-in-Trade	16	1,326,116,789	1,024,067,305
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates	17	(57,836,551)	(268,362,300)
Employee benefits expense	18	21,565,242	12,131,771
Finance costs	19	2,382,767	3,224,784
Depreciation and amortization expense		233,843,983	133,181,472
Other expenses	20	233,843,983	133,181,472
Total expenses (IV)		1,559,503,631	951,060,916
V Profit before exceptional items and tax (III-IV)		50,469,718	154,531,786
VI Exceptional Items		-	-
VII Profit before tax (V+VI)		50,469,718	154,531,786
VIII Tax expense:			
Current Tax	21	14,040,675	54,521,526
Deferred Tax	21	288,014	(583,507)
IX Profit for the year (VII-VIII)		36,141,028	100,593,767
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)		36,141,028	100,593,767
XII Earnings per equity share (Face Value ₹ 1.00 each):			
Earning per equity share:(Before Bonus)		2	22
Earning per equity share:(After Bonus)		2	10
Gross Sales Value (net of rebates and discounts) (A)		1,754,232,410	1,185,947,096
Taxes other than Excise Duty		159,328,382	89,905,736
Gross Revenue from sale of products and services [C = (A-B)]		1,594,904,028	1,096,041,360
Other Operating Revenues (D)		13,178,384	6,640,613
Revenue From Operations [E = (C+D)]		1,608,082,412	1,102,681,973

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: 31st August, 2020

NORTHERN SPIRITS LIMITED

Cash Flow Statement for the year ended 31st March, 2020

	(All amounts In INR)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	50,469,718	154,531,785
ADJUSTMENTS FOR: Depreciation and amortization expense	2,382,767	3,224,784
Interest paid	33,431,401	46,817,884
Interest Income	(1,890,937)	(2,910,729)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	84,392,949	201,663,725
ADJUSTMENTS FOR: Inventories	(57,836,552)	(268,362,300)
Trade receivables	(22,870,064)	(290,397,375)
Loans and advances	(42,213,097)	(82,229,722)
Tax Expenses of Earlier Years	-	(435,401)
Other Payables	(17,102,778)	(66,850,894)
CASH GENERATED FROM OPERATIONS	(55,629,541)	(506,611,968)
Income tax paid	(68,371,297)	-
Interest Income	1,890,937	2,910,729
NET CASH FROM OPERATING ACTIVITIES	(122,109,902)	(503,701,239)
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, Intangibles etc.	-	(59,937,108)
NET CASH USED IN INVESTING ACTIVITIES	-	(59,937,108)
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	184,986,000	247,488,800
Repayment of non-current borrowings	-	-
Interest paid	(33,431,401)	(46,817,884)
NET CASH USED IN FINANCING ACTIVITIES	151,554,599	200,670,916
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,444,697	(362,967,431)
OPENING CASH AND CASH EQUIVALENTS	(411,155,348)	(48,187,916)
CLOSING CASH AND CASH EQUIVALENTS	(381,710,650)	(411,155,348)

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	(381,710,650)	411,155,348
Cash credit facilities (Note 11)	(429,859,078)	(446,933,062)
Cash and cash equivalents (Note 08)	781,537	3,749,458
Other bank balances (Note 09)	47,366,891	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: 31st August, 2020

Place: Kolkata
Date: 31st August, 2020

NORTHERN SPIRITS LIMITED

Statement of changes in equity for the year ended 31st March, 2020

(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, 2019	12,050,000	105,442,000	117,492,000
For the year ended 31st March, 2020	117,492,000	43,020,000	160,512,000

B. Other Equity

	Reserves and Surplus				
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Retained Earnings	Total
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, 2020	-	180,966,800	-	113,737,500	294,704,300
Profit for the year	-	141,966,000	-	36,141,028	178,107,028
Other Comprehensive Income (net of tax)	-	-	-	-	-
Total Comprehensive Income for the year	-	322,932,800	-	149,878,528	472,811,328
Issue of Bonus Shares	-	-	-	-	-
Balance as at 31st March, 2019	-	322,932,800	-	149,878,528	472,811,328

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 brought IPO of 4302000 Equity shares fac value of Rs 10/- each with a premium Rs 33/- each the total Premium amounting to Rs 141966000/-.

