



Industries Limited

**THIRTY FIRST ANNUAL REPORT
2019-2020**

BLOSSOM

Industries Limited

31st Annual Report 2019-20

BOARD OF DIRECTORS

| | | |
|--------------------------------|-----------------|---------------------------------|
| Mr. Satan S. Bharwani | (DIN: 00183286) | Chairman Emeritus |
| Dr. S. D. Israni | (DIN: 00125532) | Chairman & Independent Director |
| Mr. Amit Khemani | (DIN: 00057283) | Managing Director |
| Mr. Vincent Vaz | (DIN: 02067875) | Whole-time Director-cum-CFO |
| Mr. D. T. Khilnani | (DIN: 01824655) | Independent Director |
| Padmashree Ms. Lila Poonawalla | (DIN: 00074392) | Independent Director |
| Dr. P. Kotaiah | (DIN: 00038420) | Independent Director |
| Mr. P. R. Barpande | (DIN: 00016214) | Independent Director |
| Mr. Harsh Vardhan Jajoo | (DIN: 00758308) | Independent Director |

COMPANY SECRETARY

Mr. Haresh Thakkar

STATUTORY AUDITORS

M/s. CNK & Associates LLP

Chartered Accountants,
Mumbai

INTERNAL AUDITOR

Aneja Associates

Chartered Accountant,
Mumbai

REGISTRAR AND TRANSFER AGENT (R & TA)

Sharex Dynamic (India) Private Limited

C 101, 247 Park, L B S Marg,
Vikhroli - West, Mumbai – 400 083

Tel No: 2851 5606, 2851 5644

Fax No: 2851 2885

Email: support@sharexindia.com

SECRETARIAL AUDITOR

M/s. VPP & Associates

Practising Company Secretaries,
Mumbai

REGISTERED OFFICE & PLANT

Village Jani Vankad,
Nani Daman, Daman - 396210 (U.T.)

COST AUDITOR

Mr. Girikrishna Maniar

Cost Accountant,
Mumbai

NOTICE

To,

The Members,

BLOSSOM INDUSTRIES LIMITED

Notice is hereby given that the **Thirty-First** Annual General Meeting of the Members of **BLOSSOM INDUSTRIES LIMITED** will be held on Monday, 21st September 2020 at 11.00 a.m. through video conference facility (VC)/ other audio visual means (OAVM) to transact the business mentioned hereunder:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2020, Statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the Notes and the Reports of the Board of Directors (the Board) and the Auditor thereon.
2. To appoint a Director in place of Mr. Amit Khemani (DIN: 00057283), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

”**RESOLVED THAT** pursuant to provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company be and is hereby authorized:

- i. to make investments;
- ii. to make loan or loans from time to time on such terms and conditions as it may deem expedient, to any person or body corporate;
- iii. to give on behalf of the Company, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by, any body corporate or person; and
- iv. to acquire by way of subscription, purchase or otherwise the securities of any other body corporate;

for such an amount that the aggregate of the loans and investments so far made, the amounts for which guarantee or security so far provided to or in all other body corporate or person, along with the investment, loan, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid up share capital and free reserves and securities premium, or hundred per cent of its free reserves and securities premium, whichever is more, but not exceeding Rs. 500 Crores (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may, at its discretion deem necessary or desirable for giving effect to the above resolution.”

4. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

”**RESOLVED THAT** in supersession of the earlier resolution passed at the 30th Annual General Meeting held on September 21, 2019 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the “Board”) to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board or Committee thereof may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company and remaining outstanding at any point of time shall not exceed a sum of Rs. 500 crores (Rupees Five Hundred Crores Only);

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

”**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions of Companies Act, 2013, the consent of the Company be and is hereby accorded to enter into the related party transaction with the related party, as mentioned herein below:

Proposed Related Party Transactions:

| Sr. no. | Name of the Related Parties | Name of the Director / KMP, who is related and nature of their relationship | Nature, Material Terms, Monetary Value and Particulars of the Contracts and Arrangements | Amount and Period of Contract |
|---------|-----------------------------|--|--|---|
| I. | K. H. Khemani & Sons | Amit Khemani– Firm in which relative of Company’s Managing Director is a Partner | Sale of beer on 2 months credit or as decided by the Audit Committee | Rs. 600 Crs p.a. for a period of 5 years. |

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.

RESOLVED FURTHER THAT the Whole-time Director of the Company be and are hereby severally authorized to submit necessary forms, applications, undertakings, drafts, authorizations, etc. to the various authorities and to do all such acts, deeds and things which are necessary to give effect to the aforesaid resolution.”

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013 read with relevant rules framed thereunder, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such sanctions or approvals as may be necessary, consent of the members be and is hereby accorded to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by Khemani Distilleries Private Limited, Royal Distillery Private Limited and Perfunova International Limited (hereinafter referred as “Borrowing Companies”), a Company in which Mr. Amit Khemani, Managing Director is a Director/Member, upto Rs.200 crores (Rupees Two Hundred Crores), each, per company to be utilized for the principal business activities of the Borrowing Company.

RESOLVED FURTHER THAT Mr. Vincent Vaz, Whole-time Director and/or any other Director, be and are hereby severally authorized to negotiate and finalise the terms of conditions relating to the above loan/guarantee and to take necessary steps, to execute all such documents, deeds, agreements, instruments and writings and to do all such acts, things and deeds to give effect to the above resolution including any legal and/or procedural formalities, filing of necessary e-forms with Ministry of Corporate Affairs and any other incidental things as may be deemed necessary.”

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with the Companies Amendment Act, 2017 and applicable rules thereunder, approval of the members be and is hereby accorded for payment of total managerial remuneration exceeding 11% of the net profits of that company for that financial year computed in the manner laid down in Section 198 (“net profits”), as specifically provided in the explanatory statement of this AGM comprising of remuneration in the form of Commission to Mr. Amit Khemani @ 10% of net profits approved in the 30th Annual General Meeting, commission to Mr. Vincent Vaz @ 1% of net profits and commission to the Non-Executive Directors @ 1% of net profits, approved in the 29th Annual General Meeting, for their remaining tenure.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution or to make modifications as may be deemed to be in the interest

of the Company, and to do all such acts, deeds, matters and things for giving effect to this resolution.

RESOLVED LASTLY THAT the Board be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person, to give effect to the aforesaid resolution.”

**By Order of the Board of Directors of
Blossom Industries Limited**

Amit A. Khemani
Managing Director
DIN: 00057283

Address: Devka, Plot No. 6, Nani Daman, Daman - 396210

Date: 25th July 2020

Place: Daman

CIN: U31200DD1989PLC003122

Registered Office:

Village Jani Vankad, Nani Daman,
Daman - 396 210 (U.T.)

NOTES:

- A.** In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA and applicable provisions of the Act, the 31st AGM of the Company shall be conducted through VC / OAVM. National Securities Depository Limited (NSDL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL. The venue of the meeting shall be deemed to be the Registered Office of the Company at Village Jani Vankad, Nani Daman, Daman - 396210 (U.T.).
- B.** As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- C.** The Members can join the 31st AGM in the VC/OAVM mode 20 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors,

31ST ANNUAL REPORT 2019-20

Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- D.** The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 14th September 2020 to Monday, 21st September, 2020, inclusive of both the days.
- E.** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out above is annexed hereto.
- F.** In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- G.** Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Transfer Agent at support@sharexindia.com along with the copy of the signed request letter mentioning the name, folio no. and address of the Member, self-attested copy of the PAN card, and self-attested copy of any address proof (eg.: Driving License, Election Identity Card, Passport). Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. Members whose email id are not registered and wish to receive the 31st Annual Report of the Company was requested to refer point R.III.
- H.** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- I.** The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at http://khemanigroup.com/investor_corner.html. AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- J.** As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance alongwith their name demat account number / folio number, email id, mobile number at blossom@bildaman.com to register themselves as speaker attendee. Questions / queries should be sent during Thursday, 10th September 2020 to Wednesday, 16th September 2020. Only those queries which are registered during the said period will be answered to during the AGM. The Company reserves the right to restrict the number of questions, depending upon availability of time as appropriate for smooth conduct of the AGM.
- K.** The voting rights shall be as per the number of equity shares held by the Member(s) as on Monday, 14th September 2020, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- L.** All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on blossom@bildaman.com
- M.** During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, Audit Reports and all other statutory documents shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.
- N.** Members are requested to:
1. Intimate to the Company or its Registrar and Share Transfer Agent immediately, of any change in their address.
 2. Send all correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure to:
M/s. Sharex Dynamic (India) Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli - West, Mumbai – 400 083
Tel No: 2851 5606, 2851 5644
Fax No: 2851 2885
Email: support@sharexindia.com
 3. Quote Registered Folio Numbers/ DP ID/ Client ID in all the correspondence.
 4. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address directly to their respective Depository Participants.
 5. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registered Office or from its R & TA at either of the aforesaid addresses.
 6. The Ministry of Corporate Affairs had vide it's Notification dated September 10, 2018 made it mandatory w.e.f. October 2, 2018 for the Unlisted Public Company to have connectivity with the depository i.e. NSDL or CDSL, for dematerialization of securities to enable security holders to hold their securities in dematerialized mode. Further, transfer as well as issue of securities of Unlisted Public Company on or after October 2, 2018 can only be done in dematerialized form. Thus, shareholders can hold shares in demat or physical mode, however, in case of request for transfer, it can be proceeded only in demat mode. In view of the above and to avail benefits of dematerialization, members are advised to dematerialize shares held by them in physical mode.

Kindly note that now the Company has connectivity with CDSL as well as NSDL and its ISIN is **INE264D01026**.

- O. The details of Mr. Amit Khemani, who retires by rotation and offers himself for reappointment at this Annual General Meeting, as required under Secretarial Standards 2 are as under:

| | |
|--|---|
| Name of Director | Mr. Amit Khemani |
| Designation | Managing Director |
| Age | 43 years |
| Qualifications | Bachelor of Arts from Curry College, Milton and holds major degree in Business Management and Communication |
| Experience | He has been leading Blossom Industries Limited for more than a decade and has played a pivotal role achieving great success in the brewery industry. He had earlier worked with United Distillers and Vintners as Trainee |
| Terms and conditions of re-appointment | He being liable to retire by rotation is being re-appointed with no change in the terms and conditions |
| Last drawn remuneration | Rs. 20,826,720 /- p.a. |
| Date of first appointment on the Board | 27/09/2003 |
| Shareholding in the Company | 45,66,500 equity shares |
| Relationship with other Director/Manager/KMPs | He is a promoter director of the Company, however does not share any relationship with any other Director/Manager/KMPs |
| No. of meetings of the Board attended during the year 2019-20 | 5 |
| Other Directorships | Perfunova (International) Limited; Cosminova Cosmetics Private Limited; Norfolk Trading Private Limited; |
| Membership/ Chairmanships of the Committees of other Boards | Nil |

- P. The Company is providing e-voting facility to transact all the resolutions mentioned in the Notice of this meeting pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under before the AGM as well as at the AGM for the members attending through Video Conferencing.

- Q. In case of any queries relating to evoting or attending AGM through VC/OAVM, 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 to Mr. Abhijeet Gunjal at evoting@nsdl.co.in or Mr. Bharat Gopalani, Sr. Manager – Accounts & Finance, Blossom Industries Limited, Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.) on 0260 – 2221050 or email on bharat@bildaman.com.

- R. Process for attending the AGM and voting through electronic means is as under:

- I. **The instructions for members for Remote E-Voting are as under:-**

The remote e-voting period begins on Friday, 18th September, 2020 at 9:00 A.M. and ends on Sunday, 20th September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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 I2***** then your user ID is IN300***I2*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is I2***** then your user ID is I2*****. |
| 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 I01456001*** |

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, please follow steps mentioned below in process for those shareholders whose email ids are not registered

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.

II. 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 scrutinizer@hkacs.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 to Mr. Abhijeet Gunjal at evoting@nsdl.co.in

III. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to blossom@bildaman.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to blossom@bildaman.com.

IV. The instructions for members for e-voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

V. Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using

the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
- S.** The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Monday, 14th September, 2020.
- T.** The Board of Directors of the Company at their meeting held on 25th July, 2020 has appointed Mr. Hemanshu Kapadia, Practising Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- U.** The Scrutinizer(s) shall immediately after the conclusion of the general meeting held through Video Conferencing, scrutinize the entire e-voting process and make, within a period not exceeding three (3) days from the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- V.** The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared alongwith the report of the scrutinizer shall be placed on the website of the Company i.e. <http://www.khemanigroup.com>.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 3:

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of 60% of the aggregate of the paid-up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, if special resolution is passed by the Members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors for making further investments, providing loans or give guarantee or provide security in connection with loans for an amount not exceeding Rs. 500 crores which shall be over and above the limit of Rs.150 crores for investment in K.H.Khemani & Sons approved at the 30th Annual General Meeting.

There is no interest, financial or otherwise, of the Directors or Key Managerial Personnel of the Company or their relatives in the said resolution.

The Board of Directors accordingly recommends the special resolution as set out at Item No.3 of the accompanying notice for the approval of the Members.

Item No. 4:

Pursuant to provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 the Board of Directors shall not, without the consent of the Company in general meeting, borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Therefore, approval of Members is sought for increasing the borrowing limit to Rs.500 Crores (Rupees Five Hundred Crores Only) and to authorize the Board to borrow from time to time from Bank/Financial Institutions, etc.

The proposed resolution under item no.4 is to authorize the Board of Directors to borrow the money for Company's business exceeding the limit prescribed under section 180 (1) (c) of the Companies Act, 2013. The above resolution/authority is the statutory requirement that shareholder should approve the said powers and there is no financial interest or otherwise of the Directors of the Company in the said resolution. Thus, there is no such disclosure required to be provided under Section 102 of the Companies Act, 2013.

The Board of Directors accordingly recommends the special resolution as set out at Item No.4 of the accompanying notice for the approval of the Members.

