

**Industries Limited**

**THIRTIETH ANNUAL REPORT  
2018-2019**



# BLOSSOM

Industries Limited

30<sup>th</sup> Annual Report 2018 -19

## 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

## AUDITOR

**M/s. CNK & Associates LLP**

Chartered Accountants,  
Mumbai

## SECRETARIAL AUDITOR

**M/s. VPP & Associates**

Practicing Company Secretaries,  
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

## COST AUDITOR

**Mr. Girikrishna Maniar**

Cost Accountant,  
Mumbai

## REGISTERED OFFICE & PLANT

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



## NOTICE

To,  
The Members,

### BLOSSOM INDUSTRIES LIMITED

Notice is hereby given that the **Thirtieth** Annual General Meeting of the Members of **BLOSSOM INDUSTRIES LIMITED** will be held on Saturday, 21<sup>st</sup> September, 2019 at 10.00 a.m. at Sandy Resort, Devka Beach, Daman – 396210 (U.T.) to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2019, 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. Vincent Vaz (DIN: 02067875), 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 the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all the other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if and to the extent applicable and required and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which shall include duly authorized Nomination and Remuneration Committee thereof for the time being in force exercising the powers conferred upon it by the Board), the Members of the Company hereby approve the re-appointment of Mr. Amit Khemani as the Managing Director of the Company, liable to retire by rotation, for a period of three (3) years with effect from 27<sup>th</sup> September, 2019 till 26<sup>th</sup> September, 2022, on the terms and conditions, including remuneration, as stated in the draft agreement to be entered into between the Company and Mr. Amit Khemani and submitted to this meeting and initialled by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Amit Khemani as the Managing Director, the Company has no profits or its profits are inadequate, he shall be paid remuneration including perquisites as provided in the draft agreement placed before the meeting and in consonance with Schedule V of the Companies Act, 2013, as amended from time to time.

**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, with liberty to the Board to alter and vary the terms and conditions of the aforesaid re-appointment, including but not limited to the remuneration payable to Mr. Amit Khemani, from time to time, in accordance with and subject to the limits as stated in the draft agreement or as may be stipulated by the Central Government if and to the extent necessary and applicable 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.”

4. 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. 200 Crores (Rupees Two 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.”

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

**“RESOLVED THAT** pursuant to provision of Section 180(1) (c) and all other applicable provisions of the Companies Act, 2013, and Rules made there under, as amended from time to time and Articles of Association of the Company, consent of the

Members be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include Committee of the Board constituted or to be constituted for the purpose) of the Company to borrow in any manner from time to time any sum or sums of money at its discretion on such terms and conditions as the Board may deem fit and appropriate, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the financial institutions, Company's bankers, firms, bodies corporate and / or from any person or persons whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, will exceed the aggregate of the paid up capital of the Company and its free reserves provided that the maximum amount of money(s) so borrowed by the Company and outstanding at any one time shall not exceed the sum of Rs.200 Crores (Rupees Two Hundred Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable to give effect to the aforesaid resolution and to settle any doubts, difficulties or questions as may arise in this regard, on behalf of the Company.

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

**"RESOLVED THAT** pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, and Rules made there under, as amended from time to time, and Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall include a Committee of the Board constituted for the purpose) to mortgage and/or create charge/to give corporate guarantee in addition to the mortgage(s)/charge(s) already created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, on all or any part of the movable and/or immovable properties of the Company wherever situated, both present and future, and/or create a floating charge on all or any part of the immovable property of the Company and the whole or any part of the undertaking or undertakings of the Company in favour of Financial Institutions/Banks/ Investment Financial Institutions (hereinafter referred to as the 'Lenders') / Debenture Trustees to secure any Loans, Guarantee, financial assistance, Working Capital arrangement etc. already availed/ to be availed by the

Company together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, premium on prepayment, costs, charges, expenses and other money(s) payable by the Company to the said Lenders and/ or any issue of Non Convertible/ Compulsorily/ Optionally/ Fully/ Partly Convertible Debentures, within the overall ceiling prescribed by the Members of the Company, from time to time, in terms of Section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorised to finalise and execute all such deeds, documents and writings, as may be necessary for creating/ modifying the aforesaid mortgages and/ or charges and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to the above resolution."