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: 31st August, 2020

Notes to the Financial Statements

(All amounts in INR)

Particulars	Gross Block						Depreciation and Amortization						Net Book Value			
	As at 31st March, 2018	Additions	Withdrawals and adjustments	As at 31st March, 2019	Additions	Withdrawals and adjustments	As at 31st March, 2020	Up to 31st March, 2018	For the year	On Withdrawals and adjustments	Upto 31st March, 2019	For the year	On Withdrawals and adjustments	Upto 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
3A. Property, plant and equipment																
Fire Extinguisher	83,360	105,032	-	188,392	-	-	188,392	33,996	20,703	-	54,699	24,198	-	78,897	109,495	133,693
Air Conditioner	142,781	85,201	-	227,982	-	-	227,982	65,451	29,418	-	94,869	24,093	-	118,962	109,020	133,113
Furniture	1,913,882	529,164	-	2,443,046	-	-	2,443,046	860,378	381,968	-	1,242,346	310,861	-	1,553,207	889,839	1,200,700
Laptop	105,900	49,720	-	155,620	-	-	155,620	88,855	20,326	-	109,181	29,331	-	138,512	17,108	46,439
Intercom	15,865	16,402	-	32,267	-	-	32,267	4,680	4,993	-	9,673	4,090	-	13,763	18,504	22,594
Water Machine	16,400	8,150	-	24,550	-	-	24,550	7,380	1,786	-	9,166	2,785	-	11,951	12,599	15,384
Inventor	36,000	61,429	-	97,429	-	-	97,429	18,401	9,828	-	28,229	12,525	-	40,754	56,675	69,200
Computer	174,100	305,218	-	479,318	-	-	479,318	137,010	116,112	-	253,122	142,865	-	395,987	83,331	226,196
DVR	91,468	-	-	91,468	-	-	91,468	24,596	12,104	-	36,700	9,913	-	46,613	44,855	54,768
Bar Code Printer	93,844	118,810	-	212,654	-	-	212,654	36,489	29,468	-	65,957	26,552	-	92,509	120,145	146,697
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	-	-	-	-	-	-	-	50,245,840	50,245,840
Maruti Eco Van	442,526	-	-	442,526	-	-	442,526	220,159	87,390	-	307,549	42,153	-	349,702	92,824	134,977
Printer	36,960	66,300	-	103,260	-	-	103,260	9,932	54,177	-	64,109	24,728	-	88,837	14,423	39,151
Bio Metric Machine	10,000	-	-	10,000	-	-	10,000	769	1,671	-	2,440	1,368	-	3,808	6,192	7,560
Scanning Machine	37,275	-	-	37,275	-	-	37,275	11,304	4,701	-	16,005	3,850	-	19,855	17,420	21,270
CCTV	-	190,117	-	190,117	-	-	190,117	-	23,556	-	23,556	30,148	-	53,704	136,413	166,561
Coffee Machine	-	12,959	-	12,959	-	-	12,959	-	2,346	-	2,346	1,921	-	4,267	8,692	10,613
Generator	-	219,699	-	219,699	-	-	219,699	-	39,766	-	39,766	32,568	-	72,334	147,365	179,933
Delivery Van	-	69,666	-	69,666	-	-	69,666	-	27,379	-	27,379	16,619	-	43,998	25,668	42,287
Electric Fittings	-	25,476	-	25,476	-	-	25,476	-	5,528	-	5,528	5,165	-	10,693	14,783	19,948
Mobile Phone	-	124,499	-	124,499	-	-	124,499	-	22,534	-	22,534	18,456	-	40,990	83,509	101,965
Water Purifier	-	12,282	-	12,282	-	-	12,282	-	2,223	-	2,223	1,821	-	4,044	8,238	10,059
Motor Car	-	7,089,642	-	7,089,642	-	-	7,089,642	-	2,214,095	-	2,214,095	1,522,633	-	3,736,728	3,352,914	4,875,547
Office Equipments	-	195,585	-	195,585	-	-	195,585	-	34,579	-	34,579	29,142	-	63,721	131,864	161,006
Television	-	96,747	-	96,747	-	-	96,747	-	17,130	-	17,130	14,411	-	31,541	65,206	79,617
Aqua Guard	-	24,830	-	24,830	-	-	24,830	-	4,494	-	4,494	3,681	-	8,175	16,655	20,336
Bar Code Scanner	-	235,040	-	235,040	-	-	235,040	-	21,027	-	21,027	38,736	-	59,763	175,277	214,013
CURRENCY COUNTING MACHINE	-	8,000	-	8,000	-	-	8,000	-	1,083	-	1,083	1,252	-	2,335	5,665	6,917
TOTAL	50,479,851	59,895,808	-	110,375,659	-	-	110,375,659	1,519,400	3,190,386	-	4,709,786	2,375,865	-	7,085,651	103,290,008	105,665,873
3B. Intangible Assets (acquired)																
Track and Traces Software	-	41,300	-	41,300	-	-	41,300	-	34,398	-	34,398	6,902	-	41,300	-	6,902
TOTAL	-	41,300	-	41,300	-	-	41,300	-	34,398	-	34,398	6,902	-	41,300	-	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, 2020	As at 31st March, 2019
Deferred tax assets	440,958	728,972
TOTAL	440,958	728,972