Item No. 5:

The Company had obtained approval of the members in their 26th Annual General Meeting with respect to the said transactions of sale of beer on 15 days credit to K.H.Khemani & Sons for a limit of Rs.300 crores for a period of 5 years. The said limit is proposed to be increased to Rs.600 crores p.a. and with 2 months credit or such period as may be decided by the Audit Committee. The proposed transactions is as under:

| Sr. no. | Name of the Related Parties | Name of the Director / KMP, who is related and nature of their relationship | Nature, Material Terms, Monetary Value and Particulars of the Contracts and Arrangements | Amount and Period of Contract |
|---------|-----------------------------|--|--|---|
| I. | K. H. Khemani & Sons | Amit Khemani- Firm in which relative of Company's Managing Director is a Partner | Sale of beer on 2 months credit or such period as may be decided by the Audit Committee | Rs. 600 Crs p.a. for a period of 5 years. |

In view of the provisions of Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014 prior approval of shareholders of the Company is required for certain contracts or arrangements which may exceed the limit mentioned therein.

Though the above mentioned transaction shall be on arms' length basis and in ordinary course of business, as the same exceeds the limits specified in the Rules, the Board of Directors were of the view that as a matter of abundant precaution shareholders' approval should be obtained. The agreement is continuing since 1st April 2015 and the current proposed limit of Rs.600 crores is per financial year for a period of 5 years. Further, no commercial terms in the agreement, on which the Directors have agreed upon, shall be unfair or prejudicial to the interest of the Company. The Resolution contained in the Notice is recommended for your approval as an Ordinary Resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company are interested in the proposed Resolution, except Mr. Amit Khemani, Managing Director of the Company whose relative is a partner in the said firm.

Item no.6:

As per the provisions of Section 185 of the Companies Act, 2013, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by a private company in which Director is a Director or member by passing a special resolution and the loan is utilised by the borrowing company for its principal business activity.

The Company proposes to provide loan/give guarantee/provide security in connection with the loan taken by Khemani Distilleries Private Limited, Royal Distillery Private Limited and Perfunova (International) Limited upto an amount of Rs.200 crores (Rupees Two Hundred and Fifty Crores) each, per company, which shall be utilised by them for their principal business activity. Mr. Amit Khemani, Managing Director of the Company is a Director/member in the Borrowing Company. Thus, the said resolution at Item no. 6 is proposed to be passed as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company are interested in the proposed Resolution, except Mr. Amit Khemani, Managing Director of the Company who is a Director/member in the said Borrowing Companies.

Item no. 7:

As approved by the shareholders in the 29th and 30th Annual General Meeting, the Company is paying following amount as remuneration the Directors of the Company:

Mr. Amit Khemani, Managing Director:

- a) Salary: Rs. 10,00,000/- per month
- b) Commission: 10% p.a. of the Net Profit calculated u/s 198 of the Companies Act, 2013 less the total salary paid during the financial year i.e. "a" and the monetary value of all the perquisites paid to him including "d" during the year.
- c) The Company shall reimburse from time to time all expenses that he may be required to incur in the course of performance of duties as the Managing Director of the Company.
- d) Payment of Gratuity and P.L. Encashment shall be considered as a perquisite and will be inclusive in total remuneration paid.

Mr. Vincent Vaz, Whole-time Director – cum – CFO:

- a) Salary: Rs. 3,75,000 per month
- b) Commission: 1% p.a. of the Net Profit calculated u/s 198 of the Companies Act, 2013.
- c) The Company shall reimburse from time to time all expenses that he may be required to incur in the course of performance of duties as the Whole-time Director of the Company

Non-Executive Directors:

Commission: 1% p.a. of the net profits of the Company computed under Section 198 of the Companies Act, 2013 for a period of 5 years upto 2022-23.

The Company had also given the additional information as required under Part II of Schedule V to the Companies Act, 2013 for the same. The total aggregate commission of all the Directors is 12% for their remaining tenure and thus, exceeds the limit provided under Section 197(1) i.e. 11% of the net profits of that company for that financial year computed in the manner laid down in section 198. As per the Companies Amendment Act, 2017, effective from 12th September 2018, the Company may in the general meeting, authorise the payment of remuneration exceeding eleven per cent. of the net profits of the company, subject to provisions of Section V.

Though the Company had already obtained special resolution for all the individual limits, for better clarity and governance and pursuant to Section 197(1) of the Companies Act, 2013, the Board commends the resolution at Item no. 7 to be passed as a Special Resolution.

All the Directors are interested in this resolution to the extent of their remuneration.

**By Order of the Board of Directors of
Blossom Industries Limited**

Amit A. Khemani
Managing Director
DIN: 00057283

Address: Devka, Plot No. 6, Nani Daman, Daman - 396210

Date: 25th July 2020

Place: Daman

BOARD'S REPORT

To,
The Members,

BLOSSOM INDUSTRIES LIMITED

The Directors have pleasure in presenting the **Thirty First Annual Report** of the Company and the Audited Financial Statement for the year ended **March 31, 2020**.

1.0 Financial summary or highlights/performance of the Company

The financial highlights of the Company are given below:

(In Rs.)

| Particulars | 2019-20 | 2018-19 |
|---|--------------------|--------------------|
| Sales (Net of excise) | 3,398,471,730 | 3,645,782,192 |
| Other Income | 92,254,486 | 44,727,614 |
| Total Revenue | 3,490,726,216 | 3,690,509,806 |
| Less: | | |
| Depreciation | 25,086,599 | 29,776,503 |
| Finance Costs | 17,659,311 | 7,329,001 |
| Expenditure other than depreciation and finance | 3,165,431,107 | 3,271,730,227 |
| Profit before tax | 282,549,199 | 381,674,075 |
| Less: | | |
| Provisions for tax | 74,708,731 | 134,892,882 |
| Profit/ (Loss) for the Year | 207,840,468 | 246,781,193 |

During the year under review, the sales of Company reduced to Rs.3,398,471,730 from Rs.3,645,782,192 in previous year. The reduction in sales by 6.78% was mainly depressed market conditions in the last quarter of financial year 2019-20 due to COVID-19 Pandemic and local sales restrictions due to elections in Daman in April 2019. Due to decrease in sales and increase in the expenditure, finance cost and employee benefits, the resultant profit was Rs.282,549,199 as compared to Rs. 381,674,075 in previous year, resulting in reduction by 25.97%.

2.0 Dividend

With a view to conserve the resources and maintain liquidity, your Board has decided not to recommend any dividend for the financial year 2019-20.

3.0 Reserves

The Board does not propose to carry any amount to General Reserves.

4.0 Brief description of the Company's working during the year/State of Company's affairs

The Company is manufacturing beer of various brands under the license agreement with United Breweries Limited &

Anheuser-Busch InBev India Ltd. (formerly known as SAB Miller), who are the top most market players. Your Company continues to operate under single segment namely beer.

The COVID-19 Pandemic has affected the Company's operations as the last 2 weeks of March and full month of April 2020 was a complete close down of the Company's manufacturing unit. In the last quarter of the year 2019-20, the volume of sales reduced by 25.96% due to COVID-19, which resulted in overall reduction in sales volume for the year 2019-20 by 11.06%. As the lockdown is opening up, the Company's manufacturing activities have started and the company is hoping to cover up the losses and put up good performance.

5.0 Change in the nature of business, if any

There was no change in the nature of business.

6.0 Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report

Covid-19 Pandemic has affected the production of the Company. In the month of April 2020, the factory was completely shut due to nationwide lock-down. Thereafter the factory has started working on limited capacity. The sales during the first quarter of 2020-21 has reduced by 20% which in turn has affected the bottom line as well.

7.0 Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

8.0 Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary/Joint Venture/Associate Companies.

9.0 Auditors

At the 28th Annual General Meeting (AGM) held on 5th August, 2017, M/s. CNK & Associates LLP (Firm's Registration No. 101961W/W-100036), Chartered Accountants, were appointed as the Statutory Auditors of the Company for five (5) consecutive financial years i.e. upto the financial year 2022-2023.

10.0 Auditor's Report

There are no qualifications, reservation or adverse remark or disclaimer made by the Auditors in their report and therefore, there are no further explanations to be provided for in this Report.

11.0 Secretarial Audit Report

The Board of Directors had appointed M/s. VPP & Associates, Practising Company Secretaries to conduct Secretarial Audit for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and the Rules framed there under. The Secretarial Audit Report for the financial year 2019-20 forms part of the Board's Report as **Annexure I**.

The Secretarial Audit Report submitted by M/s. VPP & Associates, Practising Company Secretaries is self-explanatory and no further explanations are required.

12.0 Extract of the Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is available on the Company's website at http://www.khemanigroup.com/investor_corner.html

13.0 Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are as follows:

13.1 Conservation of energy:

13.1.1 the steps taken or impact on conservation of energy:

a) Electrical Energy

- Steps are taken to improve power factor by installing capacitors and AC drives.
- Highly efficient refrigeration system installed that will ensure substantial saving in power.
- Brewing and bottling operations synchronized during lean season to achieve optimal energy consumption.

b) Fuel Oil Consumption

- Heat recovery system installed in the brew house to recover waste heat.
- Low-pressure burners in the boiler replaced with energy efficient burners.
- Steam condensate recovery pumps installed to recover steam condensate from the brew house and washing machine.
- Bio-gas produced at the effluent treatment plant is used in the boiler.

13.1.2 The steps taken by the Company for utilising alternate sources of energy:

While presently the Company is not having any alternate source of energy, but the Company is open to new options.

13.1.3 The capital investment on energy conservation equipments:

Not Applicable

13.2 Technology absorption:

13.2.1 The efforts made towards technology absorption:

Indigenous/Locally available raw materials are utilized to gain maximum advantage.

13.2.2 The benefits derived like product improvement, cost reduction, product development or import substitution;

Utilisation of indigenous raw material has led to cost reduction.

13.2.3 In case of imported technology (imported during the last three years reckoned from the beginning of the financial year);

No technology has been imported by the Company.

13.2.4 The expenditure incurred on Research and Development:

Though presently no expenses are being incurred on Research and Development activity, at the same time, the Company is willing to spend on R&D as and when the opportunities arise.

13.2.5 The Capital expenditure incurred on Water Harvesting System :

The Company has incurred Capital expenditure for Water Harvesting System to increase the water level by collecting the rain water and charging to the wells.

13.3 Foreign exchange earnings and outgo:

The Company concentrates in the domestic market for its products. The efforts are being made to increase exports of our own brand of beer. The foreign exchange earnings and outgo on actual basis during the financial year 2019-20 are as under:

Foreign Exchange Earnings Rs.9,121,941/-

Foreign Exchange Outgo Rs. 41,963,200/-

14.0 Directors and Key Managerial Personnel

14.1 Changes in Directors and Key Managerial Personnel:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Amit Khemani, the Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Apart from the above, there were no changes in the composition of the Board during the year under review.

14.2 Declaration by Independent Directors, if any:

The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013 from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and in the opinion of the Board of Directors, all the Independent Directors fulfill the criteria of independence as provided under the Act and Rules made thereunder.

14.3 Performance evaluation of Board, Committees & Directors:

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors adopted a formal mechanism for evaluating its performance, as also that of its committees and individual Directors.

The results of the reviews were discussed in the Nomination and Remuneration Committee Meeting as well as by the Board. Further, the Independent Directors, at their Meeting, reviewed the performance of the Chairman, Non-Independent Directors and the Board as a whole in respect of the financial year under review. The Board Members' expertise and knowledge from different fields helped during the Board and Committee Meeting deliberations and resulted in better decision making.

15.0 Risk Management Policy and Risk Mitigation

The Company does not have formal Risk Management Policy. However, the Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives.

Risk Management forms an integral part of the Company's planning process which is handled on day to day basis by the Management of the Company. The Audit Committee reviews the process of risk management, from time to time.

16.0 Corporate Governance:

The Company being an Unlisted Public Company, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. However, the Company follows the core principles of Corporate Governance practices i.e. fairness, transparency, accountability and responsibility.

The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to stakeholders' value and its growth. The Board exercises its duties with care, skill, diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfillment. It also directs and exercises appropriate control to ensure that the Company is being managed in a manner that fulfills stakeholders' aspirations.

The Independent Directors abide by the definition of Independent Director as provided under Section 149 of the Companies Act, 2013. The Company inducts eminent individuals from diverse fields as the Directors on its Board. The Nomination and Remuneration Committee works to determine the appropriate characteristics, skill and experience requirement for the Board as a whole and for

individual Directors. The Directors are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company and ability to contribute to the Company's growth.

17.0 Details of establishment of vigil mechanism for Directors and Employees

The Company has, on voluntary basis, established vigil mechanism which provides mechanism to its directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements and to report actual or suspected fraud or violation of the Code of Conduct of the Company.

The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. The Whistle Blower Policy of the Company can be accessed at the Web link: http://www.khemanigroup.com/pdf/others/Blossom-Industries_vigil-mechanism.pdf.

18.0 Details of Committees of the Board

Currently, as per the requirement of the Companies Act, 2013 the Board has 4 (four) Committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules thereunder, are as follows:

18.1 Audit Committee:

The Board has constituted an Audit Committee comprising of Mr. P. R. Barpande, Independent Director as the Chairman of the Committee and Dr. P. Kotaiah, Mr. D. T. Khilnani, Mr. Harsh Vardhan Jajoo and Ms. Lila Poonawalla, Independent Directors as the Members. The recommendations of the Audit Committee are invariably welcomed and accepted by the Board and all the major steps impacting the financials of the Company are undertaken only after consultation with the Audit Committee.