7. 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), consent of the members be and is hereby accorded to the Board of Directors of the Company to make investments in M/s. K. H. Khemani & Sons (proposed to be converted into LLP) upto Rs.150 Crores (Rupees One Hundred Fifty Crores Only) which shall be over and above the limits approved by the members in Resolution no.4 passed at the 30<sup>th</sup> AGM and such other limits as modified from time to time.

**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."

**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 :** 17<sup>th</sup> August 2019

**Place :** Mumbai

**CIN :** U31200DD1989PLC003122

**Registered Office:**

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

### NOTES:

**A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE VALID MUST BE DULY COMPLETED, STAMPED AND SIGNED AND MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

**A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE OF NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. A PROXY FORM IS SENT HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/ AUTHORITY, AS APPLICABLE.**

**B.** The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 14<sup>th</sup> September, 2019 to Saturday, 21<sup>st</sup> September, 2019, inclusive of both the days.

**C.** 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.

**D.** 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 share transfer lodgments (Physical mode) / 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](mailto:support@sharexindia.com)

3. Write to the Company at least 7 (seven) days before the date of meeting, in case they desire any information as regards the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2019, so as to enable the Company to keep the requisite information ready.
4. Quote Registered Folio Numbers/ DP ID/ Client ID in all the correspondence.
5. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address directly to their respective Depository Participants.
6. 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.
7. The Ministry of Corporate Affairs had vide its Notification dated September 10, 2018 made it mandatory w.e.f. October 2, 2018 for an 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 processed 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 the Company already has connectivity with CDSL and its ISIN is **INE264D01026**.
8. Members/ Proxies are requested to bring the Attendance Slip duly filled up and the copy of the Annual Report at the Annual General Meeting.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 6.00 p.m.) every day except on Public Holidays, Saturdays & Sundays, upto and including the date of the Annual General Meeting of the Company.
10. Route map to the venue of AGM forms part of the Notice of the 30<sup>th</sup> Annual General Meeting.

11. The details of Mr. Amit Khemani & Mr. Vincent Vaz, whose re-appointment is proposed in this Annual General Meeting as required under Secretarial Standards 2 are as under:

<b>Name of Director</b>	<b>Mr. Amit Khemani</b>	<b>Mr. Vincent Vaz</b>
<b>Designation</b>	Managing Director	Whole-time Director-cum- CFO
<b>Age</b>	42 years	52 years
<b>Qualifications</b>	Bachelor of Arts from Curry College, Milton and holds major degree in Business Management and Communication	Chartered Accountant
<b>Experience</b>	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 a Trainee	Over two decades in the field of finance, accounts and taxation. He has been associated with Blossom Industries Limited for around 20 years. Over the years, his expertise, knowledge and understanding of beer industry has immensely benefited in the Company's growth
<b>Terms and conditions of re-appointment</b>	He is proposed to be re-appointed for a period of 3 years w.e.f. 27 <sup>th</sup> September 2019, liable to retire by rotation. His remuneration shall be as under: 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 Payment of Gratuity and P.L. Encashment during the year. (detailed terms mentioned in the explanatory statement and draft agreement)	He being liable to retire by rotation is being re-appointed with no change in the terms and conditions
<b>Last drawn remuneration</b>	<b>Salary:</b> Rs. 2,02,93,000/- p.a.	<b>Salary:</b> Rs. 84,33,576/- p.a.
<b>Date of first appointment on the Board</b>	27/09/2003	28/01/2008
<b>Shareholding in the Company</b>	45,66,500 equity shares	Nil
<b>Relationship with other Director/Manager/KMPs</b>	He is a promoter director of the Company, however, does not share any relationship with any other Director/Manager/KMPs	He does not share any relationship with any other Director/Manager/KMPs
<b>No. of meetings of the Board attended during the year 2018-19</b>	4	4
<b>Other Directorships</b>	Perfunova (International) Limited; Cosminova Cosmetics Private Limited; Norfolk Trading Private Limited;	Cosminova Cosmetics Private Limited
<b>Membership/Chairmanships of the Committees of other Boards</b>	Nil	Nil