Movement in deferred tax assets balances	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity
2019-20				
Deferred Tax assets in relation to:				
On fiscal allowances on property, plant and equipment, etc.	728,972	-288,014		
Total deferred tax assets	728,972	-288,014		
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		

5. Other Assets	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non-Current	Current	Non-Current
Capital Advances (Refer Note 3B)				
Advances other than capital advances	130,348,499		73,814,942	-
Security Deposits				
– With Statutory Authorities			-	48,300
– Others*		1,919,456		9,102,792
Advances to Excise			400,120	-
Balance with Government Authorities				
GST Credit	401,490		361,085	
Vat Credit	216,802			
Income Tax	14,285,172		6,945,911	
MAT Asset Account	5,816		5,816	
TOTAL	145,257,779	1,919,456	81,527,874	9,151,092

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

6. Inventories	As at 31st March, 2020	As at 31st March, 2019
(At lower of cost and net realisable value)		
Stock-in-trade (goods purchased for resale)	389,676,462	331,839,911
TOTAL	389,676,462	331,839,911

7. Trade Receivables (Current)	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good	396,297,215	373,427,151
TOTAL	396,297,215	373,427,151

8. Cash and cash equivalents	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks Current accounts	508,067	3,198,365
Cash on hand	273,470	551,093
TOTAL	781,537	3,749,458

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, 2020	As at 31st March, 2019
Fixed Deposit balances		
In deposit accounts*	47,366,891	32,028,255
TOTAL	47,366,891	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, 2020 (No. of Shares)	As at 31st March, 2020	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2020
10. Equity Share capital				
Authorised				
Equity Shares of ` 10.00 each	19000000	190,000,000	19000000	190,000,000
Issued and Subscribed	16051200	160,512,000	11749200	117,492,000
Equity Shares of ` 10.00 each, fully paid with voting rights				
A) Reconciliation of number of Equity Share outstanding				
As at beginning of the year	11749200	117,492,000	12050000	12,050,000
Add: Issue of Shares	4302000	43,020,000	10544200	105,442,000
As at end of the year	16051200	160,512,000	11749200	117,492,000

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, 2020 (No. of Shares)	As at 31st March, 2020	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2020
Anuj Bakshi	4809600	29.96	4809600	40.94
Ankush Bakshi	5809600	36.19	5809600	49.45
Hitesh Mohan Patel	1128000	7.02	500000	4.26

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, 2020 (No. of Shares)	As at 31st March, 2019 (No. of Shares)
Shares issued in 2019-20 pursuant to Initial Public Offer	4,302,000	-
Shares issued in 2019-20 pursuant to the Scheme of Takeover Between Northern Spirits Ltd and United Wines	-	4,669,600,000

D) 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(19-20)	As at 31st March, 2020	As at 31st March, 2019
Secured				
Loans from Banks				
Cash Credit Facilities*				
DBS Bank India Limited	Payable on demand	[(MCLR,	-	240,647,535
Canara Bank	Payable on demand	[(MCLR,	159,575,204	147,617,087
Punjab National Bank	Payable on demand	[(MCLR,	270,283,873	-
Karur Vysya Bank	Payable on demand	[(MCLR,	-	58,668,440
TOTAL			429,859,078	446,933,062

*Cash credit facilities are secured by hypothecation of Property. The Company has hypothecated 3 Residential Apartments & 3 Commercial Property

12. Other liabilities	As at 31st March, 2020	As at 31st March, 2019
Current		
Statutory Liabilities	2,557,262	5,298,953
Advances received from customers	-	4,005,618
Others		
--Liabilities For Expenses	1,595,197	789,018
TOTAL	4,152,459	10,093,589

13. Provisions	As at 31st March, 2020	As at 31st March, 2019
Provision for Taxation	14,040,675	54,086,125
TOTAL	14,040,675	54,086,125