Total Five (5) meetings of the Audit Committee were held during the year 2019-20. The dates of Meetings of the Audit Committees held during the financial year and attendance at the meeting by the Committee Members are given in the table below:

| Name of Directors | Date of Meetings and Presence | | | | |
|-------------------------|-------------------------------|------------|------------|------------|------------|
| | 08.06.2019 | 17.08.2019 | 21.09.2019 | 16.11.2019 | 29.01.2020 |
| Mr. P. R. Barpande | Yes | Yes | No | Yes | Yes |
| Dr. P. Kotaiah | Yes | Yes | Yes | Yes | Yes |
| Mr. D. T. Khilnani | Yes | Yes | Yes | Yes | Yes |
| Mr. Harsh Vardhan Jajoo | Yes | No | No | Yes | Yes |
| Ms. Lila Poonawalla | Yes | Yes | Yes | Yes | Yes |

18.2 Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013. Dr. P. Kotaiah, Independent Director is the Chairman of the said Committee and Dr. S. D. Israni, Ms. Lila Poonawalla, Mr. D. T. Khilnani, Mr. P. R. Barpande and Mr. Harsh Vardhan Jajoo, Independent Directors are the Members of the Committee. The Committee has framed a policy to determine the qualifications and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees. The Nomination & Remuneration Policy of the Company can be accessed at the Web link: <http://www.khemanigroup.com/pdf/policy/Nomination-Remuneration-Policy.pdf>.

The Nomination & Remuneration Committee met once during the financial year 2019-2020 on 8th June 2019 wherein all the 6 members were present.

18.3 Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of Mr. D. T. Khilnani, Independent Director as the Chairman of the Committee and Mr. Amit Khemani, Managing Director and Mr. Vincent Vaz, Whole-time Director-cum-CFO as the Members of the Committee. The role of the Committee is to consider and resolve stakeholders' complaints and to approve/ratify/ note transfer of securities. The meetings of the Committee are held once in a quarter and the complaints received, if any, are responded and transfers are executed within the time frame provided under the Companies Act, 2013. During the year under review, all the requests received from the Members were processed in time and the Company had received 2 complaints during the year and there were no pending complaints as on 31st March 2020.

Four (4) meetings of the Stakeholders' Relationship Committee were held during the year 2019-20. The dates of Meetings of the Stakeholders' Relationship Committees held during the financial year and attendance at the meeting by the Committee Members are given in table below:

| Name of Directors | Date of Meetings and Presence | | | |
|--------------------|-------------------------------|------------|------------|------------|
| | 08.06.2019 | 21.09.2019 | 16.11.2019 | 29.01.2020 |
| Mr. D. T. Khilnani | Yes | Yes | Yes | Yes |
| Mr. Amit Khemani | Yes | Yes | Yes | Yes |
| Mr. Vincent Vaz | Yes | Yes | Yes | Yes |

18.4 Corporate Social Responsibility Committee:

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Corporate Social Responsibility (CSR) Committee comprising of Dr. S. D. Israni as the Chairman and Mr. P. R. Barpande, Dr. P. Kotaiah and Mr. D. T. Khilnani as the Members of the Committee. The details of Meetings of CSR Committee and attendance of the members is as under:

| Name of Directors | Date of Meetings and Presence | | |
|--------------------|-------------------------------|------------|------------|
| | 08.06.2019 | 16.11.2019 | 29.01.2020 |
| Dr. S. D. Israni | Yes | Yes | Yes |
| Mr. P. R. Barpande | Yes | Yes | Yes |
| Dr. P. Kotaiah | Yes | Yes | Yes |
| Mr. D. T. Khilnani | Yes | Yes | Yes |

18.4.1 Corporate Social Responsibility:

The role of the Corporate Social Responsibility Committee of the Board (referred to as the 'CSR Committee'), is to inter alia consider, review, monitor and provide strategic direction to the Company's CSR and sustainability activities towards fulfilling its societal objectives. The Company has a long history of supporting social and community activities viz. welfare centres, associations of blind and cancer patients, education trusts, by associating with Institutions like Lila Poonawalla Foundation, Bulsar District Cricket Association, Blind Organization of India, Mahavir Seva Sadan and Maharashtra Dayanand Society.

With respect to the financial year 2019-20, though the Company was required to spend an amount of Rs. 59,24,500/-, the actual amount spent by the Company towards CSR expenditure was Rs.60,12,000/-. The detailed information to be provided under Section 134(3)(o) and Section 135(2) of the Act read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as **Annexure 2**.

We are also pleased to inform you that the Company's name has been nominated and shortlisted for detailed submission for the National CSR Awards, 2020 by the Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Govt. of India under the category "Corporate Awards for Excellence in CSR – Companies having eligible CSR Spend below Rs.1 crore" for its CSR contribution in 2017-18. The detailed application was submitted to Ministry of Corporate Affairs and the result is awaited.

19.0 Number of meetings of the Board of Directors

The Board of Directors met five (5) times during the financial year. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013. Details of dates of Board meetings and attendance of Directors are as under:

| Name of Directors | Date of Meetings and Presence | | | | |
|-------------------------|-------------------------------|------------|------------|------------|------------|
| | 08.06.2019 | 17.08.2019 | 21.09.2019 | 16.11.2019 | 29.01.2020 |
| Dr. S. D. Israni | Yes | Yes | Yes | Yes | Yes |
| Mr. Amit Khemani | Yes | Yes | Yes | Yes | Yes |
| Mr. D. T. Khilnani | Yes | Yes | Yes | Yes | Yes |
| Mr. Harsh Vardhan Jajoo | Yes | No | No | Yes | Yes |
| Ms. Lila Poonawalla | Yes | Yes | Yes | Yes | Yes |
| Dr. P. Kotaiah | Yes | Yes | Yes | Yes | Yes |
| Mr. P. R. Barpande | Yes | Yes | No | Yes | Yes |
| Mr. Vincent Vaz | Yes | Yes | Yes | Yes | Yes |

20.0 Particulars of loans, guarantees or investments under Section 186

During the year under review, except grant of inter-corporate loan, the Company has not made any investments or provided guarantees or security under Section 186 of the Companies Act, 2013. The details of loan granted is provided in Note no. 12 of the Audited Financial Statement. The details of Investment made in mutual funds during the financial year, which does not fall under the limits prescribed under Section 186 of the Companies Act, 2013, is provided in Note no.13 of the Audited Financial Statement.

The Company proposes to invest its excess funds upto a limit of Rs.500 crores and the Board has proposed the said resolution for approval of members at the ensuing AGM as a special resolution.

21.0 Particulars of contracts or arrangements with related parties

The particulars of contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including material transactions entered at arms' length in accordance with third proviso, in prescribed Form No. AOC - 2 are appended as **Annexure 3** to the Board's Report.

22.0 Directors' Responsibility Statement

As stipulated under clause (c) of sub-section (3) of Section 134 read with sub-section (5) of Section 134 of the Companies Act, 2013, your Directors subscribe to the Directors' Responsibility Statement and state that:

- a) in preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from them;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and 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 the Companies Act, 2013 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; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23.0 Managerial Remuneration

A) Disclosures pertaining to remuneration and other details as required under Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014 are not applicable to the Company as it's an Unlisted Public Limited Company.

B) Remuneration paid to Executive and Non-Executive Independent Directors during the period 2019-20: Refer Form MGT9 available on the website of the Company.

24.0 Market Drivers and Challenges

India is one of the largest beer markets, consuming about 340 million cases per year (at 7.8 litres per case). The growth in consumption of beer is driven by youth population and the consumers who consider beer a trendy drink, as compared to other traditional spirits. There is also a significant demand for premium-imported beer in the urban markets. Companies in this industry compete on the basis of product taste, product availability and their quality. Growth in the sector has also been fuelled by the increasing social acceptability of mild alcohol consumption among youth in the country. The market was expected to register positive CAGR of 5.7% in terms of revenue during the forecasted period FY 2018 – FY 2023.

However, the biggest challenge in 2020 has been the economic impact of COVID-19 pandemic. India's growth in the fourth quarter of the fiscal year 2020 declined to 3.1% according to the Ministry of Statistics. According to the World Bank's assessment, India is expected to grow at 1.5 per cent to 2.8 per cent. Unemployment increased from 6.7% on 15 March to 26% on 19 April and then back down to pre-lockdown levels by mid-June. India's exports in April 2020 fell by -36.65% year-on-year, while imports in April 2020 fell by -47.36% as compared to April 2019.

Unlike distilled spirits, beer has a short shelf life of 12 months, the complete lock down due to Coronavirus pandemic in India has led to negative impact on beer industry. The Company has also faced difficulties due to the lockdown. The total production in terms of quantity was decreased by 19.69% and sales quantity also decreased by 25.96% as compared to previous year. The salary of the employees were temporary realigned by 10% to 50% depending upon their salary structure and attendance. Though with the opening of the lockdown, the production has started and has eased the financial situation of the Company.

25.0 Cost Auditors

In pursuance of provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the Company was not required to appoint Cost Auditor for the financial year 2020-21. However, as a good corporate governance practice, the Board of Directors in their meeting held on 25th July, 2020 appointed Mr. Girikrishna S. Maniar as the Cost Auditor of the Company for the financial year 2020-21 to audit the cost records of the Company. The Board has delegated the power to approve the remuneration of Cost Auditor to the Managing Director in consultation with the Audit Committee.

As the provisions of Section 148 of the Companies Act, 2013 were not applicable to the Company and thus, the Cost Audit Report for the F.Y. 2019-20 was not filed with the Registrar of Companies.

26.0 Internal Financial Control Systems and their Adequacy

The management is responsible for establishing and maintaining adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations.

The Statutory Auditors in their reports on internal financial control have observed that your Company has, in all material respect, all adequate internal financial control system over the financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March, 2020. The Internal Auditor also reviewed the internal control system during the year and have opined about their adequacy and effectiveness of the same.

27.0 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

For the financial year 2019-20, no case of sexual harassment was pending at the beginning, no case was received during the year, so there was no case remaining pending at the close of the year.

28.0 General

Your Directors state that disclosure or reporting is not required in respect of the following items as there were no transactions relating to these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Details relating to Deposits covered under Chapter V of the Act.
- d) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase

of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013).

- e) The Company does not have any Holding Company or Fellow Subsidiary Company thus provision w.r.t. receipt of commission from them is not applicable.
- f) Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company.
- g) Details in respect of frauds reported by Statutory Auditors under Section 143(12) other than those which are reportable to the Central Government.

29.0 Disclosure under the Secretarial Standards

The Company had complied with all the provisions of Secretarial during the year.

30.0 Acknowledgements

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, regulatory authorities, customers, financial institutions, bankers, lenders, vendors and other business associates.

The Directors also recognize and appreciate all the employees for their commitment, commendable efforts, teamwork, professionalism and continued contribution to the growth of the Company

For and on behalf of the Board of Directors

S. D. Israni
Chairman
DIN: 00125532

Date: 25th July 2020
Place: Mumbai

Address: 24, Sukhmani - A, 4th Floor,
Bomanji Petit Road, Warden Road,
Mumbai 400036

ANNEXURE TO THE BOARD'S REPORT**GENERAL SHAREHOLDERS INFORMATION****A) Annual General Meeting:**

| | |
|------------------------------------|---|
| Day, Date, Time & Venue | Monday, the 21 st September, 2020 at 11.00 a.m. through Video Conferencing/Other Audio Visual Means. Registered office shall be deemed to be venue of the meeting. |
| Financial Year | April 1, 2019 – March 31, 2020 |
| Book Closure Date | Monday, 14 th September 2020 to Monday, 21 st September 2020 (both days inclusive) |

B) Registrar & Share Transfer Agent:

M/s. Sharex Dynamic (India) Private Limited of Mumbai is the Registrar & Share Transfer Agent of the Company. For any assistance regarding share transfers, transmissions, change of address, dematerialization, duplicate/missing share certificates and other relevant matters, please write to the Registrar & Share Transfer Agent of the Company, at the address given below:

M/S. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED

C 101, 247 Park, L B S Marg,
Vikhroli - West, Mumbai – 400 083
Tel No: 2851 5606, 2851 5644
Fax No: 2851 2885
Email: support@sharexindia.com

C) Share Transfer System:

All matters pertaining to Share Transfer are being handled by M/s. Sharex Dynamic (India) Private Limited. The Share Transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval. The average time taken for processing Share Transfer requests including dispatch of Share Certificates is less than 30 days, while it takes a minimum of 15 days for processing dematerialization requests. The Company's representatives visit the office of the Registrar & Share Transfer Agents to monitor, supervise and ensure that there are no delays or lapses in the system.

D) Dematerialization of Shares and Liquidity:

The Company has connectivity with Central Depository Services (India) Limited and National Securities Depository Limited

Plant Locations:

The Company has manufacturing plant situated at
Village Jani Vankad, Nani Daman, Daman - 396 210. (U.T.)
Tel: (0260) 6687800
E-mail: blossom@bildaman.com

Address for correspondence**Registered Office**

Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.)
Tel: (0260) 6687800
E-mail: blossom@bildaman.com

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,
Blossom Industries Limited
CIN: U31200DD1989PLC003122
Village Jani Vankad,
Nani Daman- 396 210 (U.T.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Blossom Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our 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:

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

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; (Not applicable to the Company as it is an Unlisted Public Limited Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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 (Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (Not applicable to the Company as it is an Unlisted Public Limited Company)
 - (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, 2015;
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) And the following industry specific laws and regulations for breweries industry, as informed and confirmed by the Audit Committee of the Company:

- (a) Food Safety and Standards Act, 2006
- (b) Food Safety and Standards (Laboratory and Sampling Analysis) Regulation, 2011
- (c) Food Safety and Standards (Packaging and Labelling) Regulation, 2011
- (d) Food Safety And Standards (Licensing and Registration of Food Businesses), Regulations 2011

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company (Not applicable to the Company as it is an Unlisted Public Limited Company)

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the 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.

All the decisions were carried out unanimously during the year under review, however, as confirmed by the management, mechanism to capture and record the dissenting members' views as a part of the minutes, exist.

We 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.

We further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares / debentures/sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger /amalgamation /reconstruction etc.
- (iv) Foreign technical collaborations.

For **VPP & Associates**
Practicing Company Secretaries

Date: **25th July, 2020**
Place: **Mumbai**

Pooja Jain
Partner
C.P. No.: **9136**;
Membership No.: **F8160**
UDIN: **F008160B000511773**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



Annexure A

To,
The Members,
Blossom Industries Limited
Village Jani Vankad,
Nani Daman - 396 210 (U.T.)