12. 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.
13. The Members shall note that the facility for voting shall also be provided at the meeting through poll paper and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting. If the Members have already cast their vote by remote e-voting prior to the meeting they may attend the meeting but shall not be entitled to cast their vote again and his vote, if any, cast at the meeting shall be treated as invalid.
14. In case of any grievances connected with the e-voting you may call Mr. Bharat Gopalani, Sr. Manager – Accounts & Finance, Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.) on 0260 – 2407800 or email on [bharat@bildaman.com](mailto:bharat@bildaman.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
15. Process for voting through electronic means:
- (i) The voting period begins on Wednesday, 18<sup>th</sup> September, 2019 at IST 9.00 a.m. and ends on Friday, 20<sup>th</sup> September, 2019 at IST 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 14<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on Shareholders/Members.
- Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

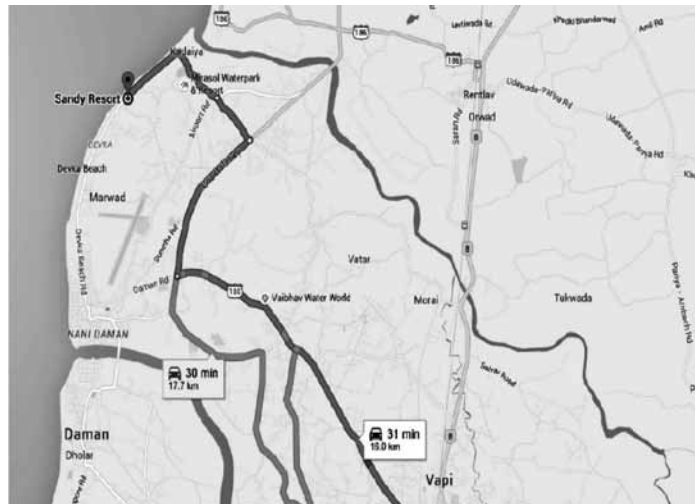
If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- (iv) After entering these details appropriately, click on "SUBMIT" tab.
- (v) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password shall also be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN of BLOSSOM INDUSTRIES LIMITED to vote.

- (viii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (ix) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - (x) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (xii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - (xiii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xiv) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 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 Saturday, 14<sup>th</sup> September, 2019.
  - The Board of Directors of the Company at their meeting held on Saturday, 8<sup>th</sup> June, 2019 has appointed Mr. Hemanshu Kapadia, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - At the 30<sup>th</sup> Annual General Meeting, the Chairman shall provide voting facilities for the attending Members who have not cast their votes electronically.
  - The Scrutinizer(s) shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter, unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company 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.
  - The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared alongwith the report of the scrutinizer(s) shall be placed on the website of the Company i.e. <http://www.khemanigroup.com>.

**ROUTE MAP TO THE VENUE OF THE 30<sup>TH</sup> AGM OF BLOSSOM INDUSTRIES LIMITED**



**Landmark : Devka Beach**

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

### Item No. 3:

**Mr. Amit Khemani** (DIN: 00057283), Managing Director has played pivotal role in turnaround of Blossom Industries Limited. Under his leadership, the Company has received various awards in India as well as internationally, including INDSPIRIT Best Brewery Award of the year 2009 and the “Green Industrial Premises Award 2016” for maintaining cleanliness and greenery in Industrial Premises by the Pollution Control Committee, Daman on World Environment Day 2016.

Mr. Amit Khemani was presented with the “International Star for Leadership in Quality Award” in the Diamond Category in Paris on April 11, 2011. He has also received “Asia Pacific International Award” presented by the Economic and Human Resource in the Asia Pacific Achiever Summit in recognition of Sterling Merit Excellent Performance and outstanding contribution for the nation and worldwide and “Pride of India Award” for outstanding individual achievements and distinguished services to the Nation by Hon’ble Shri Qamar Ul Islam, Minister for Municipalities and local bodies, Government of Karnataka.