Notes to the Financial Statements

14. Revenue From Operations	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products	1,754,232,410	1,185,947,096
	1,754,232,410	1,185,947,096
Gross Revenue from sale of products and services* [including excise duty]	1,754,232,410	1,185,947,096
Less:- Excise Duty	-159,328,382	-89,905,736
Other Operating Revenues#	13,178,384	6,640,613
TOTAL	1,608,082,412	1,102,681,973
* 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, 2020	For the year ended 31st March, 2019
Interest income	1,890,937	2,910,729
TOTAL	1,890,937	2,910,728.68
16. Purchase of Stock in Trade	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchase of Stock in Trade	1,326,116,789	1,024,067,305
TOTAL	1,326,116,789	1,024,067,305
17.Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-progress and Intermediates	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock		
Finished Goods	331,839,911	63,477,611
Closing Stock		
Finished Goods	389,676,462	331,839,911
Net(Increase\ Decrease)	-57,836,551	-268,362,300
18. Employee Benefits Expense	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary & Exgratia	21,056,242	11,773,027
Staff welfare expenses	201,875	133,525
Employer Contribution to PF, ESIC	307,125	225,219
TOTAL	21,565,242	12,131,771

Notes to the Financial Statements

19. Finance Costs	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Paid	32,216,324	44,694,531
Bank Charges	56,776	704,718
Loan Processing Fees	1,158,301	1,418,636
TOTAL	33,431,401	46,817,884
20. Other Expenses	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Freight Outward	3,973,103	3,274,968
Custom Duty	131,642,454	105,667,634
Labour Charges	715,652	74,250
Packing Expenses & Delivery Charges	215,467	90,128
Clearing & Forwarding	1,551,989	3,664,907
Loading & Unloading Expenses	1,221,453	324,578
Electric Expenses	207,215	376,023
Audit Fees	75,000	86,800
Consultancy Charges/Legal Expenses	6,521,800	930,400
Rent Paid*	7,252,800	5,398,998
Travelling Charges	541,418	159,221
Office Expenses	935,465	1,034,813
Insurance Charges	215,742	1,161,794
Miscellaneous Expenses	663,472	619,475
Printing & Stationery	121,752	-
Rates & Taxes	10,407,255	4,915,200
Telephone Expenses	138,482	263,521
Computer Software	144,406	198,338
Foreign Exchange Difference	114,652	116,355
Brokerage	62,000	-
Advertisement	109,300	-
Rebate & Discount	66,855,048	3,184,498
Lisiting Fees	-	278,771
Repairs & Maintenance	143,058	-
Roc Fees	-	1,360,800
Sitting fees	15,000	-
TOTAL	233,843,983	133,181,472
* The company has paid lease rental of Rs.72,52,800/- during the year		
21. Income Tax Expenses	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Amount recognised in profit or loss Current tax		
Income tax for the year Current tax	14,040,675	54,086,125
Adjustments/ (credits) related to previous years - Net	-	435,401
Total Current tax	14,040,675	54,521,526
B. Deferred tax		
Deferred tax for the year	288,014	(583,507)
Deferred Tax TOTAL	288,014	(583,507)
22. Additional Notes to the Financial Statements	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings per share:		
Earnings per share has been computed as under:		
(a) Profit for the year (` in Crores)	36,141,028	100,593,767
(b) Weighted average number of Ordinary shares outstanding for the computing basic earnings per share	16,051,200.00	10,546,618.00
(c) Earnings per share on profit for the year (Face Value ` 1.00 per share)		
Earning per equity share	2	10
Earning per equity share	2	10

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,	
	2020	2019
Provident Fund	271,155.00	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. 72,52,800/- 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: Rs 34,80,000

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, 2020 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, 2020

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: 31/08/2020

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 SME platform.

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
- Rajasthan

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

NOTES TO FINANCIAL STATEMENTS

compensate for the expected inflationary cost increases.

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

NOTES TO FINANCIAL STATEMENTS

when ready for intended use, when the following criteria are met:

- 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)

NOTES TO FINANCIAL STATEMENTS

- Roshni Bakshi (Executive Director)
- 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.

For **J K Sarawgi & Company**

Chartered Accountants

FRN No.: 006836C

FCA Jeet Agarwal

Partner

Membership No.: 064038

Place: Kolkata

Dated: 31/08/2020

ATTENDANCE SLIP

Annual General Meeting Tuesday the 29th Day of September, 2020 at 11.30 A.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 Tuesday the 29th day of September, 2020 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.

**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 29th day of September, 2020 At 11.30 A.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 Ankush Bakshi (DIN 02547254) as Director who retires by rotation.		

Signed this..... day of..... 2020

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