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures 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. Owing to lockdown due to COVID-19 pandemic, we could not undertake physical audit of the documents and have relied on the scanned copies and management representation provided by the management.

For **VPP & Associates**
Practicing Company Secretaries

Date: **25th July, 2020**
Place: **Mumbai**

Pooja Jain
Partner
C.P No.: **9136**;
Membership No.: **F8160**

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:** The Company's CSR Policy is framed for the benefit of different segments of the society, specifically the deprived, under privileged and differently-abled persons. The Policy is available on the Company's website i.e. http://www.khemanigroup.com/about_khemani.html
2. **Composition of the CSR Committee:** The Committee comprises of the following Independent Directors:
 - a. Dr. S. D. Israni : Chairman
 - b. Mr. P. R. Barpande : Member
 - c. Dr. P. Kotaiah : Member
 - d. Mr. D. T. Khilnani : Member
3. **Average net profit of the company for last three financial years:** Rs.29,62,25,024/-
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs.59,24,500/- constitutes 2% of the amount in item 3 above.
5. **Details of CSR spent during the financial year.**
 - (a) **Total amount to be spent for the financial year:** Rs. 60,00,000/- (initial budget approved by the Board)
 - (b) **Amount unspent, if any:** NIL
 - (c) **Manner in which the amount spent during the financial year is detailed below:**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|--|--|---|--|---|--|---|
| S. No | CSR project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise (in Rs.) | Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in Rs.) | Cumulative expenditure upto to the reporting period (in Rs.) | Amount spent : Direct or through implementing agency* |
| 1 | Furnishing of Dormitories - Under the Sparsh Pradhanmantri Yojna | Sch VII (ii) – Livelihood enhancement projects | Daman | 3,00,000 | 3,00,000 | 3,00,000 | Directly |
| 2 | COVID-19 | Sch VII(i) – Preventive health care and sanitation | Daman | 60,00,000 | 57,12,000 | 57,12,000 | Directly |
| 3 | | | | | | | |
| 4 | | | | | | | |
| | TOTAL | | | | 60,12,000 | | |

*Give details of the implementing agency.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:** N.A.
7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:** We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Amit Khemani
Managing Director
DIN: 00057283
Address: Devka, Plot no.6,
 Nani Daman – 396210

Date: 25th July 2020
Place: Daman

S. D. Israni
Chairman of CSR Committee
DIN: 00125532
Address: 24, Sukhmani – A, 4th Floor,
 Bomanji Petit Road, Warden Road, Mumbai - 400036

Date: 25th July 2020
Place: Mumbai

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

| Sr. no. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any |
|---------|--|---|---|---|---|
| 1 | K. H. Khemani & Sons, Amit Khemani, Managing Director's relative is a partner in the said firm | Sale of Beer | 1.4.2019 to 31.3.2020 | Sale of Beer 15 days credit Rs.1,660,206,701/- | N.A. Approval of shareholders was obtained in the AGM held on 29 th August 2015 for a period of 5 years. Noting for the same was taken at every Audit Committee and Board Meeting. |

For and on behalf of the Board of Directors

S. D. Israni

Chairman

DIN: 00125532

Address: 24, Sukhmani - A, 4th Floor,

Bomanji Petit Road, Warden Road, Mumbai 400036

Date: 25th July 2020

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BLOSSOM INDUSTRIES LIMITED

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Blossom Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. On account of inability to conduct physical verification of inventory as on 31st March, 2020 owing to the lockdown restrictions imposed by the Government, we have relied on details as compiled by the management based on the physical verification conducted by them on 30th June, 2020 and related adjustments, to confirm the existence and condition of inventory at the year-end;
5. The Company is in the process of reconciling balances of some parties on account of trade receivables, trade payables and loans and advances, some of which are subject to confirmation and consequent reconciliation, if any. The management does not expect any material adjustments arising from the same.
6. We draw attention to Note 26 (i) relating to contingent liability with reference to statutory liabilities. The Company is hopeful of favourable outcome. In case of adverse outcome – the Company claims the same would be reimbursed by its principals.

Our opinion is not modified in respect of these matters.

Other information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report.
8. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

10. The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.
11. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. 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.
17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and to the best of the information and explanation 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.
20. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

31ST ANNUAL REPORT 2019-20

- 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representation received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 26 (i) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For C N K & Associates LLP

Chartered Accountants

(Firm Registration Number: 101961W / W-100036)

H. V. Kishnadwala

Partner

Membership No.: 037391

UDIN: 20037391AAAADV8547

Date: 25th July, 2020

Place: Mumbai

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Blossom Industries Limited ("the Company") on the financial statements as of and for the year ended March 31, 2020]

On the basis of such checks as considered appropriate and in terms of the information and explanation furnished to us, we state as under:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) During the year the property, plant and equipment have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, the title deeds of immovable properties, other than self-constructed buildings, included in fixed assets are held in the name of the Company
- (ii) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancy was noticed on such verification by the management as compared to book records.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;
- (iv) According to the information and explanation given to us, with respect to loan granted during the year, the provisions of section 186 have been complied with. Except for the same, the Company has not granted any loans, made investments or provided guarantees in respect of which the provisions of section 185 or section 186 of the Act are applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits to which the provisions of Sections 73 to 76 of the Act would apply.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under section 148(1) of the Act in respect of the Company's product and are of the opinion that *prima-facie*, the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the same with a view to determining whether they are accurate or complete.
- (vii) (a) The Company has been regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. Also refer Note 26 (i) (d) to the Financial Statements.
- (b) According to the information and explanation given to us, there are no dues which have not been deposited by the Company on account of disputes except for the following:

| Name of the Statute | Nature of dues | Forum where dispute is pending | Year to which the amount relates | Amount (Rs.) |
|---|-----------------------|---|----------------------------------|--------------|
| Finance Act, 1994 (Refer note 26.1(i)(b) to the financial statements) | Service Tax | Supreme Court | 2009-10 to 2012-13 | 109,379,535 |
| Bihar Value Added Tax Act, 2005 | Value Added Tax | Commissioner of Commercial Taxes, Bihar | 2011-12 | 2,417,099 |
| Income Tax Act, 1961 | Income Tax | Dy Commissioner of Income Tax –(TDS) Circle | 2010-11 to 2016-17 | 10,04,128 |
| Central Goods and Services Tax Act, 2017 | Goods and Service Tax | High Court, Bombay | 2017-18 to 2019-20 | 19,37,95,646 |

- (viii) The Company has not defaulted in repayment of loan to a financial institution. It has not borrowed any amount from bank or government and there are no dues to debenture holders.
- (ix) The term loan raised by the Company has been applied for the purpose for which the same is raised. The Company has not raised moneys by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

31ST ANNUAL REPORT 2019-20

- (xi) The managerial remuneration paid by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion the Company is not a nidhi company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements, as required by the applicable Accounting Standard;
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures hence, the reporting requirements under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For C N K & Associates LLP

Chartered Accountants

(Firm Registration Number: 101961W / W-100036)

H. V. Kishnadwala

Partner

Membership No.: 037391

UDIN: 20037391AAAADV8547

Date: 25th July, 2020

Place: Mumbai

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Blossom Industries Limited on the financial statements as of and for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to financial statements of Blossom Industries 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 controls with reference financial statements 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 ('the Guidance Note') issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements 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.

For C N K & Associates LLP

Chartered Accountants

(Firm Registration Number: 101961W / W-100036)

H. V. Kishnadwala

Partner

Membership No.: 037391

UDIN: 20037391AAAADV8547

Date: 25th July, 2020

Place: Mumbai

Balance sheet as at 31st March, 2020

| | Note No. | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|----------|--------------------------------|--------------------------------|
| A EQUITY AND LIABILITIES | | | |
| I Shareholders' funds | | | |
| (a) Share capital | 3 | 110,675,100 | 110,675,100 |
| (b) Reserves and surplus | 4 | 1,316,459,518 | 1,108,619,050 |
| | | 1,427,134,618 | 1,219,294,150 |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowing | 5 | 1,150,000,000 | - |
| (b) Other long-term liabilities | 6 | 17,272,611 | 10,821,411 |
| (c) Long-term provisions | 7 | 2,687,864 | 2,544,142 |
| | | 1,169,960,475 | 13,365,553 |
| 3 Current liabilities | | | |
| (a) Trade payables | | | |
| i) Dues to micro and small enterprises | | 6,726,847 | 27,374,405 |
| ii) Others | | 325,911,288 | 706,976,713 |
| (b) Other current liabilities | 8 | 635,228,152 | 437,465,214 |
| (c) Short-term provisions | 9 | 4,963,871 | 3,372,102 |
| | | 972,830,158 | 1,175,188,434 |
| TOTAL | | 3,569,925,251 | 2,407,848,137 |
| B ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, Plant and Equipment | | | |
| (i) Tangible assets | 10 | 243,783,556 | 255,240,231 |
| (ii) Intangible assets | 10 | 525,208 | - |
| (iii) Capital Work-in-Progress | | 9,493,668 | - |
| (iv) Intangible assets under development | | 2,852,842 | - |
| | | 256,655,274 | 255,240,231 |
| (b) Deferred tax assets | | 8,500,018 | 14,099,437 |
| (c) Non Current Investments | 11 | - | 173,000,000 |
| (d) Long-term loans and advances | 12 | 1,366,507,353 | 170,427,787 |
| | | 1,631,662,645 | 612,767,455 |
| 2 Current assets | | | |
| (a) Current Investments | 13 | 1,249,274,201 | 104,504,751 |
| (b) Inventories | 14 | 347,372,692 | 273,675,737 |
| (c) Trade receivables | 15 | 178,949,308 | 703,587,659 |
| (d) Cash and bank balances | 16 | 64,542,796 | 617,829,658 |
| (e) Short-term loans and advances | 17 | 97,692,933 | 73,620,481 |
| (f) Other current assets | 18 | 430,676 | 21,862,396 |
| | | 1,938,262,606 | 1,795,080,682 |
| TOTAL | | 3,569,925,251 | 2,407,848,137 |
| See accompanying notes forming part of the financial statements | 1 to 29 | | |

In terms of our report attached.
For CNK & Associates LLP
Chartered Accountants

For and on behalf of the Board

H.V.Kishnadwala
(Partner)
Membership No : 037391

Dr. S.D.Israni
Chairman
(DIN : 00125532)

Amit Khemani
Managing Director
(DIN : 00057283)

Vincent Vaz
Whole-time Director
and Chief Financial Officer
(DIN : 02067875)

H.L. Thakkar
Company Secretary
(Mem No:A7898)

Place : Mumbai
Date : 25 July, 2020

Place : Mumbai
Date : 25 July, 2020

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

| Particulars | | Note No. | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|-------------|--|----------|---|---|
| 1 | Revenue from operations (gross) | 19 | 5,165,484,881 | 5,737,552,133 |
| | Less : Excise duty | | 1,767,013,151 | 2,091,769,941 |
| | Revenue from operations (net) | | 3,398,471,730 | 3,645,782,192 |
| 2 | Other income | 20 | 92,254,486 | 44,727,614 |
| 3 | Total Revenue (1 + 2) | | 3,490,726,216 | 3,690,509,806 |
| 4 | Expenses: | | | |
| | (a) Cost of materials consumed | 21 | 543,316,404 | 549,930,861 |
| | (b) Changes in inventories of finished goods and work-in-progress | 22 | (10,718,629) | (4,552,288) |
| | (c) Employee benefits expense | 23 | 108,859,128 | 100,867,467 |
| | (d) Finance costs | 24 | 17,659,311 | 7,329,001 |
| | (e) Depreciation and amortisation expense | 10 | 25,086,599 | 29,776,503 |
| | (f) Other expenses | 25 | 2,523,974,204 | 2,625,484,187 |
| | Total expenses | | 3,208,177,017 | 3,308,835,731 |
| 5 | Profit before tax (3 - 4) | | 282,549,199 | 381,674,075 |
| 6 | Tax expense: | | | |
| | (a) Current tax | | 69,000,000 | 131,000,000 |
| | (b) Deferred tax | | 5,599,419 | 4,271,999 |
| | (c) Short/(Excess) provision of tax relating to prior years | | 109,312 | (379,117) |
| | | | 74,708,731 | 134,892,882 |
| 7 | Profit for the year (5 - 6) | | 207,840,468 | 246,781,193 |
| 8 | Earnings per share (of Rs. 3/- each): | | | |
| | Basic and diluted | | 5.63 | 6.69 |
| | See accompanying notes forming part of the financial statements | I to 29 | | |

In terms of our report attached.
For CNK & Associates LLP
Chartered Accountants

H.V.Kishnadwala
(Partner)
Membership No : 037391

For and on behalf of the Board

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Vincent Vaz
Whole-time Director
and Chief Financial Officer
(DIN : 02067875)

Amit Khemani
Managing Director
(DIN : 00057283)

H.L. Thakkar
Company Secretary
(Mem No:A7898)