His present term as the Managing Director of the Company expires on the 26<sup>th</sup> September 2019. However, considering the success the Company has achieved under his leadership and guidance, the Board in its meeting held on 8<sup>th</sup> June 2019 and based on the recommendation of the Nomination and Remuneration Committee, re-appointed him as the Managing Director of the Company w.e.f. 27<sup>th</sup> September 2019 for a tenure of 3 years and liable to retire by rotation, subject to approval of the members of the Company.

His terms of appointment including remuneration will be as under:

#### A. REMUNERATION AND PERQUISITES

- Salary: Rs. 10,00,000/- per month
- 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.
- 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.
- Payment of Gratuity and P.L. Encashment shall be considered as a perquisite and will be inclusive in total remuneration paid.

#### B. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary shall be treated as the Minimum Remuneration under the provisions of Section 11 of Part II of Schedule V.

In addition to the above, the Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration:

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
- Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service and
- Encashment of leave at the end of the tenure.

#### C. POWERS OF THE BOARD TO DECIDE THE REMUNERATION

Notwithstanding anything stated herein above, where in any financial year, there are no profits or inadequate profits, the Board is empowered to decide not to pay any commission or to reduce the commission mentioned in paragraph “A” above to any amount they consider reasonable in the circumstances of the case. The Board’s power in this behalf is absolute and if so exercised by the Board before the end of the financial year or before the financial statement are passed by the Annual General Meeting will override the provisions for commission set out above and no commission or reduced commission as the case may be, will accrue and become payable to the said Managing Director.

The additional information as required under Part II of Schedule V to the Companies Act, 2013 is given below:

#### I. GENERAL INFORMATION:

- Nature of Industry:* Manufacture of Beer
- Date of Commencement of commercial production:* November 17, 1994
- In case of new Companies, expected date of Commencement of activities as per project approved by Financial Institutions appearing in the Prospectus:* Not Applicable
- Financial Performance based on given indicators:* (in Rs.)

Particulars	Year ended 31 <sup>st</sup> March		
	2018	2017	2016
Financial Parameters			
Turnover	3,74,19,17,123	3,77,50,04,196	4,539,879,932
Other Income	4,57,52,001	4,33,96,829	10,513,300
Profit before tax	25,83,54,677	27,38,95,509	215,615,334
Profit after tax (as per Profit & Loss Account)	15,85,93,784	17,02,17,390	138,767,667
Net Worth	97,25,12,957	81,38,54,173	64,36,36,783

- Foreign Investments or Collaborations, if any:* There is no foreign investment or collaboration.

## II. INFORMATION ABOUT THE APPOINTEE:

### A) Mr. Amit Khemani (DIN: 00057283):

(1) *Background details:*

Mr. Amit Khemani, Managing Director of the Company is Bachelor of Arts from Curry College, Milton, and also holds major degree in Business Management and Communication. He was awarded with most industrious student scholarship from Brevard College and also Presidential Award from Trident Academy.

(2) *Past Remuneration:*

- a) **Salary:** Rs. 6,25,000/- per month
- b) **Commission:** 5% p.a. of the Net Profit calculated u/s 198 of the Companies Act, 2013 less the total salary paid during the financial year and the monetary value of all the perquisites paid to him during the year.

(3) *Recognition/Awards:*

Mr. Amit Khemani has been presented with "International Star for Leadership in Quality Award" in the Diamond Category in Paris on April 11, 2011. He has also received "Asia Pacific International Award" presented by the Economic and Human Resource in the Asia Pacific Achiever Summit in recognition of Sterling Merit Excellent Performance and outstanding contribution for the nation and worldwide and "Pride of India Award" for outstanding individual achievements and distinguished services to the Nation by Hon'ble Shri Qamar Ul Islam, Minister for Municipalities and local bodies, Government of Karnataka.

(4) *Job Profile and Suitability:*

He has been leading Blossom Industries Limited as the Managing Director from more than a decade and under his leadership the Company has crossed all its initial hurdles and is now a successful, profit making Company.

(5) *Remuneration proposed:*

- 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.
- (1) *Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of the position and person:*

The remuneration payable to Mr. Amit Khemani is commensurate with his qualification, experience, the duties and responsibilities entrusted to him.

- (2) *Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:*

Mr. Amit Khemani is a promoter of the Company and holds 45,66,500 equity shares.

The Board of Directors commends this resolution to the members for their approval by way of special resolution.

The details of the Director as per Secretarial Standards – 2 forms part of the notes to the Notice of this Meeting.

The relevant resolution/documents and draft agreement for his re-appointment are available for inspection by the Members of the Company during business hours on any day except Saturday, Sunday and Public Holiday at the registered office of the Company.

None of the Director or Key Managerial Personnel of the Company is interested financially or otherwise, in the proposed resolution except Mr. Amit Khemani, Managing Director in Resolution no. 3.

#### **Item no. 4:**

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. 200 crores.

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

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 proposes to enter into the business of distribution of beer and liquor in partnership with M/s. K.H. Khemani & Sons, an existing distributor and the same would require funds for the purpose of payment against goodwill and working capital requirements. In view of the same, the Company proposes to raise funds for the said purpose through borrowings.

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 money, where the money to be borrowed together with the money 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.200 Crores (Rupees Two 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.5 is to authorize the Board of Directors to borrow the money 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 or Key Managerial Personnels 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.5 of the accompanying notice for the approval of the Members.

### **Item No. 6:**

Section 180 (1) (a) of the Companies Act, 2013 provides that the Board of Directors shall not, without the consent of the Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. The Company will obtain loans/financial assistance from various Banks/Financial Institutions from time to time for growth of its business and for other business purposes. As the borrowings of the Company may, if necessary, be secured by way of Charge/Mortgage/ Hypothecation on the Company's assets in favour of the lenders, it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of Charge/Mortgage/ Hypothecation for an amount not exceeding the borrowing limit of the Company as prescribed by the members of the Company, from time to time, in terms of Section 180(1)(c) of the Companies Act, 2013.

The proposed resolution under item no.6 is to authorize the Board of Directors to create mortgage or security on the property/assets of the Company in favour of lenders/ banks/financial institutions or any other person from whom the Company borrows money for its business purpose. The above resolution/authority is the statutory requirement that requires approval of shareholder and there is no financial interest of the Directors or Key Managerial Personnels of the Company in the said resolution. Thus, there is no such disclosure require under the clause a (i), (ii) and (iii) or (b) of sub section I of Section 102 of the Companies Act, 2013.

The Board of Directors accordingly recommends the special resolution as set out at Item No.6 of the accompanying notice for the approval of the Members.

### **Item No. 7:**

The Board of Directors was considering entering into distribution business of beer and liquor including IMFL (Indian Made Foreign Liquor) from quite some time. Currently, the Company was manufacturing Beer as a Contract Manufacturer. The Company has contracts with the reputed Beer manufacturing Companies such as United breweries, Anheuser-Busch InBev India Ltd. (formerly known as SabMiller), etc. The said Companies have marketing arrangements with M/s. K.H. Khemani & Sons, a Partnership Firm situated in Daman.

The said firm has established its reputation as most respectable distributor and has developed its expertise in distribution of beer as well as liquor. The Company has received an offer to become a fifty percent partner of the said firm, as per the said offer the Company shall be required to pay contribution to the firm as well as pay goodwill to the outgoing partner. The Company has also taken the professional advice to discover the valuation of the Goodwill. After considering the cash flow, payback period, future projection and enterprise valuation and other parameters, the Board in its meeting held on 17<sup>th</sup> August 2019 approved the said offer and proposed to invest an amount upto Rs.150 crores inclusive of capital, goodwill and any other financial requirements for acceptance of the said offer.

Pursuant to provisions of Section 186 read with all other applicable provisions and rules of the Companies Act, 2013, approval of members is sought by way of special resolution to invest amount upto Rs.150 Crores (Rupees One Hundred Fifty Crores Only) in M/s. K. H. Khemani & Sons – a partnership firm (proposed to be converted into LLP) which shall be over and above the limits approved by the members in Resolution no.4 passed at the 30<sup>th</sup> AGM and such other limits as modified from time to time.

None of the Directors or Key Managerial Personnel, except Mr. Amit Khemani, are interested in the said resolution, financially or otherwise.