Place : Mumbai
Date : 25 July, 2020

Place : Mumbai
Date : 25 July, 2020

Cash flow statement for the period ended 31st March, 2020

| | Particulars | Year Ended 31 March, 2020 | | Year Ended 31 March, 2019 | |
|-----------|---|------------------------------|----------------------|------------------------------|---------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| | Profit before tax | | 282,549,199 | | 381,674,075 |
| | Adjusting for : | | | | |
| | Depreciation and amortisation | 25,086,599 | | 29,776,503 | |
| | Finance cost | 17,659,311 | | - | |
| | Interest income | (54,351,941) | | (33,522,748) | |
| | Profit on sale / discard of fixed assets (Net) | (43,719) | | - | |
| | Profit on sale of investments | (37,858,706) | | (8,586,147) | |
| | Sundry credit balances written back | (120) | (49,508,576) | (163,271) | (12,495,663) |
| | Operating profit before working capital changes | | 233,040,623 | | 369,178,412 |
| | Changes in working capital: | | | | |
| | Adjustments for (increase) / decrease in operating assets: | | | | |
| | Inventories | (73,696,955) | | (43,709,524) | |
| | Trade receivables | 524,638,351 | | (308,135,972) | |
| | Fixed Deposits | 566,631,110 | | (209,858,760) | |
| | Short-term loans and advances | (24,072,453) | | (22,281,707) | |
| | Long-term loans and advances | (1,171,049,092) | | (33,705,076) | |
| | Other current assets | 21,431,720 | | - | |
| | | | (156,117,319) | | (617,691,038) |
| | Adjustments for increase / (decrease) in operating liabilities: | | | | |
| | Trade payables | (401,712,863) | | 358,289,220 | |
| | Other current liabilities | 96,920,082 | | 3,385,390 | |
| | Other long-term liabilities | 6,451,200 | | 10,655,759 | |
| | Short-term provisions | 1,591,769 | | 5,650,152 | |
| | Long-term provisions | 143,722 | | (1,171,022) | |
| | | | (296,606,090) | | 376,809,499 |
| | Net Cash from Operations | | (219,682,786) | | 128,296,873 |
| | Net income tax (paid) | | (81,649,037) | | (137,351,651) |
| | Net cash flow from operating activities (A) | | (301,331,823) | | (9,054,778) |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| | Capital expenditure on fixed assets, including capital advances | (38,152,077) | | (17,910,321) | |
| | Proceeds on disposal of fixed assets | 46,261 | | 1,306,788 | |
| | Purchase of Investment in Mutual fund | (1,689,269,619) | | (326,000,000) | |
| | Proceeds from sale of Investment in Mutual Fund | 755,358,876 | | 281,718,883 | |
| | Interest received | 54,351,941 | | 27,420,126 | |
| | Net cash flow from/(used in) investing activities (B) | | (917,664,619) | | (33,464,524) |

31ST ANNUAL REPORT 2019-20

| Particulars | Year Ended 31 March, 2020 | | Year Ended 31 March, 2019 | |
|--|------------------------------|----------------------|------------------------------|---------------------|
| | | | | |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | | | |
| Payment of Interest | (17,659,311) | | - | |
| Procees from borrowings - term loan | 1,250,000,000 | | - | |
| Proceeds from borrowings - Inter corporate deposit from related party | 150,000,000 | | - | |
| Repayment of borrowings- Inter corporate deposit from related party | (150,000,000) | | - | |
| Net cash flow (used in) financing activities (C) | | 1,232,340,689 | | - |
| Net (Decrease) / Increase in Cash and Cash Equivalents (A+B) | | 13,344,248 | | (42,519,302) |
| Cash and Cash Equivalents (Opening balance) | | 47,140,939 | | 89,660,241 |
| Cash and Cash Equivalents (Closing balance) | | 60,485,187 | | 47,140,939 |
| Cash and cash equivalents at the end of the year * | | | | |
| * Comprises: | | | | |
| Cash on hand | | 37,923 | | 188,994 |
| Balances with banks : | | | | |
| In current accounts | | 60,447,264 | | 46,951,945 |
| Total | | 13,344,248 | | (42,519,302) |
| See accompanying notes forming part of the financial statements | | | | |

In terms of our report attached.
For CNK & Associates LLP
Chartered Accountants

H.V.Kishnadwala
(Partner)
Membership No : 037391

Place : Mumbai
Date : 25 July, 2020

For and on behalf of the Board

Dr. S.D.Israni
Chairman
(DIN : 00125532)

Vincent Vaz
Whole-time Director
and Chief Financial Officer
(DIN : 02067875)

Place : Mumbai
Date : 25 July, 2020

Amit Khemani
Managing Director
(DIN : 00057283)

H.L. Thakkar
Company Secretary
(Mem No:A7898)

1) Company information: -

Blossom Industries Limited (“the Company”) was incorporated on 10 August, 1989 under the Companies Act, 1956. The registered office of the Company is located at Village Jani Vankad, Nani Daman – 396 210 (U.T.). The Company is into the business of manufacture and sale of Beer. The manufacturing plant is located at Daman.

2) Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 (“the Act”) as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates:

The preparation of the financial statements requires the Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the judgments, estimates and assumptions used in preparation of the financial statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Future results could differ on account of the same and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Property, Plant and Equipments:

Property, Plant and Equipments are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of Property, Plant and Equipments comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant and Equipments up to the date the asset is ready for its intended use. They are stated at historical cost or amounts substituted on revaluation. Individual items of Property, Plant and Equipments costing Rs. 25,000 or less are expensed in the year of acquisition.

Property, Plant and Equipments retired from active use and held for disposal are stated at lower of their book value and realizable value and are shown separately under ‘Other current assets’.

The Company had revalued freehold land that existed on 1st April, 2000. Increase in the net book value on such revaluation is credited to Revaluation reserve. The revaluation was based on a valuation made by an independent valuer in the year 1999-2000.

Capital work-in-progress:

Property, Plant and Equipments which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.4 Intangible Assets:

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of asset can be measured reliably. Intangible Assets are stated at cost of acquisition less accumulated amortisation.

2.5 Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation on Plant and Machinery and Office Equipment is provided on written down value basis and on all other items of Property, Plant and Equipments, on straight line method basis, as per the useful life prescribed in Schedule II to the Act except in the case of :

Vehicles (two wheelers) where the useful life is considered as equal to five years.

Depreciation on assets retired from active use is provided up to the date of such retirement.

Land acquired on lease and classified as finance lease is amortised over the lease period.

Intangible assets consisting of Computer software is amortised over a period of 5 years.

2.6 Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.7 Borrowing Cost:

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing cost are charged to revenue.

2.8 Inventories:

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Costs of inventories comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost of stores and spares, raw materials, packing material, work-in-progress and finished goods is determined on first in first out basis.

2.9 Revenue Recognition:

- a. Sale of goods: Revenue on sale of products is recognized when the products are dispatched to the customers, all significant contractual obligations (including risk and rewards) have been satisfied and the collection of the resulting receivables is reasonably expected. Sales include excise duty but exclude value added tax and Goods and Service tax, as applicable.
- b. Export incentives: Export Incentive is accounted for when the right to receive the same is established and when there is no significant uncertainty regarding the ultimate collection of export proceeds.

Export benefit in the form of duty saved on cost of material purchased is recognised as reduction from material consumption when the advance license is used for the purchase of material and there is no significant uncertainty regarding the fulfilment of export obligation attached to it. The amount of duty saved is treated as contingent liability and disclosed as such till the export obligation is met.
- c. Other Income: Investment income i.e. gain or loss on investment is recognised as and when investment is sold or redeemed. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.
- d. Revenue from sale of scrap is recognized as and when scrap is sold.

2.10 Employee Benefits:

a) Defined Contribution Plan:

The Company's contribution paid/payable for the year to define contribution plans are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined Benefit Plan:

The Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent of benefits are vested, otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

c) Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive, ex-gratia and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

d) Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the define benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.11 Foreign Currency Transactions:

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.12 Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-current investments.

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reason for the reduction no longer exists.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

2.13 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised in the financial statements nor disclosed in the financial statements.

2.14 Lease Rentals:

The Lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease agreement.

Finance leases:-

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payment made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

In case of land acquired on long term lease (i.e. beyond a period of 15 years), the same is considered as finance lease.

Operating leases:-

Other leases are operating leases, and the leased assets are not recognized on the Company's Balance Sheet. Payments made under operating leases are recognized in statement of profit and loss on a straight-line basis as per the terms of the lease agreement.

2.15 Income Taxes:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates under the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the Balance Sheet date when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax, which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

2.17 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Note 3 Share capital

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---------------------------------------|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | Rupees | Number of shares | Rupees |
| Authorised | | | | |
| Equity shares of Rs.3/- each | 50,000,000 | 150,000,000 | 50,000,000 | 150,000,000 |
| Issued, Subscribed and paid up | | | | |
| Equity shares of Rs.3/- each | 36,891,700 | 110,675,100 | 36,891,700 | 110,675,100 |
| Total | 36,891,700 | 110,675,100 | 36,891,700 | 110,675,100 |

(i) During the current year there is no change in the equity share capital of the Company.

(ii) Terms/ Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs 3 per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

| Name of shareholder | As at 31 March, 2020 | | As at 31 March, 2019 | |
|------------------------|----------------------|-------|----------------------|-------|
| | Number of shares | % | Number of shares | % |
| Harsha Amit Khemani | 4,565,500 | 12.38 | 4,565,500 | 12.38 |
| Amit Ashok Khemani | 4,566,500 | 12.38 | 4,566,500 | 12.38 |
| Laju Ashok Khemani | 4,565,600 | 12.38 | 4,565,600 | 12.38 |
| Vivek Suresh Khemani | 4,565,500 | 12.38 | 4,565,500 | 12.38 |
| Usha Suresh Khemani | 4,565,600 | 12.38 | 4,565,600 | 12.38 |
| Suresh K. Khemani-HUF | 4,000,000 | 10.84 | 4,000,000 | 10.84 |
| Ashok K. Khemani HUF | 4,000,000 | 10.84 | 4,000,000 | 10.84 |
| Ashok Kewalram Khemani | 3,355,000 | 9.09 | 3,340,900 | 9.06 |

Note 4 Reserves and surplus

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|--------------------------------|--------------------------------|
| Capital Reserve | | |
| Opening balance / Closing balance | 1,041,500 | 1,041,500 |
| General Reserve | | |
| Opening balance / Closing balance | 600,000,000 | 600,000,000 |
| Revaluation Reserve | | |
| Opening balance / Closing balance | 4,580,746 | 4,580,746 |
| Surplus in Statement of Profit and Loss | | |
| Opening balance | 502,996,804 | 256,215,611 |
| Add : Profit for the year | 207,840,468 | 246,781,193 |
| Closing balance | 710,837,272 | 502,996,804 |
| Total | 1,316,459,518 | 1,108,619,050 |

Capital Reserve :

Balance in Capital reserve is accreted out of the amount paid on forfeited equity shares. The balance is not available for distribution as dividend and is utilised in accordance with the provisions of the Act.

General Reserve :

General Reserve is the portion of earnings of the Company appropriated by the management for a general purpose. The balance is available for distribution as dividend.

Revaluation Reserve :

Revaluation reserve was created in the year 1999-2000 on the revaluation of freehold land. The balance is not available for distribution as dividend.

Note 5 Long-term Borrowing

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|-------------------------|-----------------------------------|-----------------------------------|
| Secured Loan : | | |
| Term Loan - From Others | 1,150,000,000 | - |
| Total | 1,150,000,000 | - |

Note :-

Term loan from Axis Finance Limited is secured by first exclusive charge on the entire movables and immovable properties, current as well as future, of the Company and personal guarantees of the Managing Director and one of his relatives, by way of primary security; and pledge cover of the entire stake of the promoters in the Company by way of collateral security. Rate of interest 12% p.a. (to be re-set annually on the basis of State bank of India MCLR rate) payable quarterly. Loan is repayable in 8 years in 32 quarterly installments, amount of each instalment increasing at pre-determined interval, from Rs. 250 lakhs to Rs. 550 lakhs.

Note 6 Other long-term liabilities

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|-------------------------|-----------------------------------|-----------------------------------|
| Advances from employees | 103,011 | 103,011 |
| Lease rental payables | 17,169,600 | 10,718,400 |
| Total | 17,272,611 | 10,821,411 |

Note 7 Long-term provisions

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Provision for employee benefits: | | |
| Provision for compensated absences | 2,687,864 | 2,544,142 |
| Total | 2,687,864 | 2,544,142 |

Note 8 Other current liabilities

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Current maturities of long term debts | 100,000,000 | - |
| Statutory liabilities: | | |
| Tax deducted at source | 51,299,384 | 39,786,657 |
| Excise duty | 27,208,060 | 40,093,005 |
| VAT and CST on sales | 35,625,081 | 15,777,197 |
| Goods & Service Tax | 2,083,762 | 5,316,549 |
| Others | 1,951,374 | 488,512 |
| Employee related payments | 4,712,128 | 4,401,884 |
| Director's Remuneration payable | 16,330,954 | 21,577,474 |
| Advance from employees | - | 46,261 |
| Trade / security deposits received | 900,000 | 900,000 |
| Advances from customers | 344,028,664 | 269,154,257 |
| Payable for purchase of fixed assets | 1,014,404 | 171,548 |
| Others | 50,074,341 | 39,751,870 |
| Total | 635,228,152 | 437,465,214 |

Note 9 Short-term provisions

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Provision for employee benefits: | | |
| Provision for compensated absences | 268,377 | 116,783 |
| Provision for gratuity | 1,275,056 | - |
| Provision for Bonus and Exgratia | 3,420,438 | 3,255,319 |
| Total | 4,963,871 | 3,372,102 |

Note - 10 - Property, Plant and Equipment

(Rupees)