The Board of Directors accordingly recommends the special resolution as set out at Item No.7 of the accompanying notice for the approval of the Members.

**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 :** 17<sup>th</sup> August 2019

**Place :** Mumbai

**CIN :** U31200DD1989PLC003122

**Registered Office:**

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

## BOARD'S REPORT

To,

The Members,

### BLOSSOM INDUSTRIES LIMITED

The Directors have pleasure in presenting the **Thirtieth Annual Report** of the Company and the Audited Financial Statement for the year ended **March 31, 2019**.

#### 1.0 Financial summary or highlights/performance of the Company

The financial highlights of the Company are given below:

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Sales (Net of excise)	36,457.82	32,507.89
Other Income	447.28	457.52
Profit before Finance cost and Depreciation	4,187.79	2,954.31
Less:		
(1) Depreciation	297.77	370.66
(2) Finance Costs	73.29	0.10
Profit before tax	3,816.74	2,583.55
Less:		
Provisions for tax	1,348.93	997.61
Profit/ (Loss) for the Year	2,467.81	1,585.94

During the year under review, the Company achieved higher sales of Rs. 36,457.82 Lakhs as compared to Rs.32,507.89 Lakhs in the previous year. The resultant increase was mainly on account of achieving higher exports and increased supply of Beer in some parts of India due to increase in demand. Consequent to increase in the turn over and control over the expenditure along with reduction in depreciation resulted in increase in the profit before tax from Rs. 2,583.55 Lakhs to Rs. 3,816.74 Lakhs, registering an increase of 47.73%.

#### 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 2018-19.

#### 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 is operating under single segment namely beer.

In India, beer is one of the fastest growing markets because of growing disposable incomes of people, the increasing young population and the rapid urbanization taking place in the

country. In comparison to the previous year, the Company's Gross Sales have increased by 53.06% and volume growth has increased by 7.46%. The growth in the volume and value is not in proportion as the sales had increased in the State of U.P. wherein the selling price of the product is quite high in comparison with other states. Your Company is focusing on increasing the sales volume in the coming years.

#### 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

No material changes have occurred subsequent to the close of the financial year of the Company to which the financial statement relates and till the date of the Report.

#### 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 28<sup>th</sup> Annual General Meeting (AGM) held on 5<sup>th</sup> 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, Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and the Rules framed there under. The Secretarial Audit Report for the financial year 2018-19 forms part of the Board's Report as **Annexure I**.

The Secretarial Audit Report submitted by M/s. VPP & Associates, Practicing 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](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.

**Foreign Exchange Earnings** NIL

**Foreign Exchange Outgo** Rs. 12,02,227/-

**Value of Import on CIF basis** Rs. 1,62,07,215/-

**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. Vincent Vaz (DIN: 02067875), the Whole-time Director-cum-CFO, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The tenure of Mr. Amit Khemani (DIN: 00057283) as the Managing Director of the Company expires on 26<sup>th</sup> September 2019. The Board, based on the recommendation of the Nomination and Remuneration Committee, in their meeting held on 8<sup>th</sup> June 2019 re-appointed him for a period of 3 years w.e.f. 27<sup>th</sup> September 2019 subject to the approval of the members in the ensuing Annual General Meeting. The Board commends his re-appointment as the Managing Director to the Members for their approval.

**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 and that they are independent of the management.

**14.3 Performance evaluation of the 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 Directors were satisfied with the evaluation results, which reflected overall engagement of the Board and its Committees with the Company.

### 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. The Audit Committee reviews the process of risk management.

### 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 and 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 managing in a manner that fulfills stakeholders' aspiration and social expectations.

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, misrepresentation of any financial statement 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](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 always 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 four (4) meetings of the Audit Committee were held during the year 2018-19. The date of Meetings of the Audit Committee held during the financial year and attendance at the meeting by the Committee Members is given in the table below:

Name of Directors	Date of Meetings and Presence			
	09.06.2018	18.08.2018	12.11.2018	19.02.2019
Mr. P. R. Barpande	Yes	Yes	Yes	Yes
Dr. P. Kotaiah	Yes	Yes	Yes	Yes
Mr. D. T. Khilnani	Yes	Yes	Yes	Yes
Mr. Harsh Vardhan Jajoo	Yes	Yes	Yes	Yes
Ms. Lila Poonawalla	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 2018-2019 on 9<sup>th</sup> June 2018 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 did not receive any complaints during the year and there were no pending complaints as on 31<sup>st</sup> March 2019.