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block | |
|---|--|---------------------|---------------------------|--------------------------------|---|-------------------|----------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Opening Balance as at 1 April 2019 | Additions | Deductions/ Adjustment | Balance as at 31 March 2020 | Opening Balance as at 1 April, 2019 | For the year | Deduction | Balance as at 31 March 2020 | Balance as at 31 March 2020 | Balance as at 31 March 2019 |
| A Tangible Assets | | | | | | | | | | |
| Land (Freehold) (See Note 1 below) | 14,403,354* | - | - | 14,403,354 | - | - | - | - | 14,403,354 | 14,403,354 |
| | <i>14,771,754 *</i> | - | 368,400 | <i>14,403,354</i> | - | - | - | - | <i>14,403,354</i> | <i>14,771,754</i> |
| Land (Lease hold) (See Note 2 below) | 12,632,400 | 7,603,200 | - | 20,235,600 | 350,900 | 440,400 | - | 791,300 | 19,444,300 | 12,281,500 |
| | - | <i>12,632,400 *</i> | - | <i>12,632,400</i> | - | 350,900 | - | 350,900 | <i>12,281,500</i> | - |
| Buildings | 341,609,117 | 318,600 | - | 341,927,717 | 157,319,858 | 9,967,676 | - | 167,287,534 | 174,640,183 | 184,289,259 |
| | <i>340,440,917</i> | <i>1,168,200</i> | - | <i>341,609,117</i> | <i>147,372,886</i> | <i>9,946,972</i> | - | <i>157,319,858</i> | <i>184,289,259</i> | <i>193,068,031</i> |
| Plant and Equipments (See Note 3 below) | 1,200,467,696 | 1,083,627 | - | 1,201,551,323 | 1,166,695,911 | 11,407,744 | - | 1,178,103,655 | 23,447,668 | 33,771,785 |
| | <i>1,197,798,688</i> | <i>3,594,219</i> | <i>925,211</i> | <i>1,200,467,696</i> | <i>1,150,530,882</i> | <i>16,165,029</i> | - | <i>1,166,695,911</i> | <i>33,771,785</i> | <i>47,267,806</i> |
| Office Equipments | 6,590,547 | 147,332 | 77,292 | 6,660,587 | 5,920,494 | 336,108 | 74,750 | 6,181,852 | 478,735 | 670,053 |
| | <i>6,549,127</i> | <i>94,550</i> | <i>53,130</i> | <i>6,590,547</i> | <i>5,477,899</i> | <i>482,548</i> | <i>39,953</i> | <i>5,920,494</i> | <i>670,053</i> | <i>1,071,228</i> |
| Furniture and Fixtures | 21,913,089 | - | - | 21,913,089 | 21,193,767 | 199,373 | - | 21,393,140 | 519,949 | 719,322 |
| | <i>21,913,089</i> | - | - | <i>21,913,089</i> | <i>20,874,671</i> | <i>319,096</i> | - | <i>21,193,767</i> | <i>719,322</i> | <i>1,038,418</i> |
| Vehicles | 19,351,259 | 2,994,385 | 184,699 | 22,160,945 | 10,323,498 | 2,538,599 | 184,699 | 12,677,398 | 9,483,547 | 9,027,761 |
| | <i>19,581,540</i> | <i>196,661</i> | <i>426,942</i> | <i>19,351,259</i> | <i>8,328,719</i> | <i>2,421,721</i> | <i>426,942</i> | <i>10,323,498</i> | <i>9,027,761</i> | <i>11,252,821</i> |
| Computer Equipments | 3,948,362 | 1,411,090 | 36,500 | 5,322,952 | 3,871,165 | 122,467 | 36,500 | 3,957,132 | 1,365,820 | 77,197 |
| | <i>3,948,362</i> | - | - | <i>3,948,362</i> | <i>3,780,928</i> | <i>90,237</i> | - | <i>3,871,165</i> | <i>77,197</i> | <i>167,434</i> |
| Tangible Assets - Total | 1,620,915,824 | 13,558,234 | 298,491 | 1,634,175,567 | 1,365,675,593 | 25,012,367 | 295,949 | 1,390,392,011 | 243,783,556 | 255,240,231 |
| <i>Previous Year</i> | <i>1,605,003,477</i> | <i>17,686,030</i> | <i>1,773,683</i> | <i>1,620,915,824</i> | <i>1,336,365,985</i> | <i>29,776,503</i> | <i>466,895</i> | <i>1,365,675,593</i> | <i>255,240,231</i> | <i>268,637,492</i> |
| B Intangible Assets | | | | | | | | | | |
| Computer software | - | 599,440 | - | 599,440 | - | 74,232 | - | 74,232 | 525,208 | - |
| | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets - Total | - | 599,440 | - | 599,440 | - | 74,232 | - | 74,232 | 525,208 | - |
| <i>Previous Year</i> | - | - | - | - | - | - | - | - | - | - |
| Total - (a+b) | 1,620,915,824 | 14,157,674 | 298,491 | 1,634,775,007 | 1,365,675,593 | 25,086,599 | 295,949 | 1,390,466,243 | 244,308,764 | 255,240,231 |
| <i>Previous Year</i> | <i>1,605,003,477</i> | <i>17,686,030</i> | <i>1,773,683</i> | <i>1,620,915,824</i> | <i>1,336,365,985</i> | <i>29,776,503</i> | <i>466,895</i> | <i>1,365,675,593</i> | <i>255,240,231</i> | <i>268,637,492</i> |

Notes:

- Includes increase in value of Land (freehold) Rs. 4,580,746 consequent to revaluation as per approved valuer's report in the year 1999-2000.
- Land acquired on lease for a period of 33 years is capitalised at value equal to lease rent payable for the lease period and the same is amortised over the lease period.
- Reduction in previous year is on account of discount / price adjustment in the acquisition cost of the plant and equipment.
- Figures in *italics* are in respect of previous year.

Note 11 Non Current Investments

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|-----------------------------------|-----------------------------------|
| Non Trade Invesements (Unquoted) | | |
| Investment in Mutual Funds :- | | |
| Aditya Birla Sun Life Credit Risk Fund (Formerly known as Aditya Birla Sun Life Corporate Bond Fund) - Gr. Regular (Nil units at 31 March 2020, Previous Year - 2,135,657 units) | - | 25,000,000 |
| Axis Dynamic Equity Fund -Growth (Nil units at 31 March 2020, Previous Year - Rs.1,672,662 units) | - | 18,000,000 |
| Reliance Strategic Debt Fund-Growth Plan (Nil units at 31 March 2020 , Previous Year - 2,504,334 units) | - | 32,500,000 |
| HDFC Credit Risk Debt Fund (HDFC Coprorate Debt Opportunities Fund) - Regular Plan - Growth (Nil units at 31 March 2020 , Previous Year 1,424,237 units) | - | 20,000,000 |
| HDFC Equity Saving Fund - Regular Plan-Growth (Nil units at 31 March 2020, Previous Year 286,673 units) | - | 10,000,000 |
| ICICI Prudential Balance Advantage Fund Growth (Nil units at 31 March 2020 , Previous Year - 788,225) | - | 25,000,000 |
| IDFC Credit Risk Fund (Formerly known as IDFC Credit Opportunities Fund) -Regular Plan - Growth (Nil units at 31 March 2020 , Previous Year - 1,436,479 units) | - | 15,000,000 |
| IDFC Dynamic Equity Fund Regular Plan -Growth (Nil units at 31 March 2020 , Previous Year - 1,079,969 units) | - | 14,000,000 |
| SBI Credit Risk Fund (Formerly known as SBI Corporate Bond Fund) Regular Plan - Growth (Nil units at 31 March 2020 , Previous Year - 496,766 units) | - | 13,500,000 |
| Total | - | 173,000,000 |
| Net Asset Value of above Invements as at year end | - | 189,892,926 |

Note 12 Long-term loans and advances - (Unsecured, considered good)

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|-----------------------------------|-----------------------------------|
| Capital advances | 12,490,749 | - |
| Security deposits | 10,786,420 | 10,938,400 |
| Tender deposits | 4,258,318 | 4,258,318 |
| Other deposits | 5,471,104 | 5,471,104 |
| Loans and advances to employees | 120,000 | 249,600 |
| Prepaid expenses | 964,196 | 941,674 |
| Inter corporate loan | 1,129,000,000 | - |
| Interest accrued on Inter coporate loan | 14,461,230 | - |
| Advance income tax (Net of provisions - Rs. 294,228,925/-, 31st March, 2019 Rs.325,072,650/-) | 31,883,898 | 19,344,173 |
| Balances with government authorities : | | |
| Service tax paid under protest* | 89,507,477 | 89,507,477 |
| VAT paid under protest* | 2,573,306 | 2,573,306 |
| GST on Production overheads paid under protest* | 64,881,655 | 37,034,735 |
| Tax paid under protest | 109,000 | 109,000 |
| Total | 1,366,507,353 | 170,427,787 |

*Represents amount recoverable from one of the Brand owner.

Note 13 Current Investments

(as cost or fair value, whichever is lower)

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Non Trade Invesements (Unquoted) | | |
| In Mutual Fund :- | | |
| Aditya Birla Sun Life Low Duration Fund (Formerly known as Aditya Birla Sun Life Cash Manager) Growth Regular Plan (Nil units at 31 March, 2020, Previous Year - 238,380 units) | - | 104,504,751 |
| Axis Liquid Fund-Direct- Growth (570,289 units at 31 March, 2020, Previous Year - Nil units) (Refer note below) | 1,249,190,000 | - |
| Axis Mutual Fund-Liquid Fund A/c (38 units at 31 March, 2020, Previous Year - Nil units) | 84,201 | |
| Total | 1,249,274,201 | 104,504,751 |
| Net Asset Value of above Invements as at year end | 1,257,193,926 | 107,137,958 |

Note :-

The loan funds received from Axis Finance Limited (AFL) have been invested in this fund pending completion of all the conditions precedent to the use of such funds. AFL has a lien marked on the said units until the completion of all conditions precedent.

Note 14 Inventories

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|-----------------------------------|-----------------------------------|
| Raw materials (including stock with third party Rs.53,273,525/-, As at 31st March 2019 Rs. 50,146,147/-) | 92,243,970 | 57,548,593 |
| Work-in-Progress | 29,686,579 | 24,853,621 |
| Finished goods | 102,046,500 | 109,046,199 |
| Stores and spares | 36,636,134 | 35,084,676 |
| Packing materials (including goods in transit Rs.25,668,503/- , As at 31st March 2019 Rs.Nil) | 86,759,509 | 47,142,648 |
| Total | 347,372,692 | 273,675,737 |

Note 15 Trade receivables (Unsecured)

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Outstanding for a period exceeding six months from the due date | | |
| Considered good | 793,295 | 206,168 |
| Considered Doubtful | 836,577 | 836,577 |
| | 1,629,872 | 1,042,745 |
| Less : Provision for doubtful trade receivables | (836,577) | (836,577) |
| Total | 793,295 | 206,168 |
| Other trade receivables | | |
| Considered good | 178,156,013 | 703,381,491 |
| Total | 178,949,308 | 703,587,659 |

Note 16 Cash and bank balances

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--------------------------------------|-----------------------------------|-----------------------------------|
| (a) Cash and cash equivalents | | |
| (i) Cash on hand | 37,923 | 188,994 |
| (ii) Balances with banks : | | |
| In current accounts | 60,447,264 | 46,951,945 |
| | 60,485,187 | 47,140,939 |
| (b) Other Bank balances | | |
| (i) Margin money with banks | 4,057,609 | 2,717,613 |
| (ii) In Deposit Accounts | - | 567,971,106 |
| | 4,057,609 | 570,688,719 |
| Total | 64,542,796 | 617,829,658 |

Note 17 Short-term loans and advances (Unsecured, considered good)

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Loans and advances to employees | 683,289 | 1,132,423 |
| Prepaid expenses | 7,602,491 | 4,146,830 |
| Advance to suppliers | 10,519,278 | 3,624,709 |
| Balances with government authorities : | | |
| Excise duty | 62,410,005 | 51,710,125 |
| Import fees | 9,668,580 | 11,625,600 |
| Others | 6,809,290 | 1,380,794 |
| Total | 97,692,933 | 73,620,481 |

Note 18 Other current assets

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|------------------------------|-----------------------------------|-----------------------------------|
| Interest accrued on deposits | 430,676 | 21,862,396 |
| Total | 430,676 | 21,862,396 |

Note - 19 Revenue from Operations

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|--|---|---|
| Sale of products (Refer Note (i) below) | 5,116,392,009 | 5,660,929,379 |
| Other operating revenues (Refer Note (ii) below) | 49,092,872 | 76,622,754 |
| Total | 5,165,484,881 | 5,737,552,133 |
| Less : | | |
| Excise Duty | 1,767,013,151 | 2,091,769,941 |
| Total | 3,398,471,730 | 3,645,782,192 |

Notes:

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|--|--|--|
| (i) Sale of products comprises : | | |
| <u>Manufactured goods</u> | | |
| Beer | 5,116,392,009 | 5,660,929,379 |
| Total - Sale of manufactured products | 5,116,392,009 | 5,660,929,379 |
| (ii) Other operating revenues comprises : | | |
| Sale of scrap | 28,063,382 | 32,522,754 |
| Compensation for Volume Commitment | 21,016,346 | 44,100,000 |
| Export incentives | 13,144 | - |
| Total - Other operating revenues | 49,092,872 | 76,622,754 |

Note 20 Other Income

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|---|--|--|
| Interest Income:- | | |
| on banks deposits | 37,770,351 | 33,011,056 |
| on inter corporate loan | 16,068,033 | - |
| on security deposit | 513,557 | 511,692 |
| | 54,351,941 | 33,522,748 |
| Profit on sale of fixed assets (Net) | 43,719 | 148,800 |
| Sundry credit balance written back (Net) | 120 | 163,271 |
| Profit on sale of mutual funds | 37,858,706 | 8,586,147 |
| Compensation received against damaged goods | - | 2,306,648 |
| Total Other income | 92,254,486 | 44,727,614 |

Note 21 Cost of materials consumed

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|--|--|--|
| Opening Stock | 57,548,593 | 58,894,018 |
| Add : Purchases | 578,011,781 | 548,585,436 |
| Less : Closing Stock | 92,243,970 | 57,548,593 |
| Cost of material consumed | 543,316,404 | 549,930,861 |
| Raw material consumed comprises : | | |
| (i) Malt | 285,204,391 | 289,521,413 |
| (ii) Rice broken/flakes | 133,239,335 | 132,284,737 |
| (iii) Sugar | 30,712,144 | 35,645,685 |
| (iv) Others | 94,160,534 | 92,479,026 |
| Total | 543,316,404 | 549,930,861 |

31ST ANNUAL REPORT 2019-20

Note 22 Changes in inventories of finished goods and work-in-progress

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|---|--|--|
| Inventories at the end of the year:- | | |
| Finished goods | 102,046,500 | 109,046,199 |
| Work-in-progress | 29,686,579 | 24,853,621 |
| Total | 131,733,079 | 133,899,820 |
| Inventories at the beginning of the year:- | | |
| Finished goods | 109,046,199 | 83,360,593 |
| Work-in-progress | 24,853,621 | 20,551,427 |
| Total | 133,899,820 | 103,912,020 |
| Add / (Less) Adjustment for Excise Duty on Stock | 12,885,370 | (25,435,512) |
| Net decrease / (increase) | (10,718,629) | (4,552,288) |

* Net of value of stock destroyed Rs. 19,045,970, loss on account of which was recovered.

Note 23 Employee benefits expense

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|---|--|--|
| Salaries and wages | 97,460,093 | 92,867,328 |
| Contribution to provident and other funds | 5,896,208 | 3,958,929 |
| Gratuity expenses | 2,570,160 | 669,889 |
| * Net of Actuarial Loss Rs. 1,520,565/- (Previous year gain Rs.458,095/-) | | |
| Staff welfare expenses | 2,932,667 | 3,371,321 |
| Total | 108,859,128 | 100,867,467 |

Note 24 Finance Cost

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|------------------------------|--|--|
| Interest expenses:- | | |
| on borrowings | 16,849,315 | - |
| on inter corporate deposits | 786,885 | - |
| on payment of statutory dues | 23,111 | 7,329,001 |
| Total | 17,659,311 | 7,329,001 |

Note 25 Other expenses

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|---|--|--|
| Packing material consumed (net of amount recovered Rs.Nil , Previous year Rs.2,797,694) | 1,343,208,119 | 1,464,406,825 |
| Consumption of stores and spares | 30,801,848 | 46,836,274 |
| Contract labour charges - Manufacturing | 18,955,539 | 19,195,665 |
| Security, Housekeeping and others | 15,147,640 | 15,076,190 |
| Power and fuel | 106,829,230 | 115,173,506 |
| Repairs and maintenance - Buildings | 11,938,874 | 15,856,945 |
| Repairs and maintenance - Machinery | 18,926,641 | 19,745,124 |
| Repairs and maintenance - Others | 1,064,394 | 1,399,147 |
| Insurance | 2,844,168 | 2,530,043 |
| Brand Owner's Surplus / License fees | 548,548,051 | 560,291,989 |
| Director's sitting fees | 3,186,000 | 1,416,000 |
| Rent | 1,477,750 | 607,177 |
| Rates , taxes, duties , fees etc. | 88,331,307 | 93,163,666 |
| Communication | 1,820,442 | 1,525,634 |
| Travelling and conveyance | 8,159,106 | 4,438,678 |
| Legal and professional fees (Refer Note below) | 38,755,100 | 9,289,980 |
| Advertisement and publicity | 18,553,002 | 16,845,509 |
| Carriage outward | 149,430,483 | 166,810,580 |
| Loading charges | 10,253,285 | 10,936,301 |
| Commission on Sales | 15,484,165 | 15,735,692 |
| Cash discount | 10,984,630 | 17,199,165 |
| Corporate Social Responsibility Expenditure | 6,012,000 | 5,000,000 |
| Donation (Refer Note 28.4) | 20,337,744 | 1,183,500 |
| Net loss on foreign currency transaction and translation | 1,619,852 | 85,351 |
| Miscellaneous expenses | 51,304,834 | 20,735,246 |
| Total | 2,523,974,204 | 2,625,484,187 |

Notes (i)

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|---|--|--|
| Legal and Professional fees Includes payment to the auditors as under: (excluding service tax/Gst): | | |
| As auditors - statutory audit | 1,750,000 | 1,550,000 |
| For Tax Audit | 350,000 | 250,000 |
| Out of pocket expenses | 53,356 | 55,395 |
| Total | 2,153,356 | 1,855,395 |

26 Contingent liabilities and commitments:

(i) Contingent liabilities :

- a)
1. Claims against the Company not acknowledged as debts Rs. 11,426,140/- (Previous year Rs. 11,426,140/-) comprises of Rs. 5,433,865/- (Previous year Rs. 5,433,865/-) towards indirect tax demands and Rs. 5,992,275/- (Previous year Rs. 5,992,275/-) towards claims from vendors. Against such demands, Rs. 2,573,306/- (Previous Year Rs. 2,573,306/-) is deposited with the Sales tax authorities under protest and Rs. 5,471,104/- (Previous Year Rs. 5,471,104/-) is deposited with the High Court receiver respectively.

II. Income tax demands not acknowledged as debt ₹1,274,128/- (Previous year ₹588,506/-). The tax demand is raised under section 201 (I) of the Income Tax Act, 1961. ₹270,000/- (P.Y. 109,000/-) is deposited with the Income tax authorities against the demand. Appeals against the said demands have been filed with the Income tax Appellate Tribunal.

- b) Following an amendment to the definition of 'business auxiliary services' by the Finance Act, 2009, the Company became liable to pay service tax on production of goods not covered under Central Excise Act, 1944 for or on behalf of others. The Company, along with others in the Industry, has filed a petition challenging the validity of this levy in the Hon'ble High Court of Bombay, for which hearing is pending. In the meanwhile, the Company received show cause-cum-demand notices demanding payment of service tax for the period from 23 September, 2009 to 30 June, 2012 aggregating Rs. 286,030,616 (excluding interest and penalty) in an earlier year, against which the Company deposited Rs. 209,402,036 (including interest Rs. 32,750,955) under protest while filing an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

On 1 September, 2015, the CESTAT pronounced an Order confirming the liability of service tax under Business Auxiliary Services on charges received for production or processing of goods for or on behalf of client on which central excise is not applicable. While the Order giving effect to this pronouncement is awaited, the Company determined the liability of Rs. 160,057,421 (including interest Rs.30,821,963) based on the order of the CESTAT. The sum of Rs. 209,402,036 paid under protest as above is appropriated / considered by the Company as amount paid against the said liability of Rs. 160,057,421. The same has been confirmed by the brand owner. The balanced sum of Rs. 4,93,44,615, out of the amount paid under protest, is shown under long term loans and advances.

During the financial year 2016-17, the Central Excise authorities filed an appeal against the Order of the CESTAT dated 1 September, 2015 before the Hon'ble Supreme Court in respect of which the hearing proceedings are yet to be initiated. Based on the advice from its service tax consultant and those of the brand owners, the Company is hopeful of a favourable Order from the Hon'ble Supreme Court and accordingly, no adjustment in the financial statements is considered necessary at this stage.

- c) The Company has received Show cause notice ('SCN') from Directorate General of Goods & Service Tax Intelligence, Bengaluru. (. As per the SCN Service tax of ₹45,336,500 is sought to be levied on amounts received by the Company as reimbursements of expenses towards water charges, electricity charges, fuel charges, administrative charges, selling and distribution expenses, etc. during the period from 01 June 2015 to 30 June 2017. On account of the prevailing pandemic condition the Company has sought time to file its explanation. As per the contract with its principal the Company is entitled to reimbursement if eventually the liability crystalize. Accordingly, it is not deemed necessary to provide for the liability in the books of accounts of the Company.
- d) During the year the Company has received Demand Notice from Directorate General of Goods and Service Tax Intelligence for payment of Goods and Service tax (GST) of ₹193,795,646 on the production overhead charges received from United Breweries Ltd. ('UBL') during the period from 01 July 2017 to 31 Jan 2020. Against the said demand, the Company has initiated the process of filing writ petition before the Hon'ble Bombay High Court.

With respect to GST liability on production overhead charges, UBL has obtained Advance Ruling on 28.06.2019 ('AR') from the Authority for Advance Ruling, Karnataka. As per the AR obtained by UBL, the contract brewing / bottling units are not engaged in supply of service, hence it is not liable to pay GST.

Accordingly, and as advised by UBL, the Company is not paying GST for the period 01 July 2017 to 31 March 2020, estimated at Rs.204,275,751 (Previous year Rs. 13,32,03,607). In case, the Company incurs the liability, UBL has agreed to reimburse the Company if and when the liability to pay GST is levied, including interest for delayed payment of GST. Accordingly, in the view of the Company, there is no liability accruing to the Company and hence no provision is made for the same.

(ii) Commitments :-

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 42,828,452 | Nil |
| Estimated amount of obligation on account of non fulfillment of export commitments under various Advance Licences | 683,158 | Nil |

(iii) The Company's pending litigations comprise of claims against the Company by the parties and proceedings pending with Revenue authorities. The Company has reviewed all its pending litigation and proceedings and has adequately provided for where provisions are required or disclosed as the Contingent Liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have materially adverse effects on its financial results.

27 Disclosure in accordance with Accounting Standards :

27.1 Accounting Standard (AS) 15 – Employee Benefits:

Defined Contribution Plan:

Contribution to Defined Contribution Plan recognized as an expense for the year is as under:

(Amount in Rupees)

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident fund | 5,896,208 | 3,958,929 |

Defined Benefit Plan: Gratuity

The employees Gratuity Fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method.

a) Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|-----------------------------------|-----------------------------------|
| Liability at the Beginning of the Year | 13,854,215 | 12,517,492 |
| Interest Cost | 1,079,243 | 980,120 |
| Current Service Cost | 1,145,205 | 1,039,734 |
| Past Service Cost –Vested Benefit | - | - |
| Benefits Paid | (283,561) | (137,980) |
| Actuarial (gain)/Loss on obligations – Due to change in Financial Assumption | 1,347,085 | 57,583 |
| Actuarial (gain)/Loss on obligations – Due to change in Demographic Assumption | (58,605) | Nil |
| Actuarial (gain)/Loss on obligations – Due to Experience | 84,731 | (602,734) |
| Liability at the end of the Year | 17,168,313 | 13,854,215 |

b) Reconciliation of Opening and Closing Balances of fair value of Plan assets:

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|-----------------------------------|-----------------------------------|
| Fair value of Plan Assets at the beginning of the Year | 15,081,548 | 11,390,423 |
| Expected Return on Plan Assets | 1,174,853 | 891,870 |
| Contributions | 67,771 | 3,024,291 |
| Benefits paid | (283,561) | (137,980) |
| Actuarial Gain / (loss) on Plan Assets due to Experience | (147,354) | (87,056) |
| Fair value of Plan Assets at the end of the Year | 15,893,257 | 15,081,548 |

c) Reconciliation of fair value of plan assets and obligations:

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---|-----------------------------------|-----------------------------------|
| Liability at the end of the Year | 17,168,313 | 13,854,215 |
| Fair value of Plan Assets at the end of the year | 15,893,257 | 15,081,548 |
| Plan assets / (Obligation) recognized in the Balance Sheet | (1,275,056) | 1,227,333 |

Cash outflow on account of contribution for F.Y.2019-20 is expected to be higher by Rs.1,275,056/- (Previous year lower by Rs. 1,227,333/-)

31ST ANNUAL REPORT 2019-20

d) Expense recognized during the year.

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|--|--|--|
| Current Service Cost | 1,145,205 | 1,039,734 |
| Past Service Cost – Vested Benefit | - | - |
| Interest Cost | 1,079,243 | 980,120 |
| Expected Return on Plan Assets | (1,174,853) | (891,870) |
| Actuarial (Gain) or Loss | 1,520,565 | (458,095) |
| Expense recognized in Profit and Loss | 2,570,160 | 669,889 |

e) Actual Return on Planned Assets :

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Expected Return on Plan Assets | 1,174,853 | 891,870 |
| Actuarial Gain/ (Loss) on Plan Assets | (147,354) | (87,056) |
| Actual Return on Plan Assets | 1,027,499 | 804,814 |

f) Investment Details:

| Particulars | % Invested As at 31 March, 2020 | % Invested As at 31 March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Fund is managed by LIC of India as per IRDA guidelines, category wise composition of the plan assets is not available. | 100% | 100% |

g) Actuarial Assumptions:

| Particulars | As at 31 March, 2020 | As at 31 March, 2019 |
|---|-------------------------|-------------------------|
| Mortality Table- Indian Assured Lives Mortality | 2006-08 (Std) | 2006-08 (Std) |
| Discount Rate (per annum) | 6.83% | 7.79% |
| Expected Return on Plan Assets | 6.83% | 7.79% |
| Rate of escalation in salary (per annum) | 8.00% | 8.00% |
| Attrition rate | 4.00% | 2.00% |

h) Experience Adjustments:

| Particulars | 31-3-2020 Amount Rs. | 31-3-2019 Amount Rs. | 31-3-2018 Amount Rs. | 31-3-2017 Amount Rs. | 31-3-2016 Amount Rs. |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Defined Benefit Obligation | 17,168,313 | 13,854,215 | 12,517,492 | 12,133,474 | 9,139,442 |
| Fair Value of Plan Assets | 15,893,257 | 15,081,548 | 11,390,423 | 9,372,171 | 7,991,043 |
| Surplus/(Deficit) | (1,275,056) | 1,227,333 | (1,127,069) | (2,761,303) | (1,148,399) |
| Experience Adjustment on Plan Assets –Gain / (Loss) | (147,354) | (87,056) | (29,449) | (80,050) | (13,238) |
| Experience Adjustment on Plan Liabilities (Gain) / Loss | 84,731 | (602,734) | (724,028) | 398,745 | 135,138 |

The estimates in the rates of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from the actuary.

Other Long Term Employees Benefit

Based on actuarial valuation carried out using the projected unit credit method, for the year ended 31 March 2020, there is a charge on account of the Compensated Absences of Rs. 599,804/- (Previous year gain of Rs. 1,073,971/-).

27.2 Accounting Standard (AS) – 17 – Segment Reporting:

a) Primary Segment – Business Segment:

The principal business of the Company is of “Manufacture and Sale of Beer”. Accordingly, there is only one primary reportable business segment as defined by Accounting Standard 17 – “Segment Reporting” (AS 17) as notified by the Companies (Accounting Standards) Rules, 2006.

b) Secondary Segment – Geographical Segment:

The Company mainly sales in the domestic market though there are few export sales, but as revenue from export sales doesn’t constitute 10% or more of the total revenue, the same is not identified as a reportable segment. Hence, there is only a single reportable geographical segment the information of which is disclosed in the financial statements.

27.3 Accounting Standard (AS) 18 - Related Party Disclosures:

a) List of Related parties and Relationships

| Sr. No. | Names of Related parties | Nature of Relationship |
|---------|--------------------------------------|--|
| 1 | Mr. Amit A. Khemani | Key Management Personnel (KMP) |
| 2 | Mr. Vincent Vaz | |
| 3 | Mr. Ashok K. Khemani | |
| 4 | Mr. Suresh K. Khemani | Promoters directly or indirectly holding more than 20% stake |
| 5 | Dr. S.D. Israni | Chairman and Independent Director |
| 6 | Mr. D.T. Khilnani | Independent Directors |
| 7 | Ms. Lila Poonawala | |
| 8 | Dr. P. Kotaiah | |
| 9 | Mr. P.R. Barpande | |
| 10 | Mr. Harsh Vardhan Jajoo | |
| 11 | Khemani Distilleries Private Limited | Entities where individuals i.e. Key Management Personnel, Promoters and their relatives have Control and / or significant Influence and with whom transactions have taken place during the year. |
| 12 | K.H.Khemani & Sons. | |
| 13 | Kamla Kewalram Khemani Foundation | |
| 14 | Hariraj Cosmetics | |
| 15 | Perfunova International Limited | |
| 16 | Can Pack India Private Limited | |

Note : Related parties have been identified by the management.

b) Transactions with Related parties

| | | Amount in Rupees | | |
|---|--|--|------------------------------|---|
| | Particulars | Key Management Personnel and Independent Directors | Promoters | Other related parties where control/ significant influence exists |
| 1 | Remuneration paid to Managing Director - Mr. Amit Khemani Whole time Director-cum-CFO- Mr. Vincent Vaz | 20,826,720 (20,293,000) 7,149,576 (8,433,576) | Nil (Nil) Nil (Nil) | Nil (Nil) Nil (Nil) |
| 2 | Reimbursement of expenses incurred by Mr.Amit Khemani on behalf of the Company | 2,831,782 (1,881,205) | Nil (Nil) | Nil (Nil) |

31ST ANNUAL REPORT 2019-20

| | Particulars | Key Management Personnel and Independent Directors | Promoters | Other related parties where control/ significant influence exists |
|----------------------------|---|--|------------------------------|---|
| 3 | Sales to M/s.K.H.Khemani & Sons | Nil (Nil) | Nil (Nil) | 1,660,206,701 (2,011,033,694) |
| 4 | Reimbursement of expense paid to K.H.Khemani & Sons | Nil (Nil) | Nil (Nil) | 37,808,779 (30,869,077) |
| 5 | Donation paid to Kamla Kewalram Khemani Foundation | Nil (Nil) | Nil (Nil) | 100,000 (Nil) |
| 6 | Loan received from Khemani Distilleries Private Limited | Nil (Nil) | Nil (Nil) | 150,000,000 (Nil) |
| 7 | Loan repaid along with interest to Khemani Distilleries Private Limited | Nil (Nil) | Nil (Nil) | 150,786,885 (Nil) |
| 8 | Purchases w.r.t. Corporate Social Responsibility and Factory expenses from Perfunova International Limited | Nil (Nil) | Nil (Nil) | 5,736,780 (Nil) |
| 9 | Purchase from Can Pack India Private Limited | Nil (Nil) | Nil (Nil) | 419,069,246 (536,265,845) |
| 10 | Sales of Scrap to Can Pack India Private Limited | Nil (Nil) | Nil (Nil) | 2,447,363 (3,872,616) |
| 11 | Advance to Supplier - Hariraj Cosmetics and refund of advance | Nil (Nil) | Nil (Nil) | 5,711,200 (Nil) |
| 12 | Sitting Fees and Commission to Mr. S.D. Israni | 9,62,000 (8,76,000) | Nil (Nil) | Nil (Nil) |
| 13 | Sitting Fees and Commission to Mr. D.T. Khilnani | 9,62,000 (8,76,000) | Nil (Nil) | Nil (Nil) |
| 14 | Sitting Fees and Commission to Ms. Lila Poonawala | 9,62,000 (8,76,000) | Nil (Nil) | Nil (Nil) |
| 15 | Sitting Fees and Commission to Dr. P. Kotaiah | 9,62,000 (8,76,000) | Nil (Nil) | Nil (Nil) |
| 16 | Sitting Fees and Commission to Mr. P. R. Barpande | 8,62,000 (8,76,000) | Nil (Nil) | Nil (Nil) |
| 17 | Sitting Fees and Commission to Mr. Harsh Vardhan Jajoo | 7,62,000 (8,76,000) | Nil (Nil) | Nil (Nil) |
| Year end Balances : | | | | |
| 1 | Remuneration payable to Managing Director – Mr.Amit Khemani Whole time Director-cum-CFO- Mr. Vincent Vaz | 10,093,600 (12,516,000) 2,964,394 (4,273,394) | Nil (Nil) Nil (Nil) | Nil (Nil) Nil (Nil) |
| 2 | Reimbursement of expenses payable to Managing Director- Mr.Amit Khemani | 32,847 (Nil) | Nil (Nil) | Nil (Nil) |
| 3 | Reimbursement of expenses payable to Whole time Director-cum-CFO Mr.Vincent Vaz | 11,500 (11,500) | Nil (Nil) | Nil (Nil) |
| 4 | Advance received from Mr.Vincent Vaz-Whole Time Director | 2,000 (2,000) | Nil (Nil) | Nil (Nil) |
| 5 | Advance from / (to) M/s K. H. Khemani & Sons outstanding | Nil (Nil) | Nil (Nil) | 77,860,210 (29,64,821) |
| 6 | Payable to Perfunova International Limited | Nil (Nil) | Nil (Nil) | 24,780 (Nil) |
| 7 | Payable to Can Pack India Private Limited | Nil (Nil) | Nil (Nil) | 20,895,081 (105,165,948) |

| | Particulars | Key Management Personnel and Independent Directors | Promoters | Other related parties where control/ significant influence exists |
|----|--|--|--------------|---|
| 8 | Receivable from Can Pack India Private Limited | Nil (Nil) | Nil (Nil) | 363,753 (230,509) |
| 9 | Commission Payable to Dr. S.D. Israni | 4,62,000 (6,76,000) | Nil (Nil) | Nil (Nil) |
| 10 | Commission Payable to Mr.D.T. Khilnani | 4,62,000 (6,76,000) | Nil (Nil) | Nil (Nil) |
| 11 | Commission Payable to Ms. Lila Poonawala | 4,62,000 (6,76,000) | Nil (Nil) | Nil (Nil) |
| 12 | Commission Payable to Dr. P. Kotaiah | 4,62,000 (6,76,000) | Nil (Nil) | Nil (Nil) |
| 13 | Commission Payable to Mr. P. R. Barpande | 4,62,000 (6,76,000) | Nil (Nil) | Nil (Nil) |
| 14 | Commission Payable to Mr. Harsh Vardhan Jajoo | 4,62,000 (6,76,000) | Nil (Nil) | Nil (Nil) |

Note: Comparative figures for the previous year have been given in brackets.

c) No amount was written off / back during the year in respect of dues from or to related parties.

27.4 Accounting Standard (AS) 19 - Leases:

The Company has taken Shop under operating lease for the period of 5 (Five) years

The lease rental recognised as expenses in the Statement of Profit and Loss during the year and the future minimum lease payments are as under:

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|-----------------------------------|-----------------------------------|
| i. Lease expenses recognized in the Statement of Profit and Loss | 136,150 | 129,675 |
| Lease payable within one year | 142,965 | 136,150 |
| Later than one year and not later than five years | 213,930 | 356,895 |
| Later than five years | Nil | Nil |
| ii. Significant leasing arrangements | - | - |
| The Company has paid refundable interest free security deposit of Rs. 50,000/- under this agreement | | |

27.5 Accounting Standard (AS) 20 – Earning Per Share (EPS):

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|--|-----------------------------------|-----------------------------------|
| A | Net Profit after tax as per profit and loss account (in Rupees) | 207,840,468 | 246,781,193 |
| B | Weighted average number of equity shares outstanding (Nos.) - Basic and diluted | 36,891,700 | 36,891,700 |
| C | Nominal value per equity share (in Rupees) | 3 | 3 |
| D | Earnings per share (in Rupees) - Basic and diluted | 5.63 | 6.69 |

27.6 Accounting Standard (AS) 22 – Accounting for Taxes on Income:

(a) **Current Tax:**

The provision for Current Tax for the year is made in accordance with the provisions of the Income Tax Act, 1961.

(b) **Deferred Tax:**

The breakup of the Deferred tax Asset/Liability is as under:

| Particulars | As at 31 March, 2020 Rupees | As at 31 March, 2019 Rupees |
|--|-----------------------------------|-----------------------------------|
| Deferred Tax Liability | - | - |
| Deferred Tax Asset: | | |
| Depreciation | 6,489,119 | 12,310,285 |
| Provision for Doubtful Debts | 210,550 | 292,333 |
| Liabilities allowable on payment basis | 1,800,349 | 1,496,819 |
| Total Deferred Tax Asset | 8,500,018 | 14,099,437 |
| Net Deferred Tax Asset | 8,500,018 | 14,099,437 |

28 Other Disclosures :

28.1 Corporate Social Responsibility Reserve:-

Based on the recommendation of the Corporate Social Responsibility Committee, the Board sets aside such amount, out of the profits of the Company, to be spent on Corporate Social Responsibility activities, to the extent there is short fall in the spending towards Corporate Social Responsibility.

The year in which the Company incurs expenditure towards Corporate Social Responsibility activities, the amount equal to the sum of expenditure so incurred or the balance in the fund, whichever is lower, is transferred to balance in Statement of Profit and Loss.

28.2 Corporate Social Responsibility expenditure:

- a) As required by the Companies Act, 2013 and the rules thereunder, amount required to be spent toward Corporate Social Responsibility amounts to Rs. 5,924,500/- (2019: Rs. 4,899,218/-).
- b) Amount spent during the year:

| | Particulars | F.Y. 2019-20 | F.Y. 2018-19 |
|------|---|--------------|--------------|
| (i) | Construction / acquisition of any asset | - | - |
| (ii) | On purpose other than (i) above | 6,012,000 | 5,000,000 |

28.3 Details of loans and advances given covered under section 186(4) of the Act:

Loans and Advances:

| Name of the Party | Opening balance | Addition | Deduction | Closing Balance |
|--|-----------------|---------------|-----------|-----------------|
| Shree Naman Developers Private Limited | - | 1,143,461,230 | - | 1,143,461,230 |
| Note: Above loan is given for business purpose. | | | | |

28.4 Donation includes Rs.20,000,000/- made to a political party through electoral bonds during the year.

28.5 Value of imports on CIF basis:

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|-------------------|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| Raw Materials | 2,387,768 | Nil |
| Packing Materials | 111,551,895 | Nil |
| Stores & Spares | 13,323,205 | 16,207,215 |

28.6 Details of consumption of imported and indigenous items:

| Particulars | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | |
|--------------------------|--------------------------------------|----------------|--------------------------------------|----------------|
| | Rupees | % | Rupees | % |
| Raw Materials | | | | |
| Imported | 4,25,009 | 0.08% | - | - |
| Indigenous | 542,891,395 | 99.92% | 549,930,861 | 100.00% |
| Total | 543,316,404 | 100.00% | 549,930,861 | 100.00% |
| Packing Materials | | | | |
| Imported | 84,748,105 | 6.31% | - | - |
| Indigenous | 1,258,460,014 | 93.69% | 1,464,406,825 | 100.00% |
| Total | 1,343,208,119 | 100.00% | 1,464,406,825 | 100.00% |
| Stores and Spares | | | | |
| Imported | 11,255,170 | 36.54% | 26,859,259 | 57.35% |
| Indigenous | 19,546,678 | 63.46% | 19,977,015 | 42.65% |
| Total | 3,0801,848 | 100.00% | 46,836,274 | 100.00% |

28.7 Earnings in Foreign Exchange (on accrual basis):

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|--------------------------------|--|--|
| Export of Goods on F.O.B Value | 8,867,736 | Nil |

28.8 Expenditure in Foreign Currency (on accrual basis):

| Particulars | For the year ended 31 March, 2020 Rupees | For the year ended 31 March, 2019 Rupees |
|--------------------------------|--|--|
| Repairs to Plant and Machinery | 285,415 | 380,232 |
| Others | 5,694,296 | 821,995 |

28.9 The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as at 31 March, 2020 are as under:

Amount payable in foreign currency on account of the following:

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | Amount in Rupees | Amount in foreign currency (USD) | Amount in Rupees | Amount in foreign currency (USD) |
| Import of Empty Cans with Ends (Packing Material) | 43,432,775 | 578,316 | Nil | Nil |
| Provision for Packing Material (In Transit) | 21,739,652 | 289,468 | Nil | Nil |

31ST ANNUAL REPORT 2019-20

28.10 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSME Act'), to the extent of information available with the Company, determined on the basis of intimation received from suppliers regarding their status are as follows:

| Particulars | | 2019-20 Rupees | 2018-19 Rupees |
|-------------|---|-------------------|-------------------|
| A | Principal amount remaining unpaid as on 31 March | 6,726,847 | 27,374,405 |
| B | Interest due thereon remaining unpaid to any supplier as on 31 March | - | - |
| C | Interest paid by the Company in terms of Section 16 the supplier beyond the appointed day during the year. | - | - |
| D | The amount of interest due and payable for the year | - | - |
| E | Interest accrued and remaining unpaid as at 31 March | - | - |
| F | Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | - | - |

Notes:

- Delays in payments due to disputes/negotiations with vendor are not considered for the purpose of disclosures above;
- Interest payable under the MSME Act recoverable from the Principals is not disclosed above.

29 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.
For CNK & Associates LLP
Chartered Accountants

H.V.Kishnadwala
(Partner)
Membership No : 037391

Place : Mumbai
Date : 25 July, 2020

For and on behalf of the Board

Dr. S.D.Israni
Chairman
(DIN : 00125532)

Vincent Vaz
Whole-time Director
and Chief Financial Officer
(DIN : 02067875)

Place : Mumbai
Date : 25 July, 2020

Amit Khemani
Managing Director
(DIN : 00057283)

H.L. Thakkar
Company Secretary
(Mem No:A7898)

Courier

If undelivered, please return to:

BLOSSOM INDUSTRIES LIMITED

Village Jani Vankad,
Nani Daman,
Daman – 396 210 (U.T.)