Four (4) meetings of the Stakeholders’ Relationship Committee were held during the year 2018-19. The date of Meetings of the Stakeholders’ Relationship Committee held during the financial year and attendance at the meeting by the Committee Members is given in table below:

Name of Directors	Date of Meetings and Presence			
	09.06.2018	18.08.2018	12.11.2018	19.02.2019
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		
	09.06.2018	12.11.2018	19.02.2019
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’s work in school education and community care has enhanced social and natural capital over the years. 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 2018-19, the Company was required to spend an amount of Rs. 48,99,218/-, however the CSR Committee and the Board decided to spend an amount of Rs.50,00,000/-. 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**.

**19.0 Number of meetings of the Board of Directors**

The Board of Directors met four (4) 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 date of Board meetings and attendance of Directors is as under:

Name of Directors	Date of Meetings and Presence			
	09.06.2018	18.08.2018	12.11.2018	19.02.2019
Mr. Amit Khemani	Yes	Yes	Yes	Yes
Mr. D. T. Khilnani	Yes	Yes	Yes	Yes
Mr. Harsh Vardhan Jajoo	Yes	Yes	Yes	Yes
Ms. Lila Poonawalla	Yes	Yes	Yes	Yes
Dr. P. Kotaiah	Yes	Yes	Yes	Yes
Mr. P. R. Barpande	Yes	Yes	Yes	Yes
Dr. S. D. Israni	Yes	Yes	Yes	Yes
Mr. Vincent Vaz	Yes	Yes	Yes	Yes

**20.0 Particulars of loans, guarantees or investments under Section 186**

During the year under review, the Company has not provided any loans, made investments, gave guarantees or subscribed/purchased securities under Section 186 of the Companies Act, 2013 and therefore, the Company is not required to provide any disclosures.

**21.0 Particulars of contracts or arrangements with related parties**

The particulars of every 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 transactions entered at arms’ length under 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 2018-19: Refer Form MGT 9 available on [http://www.khemanigroup.com/investor\\_corner.html](http://www.khemanigroup.com/investor_corner.html)

### **24.0 Market Drivers and Challenges**

The beer market in India is currently in its growth stage. The market evolved from manufacturing usual beer products such as strong- lager beers to flavoured beers owing to adoption of changing trends and technologies from markets such as America and Europe. Today, there is a presence of more than 140 beer brands in the Indian beer market, which could address the palate of each customer segment. The per capita beer consumption in India is still very low as compared to other countries in Asia Pacific region and therefore the market could witness huge growth in the coming years owing to factors such as shift from hard liquor to beer consumption by consumers in India, increase in disposable income, change in societal perspective and others.

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 is expected to register positive CAGR of 5.7% in terms of revenue during the forecasted period FY 2018 – FY 2023.

Indian beer industry is heating up with a lot of foreign players entering the Indian market. Attitude towards alcohol is evolving, particularly among young urban-dwellers who are gaining an appetite for beer compared to liquor. Many people now prefer to consume beer owing to lower alcohol content and availability of varied product. Brewpubs are attracting Indians away from industrial bottled beers. High-end hotels and restaurants are keen to bring craft beer into their product portfolio. These establishments are keen to bring “The Beer on Tap” concept back to serve their customers different styles of international quality delicious craft brews.

While India presents considerable opportunities for global beer companies, we note that India is a high-risk high-reward market for alcoholic drink producers. Government regulations, in particular pose, a significant risk to the overall alcohol market in India, including for beer. As beer is strictly regulated by state authorities and there are multiple regulations, it becomes complex in terms of distribution and logistics with presence of multiple counterparties as each state acts as a different entity, thereby limiting economies of scale in the market. Many states are considering becoming “dry-states” (where the sale of alcohol is illegal except through on-trade sale) and various state governments have been hiking duties on liquor.

The Company is currently manufacturing beer for United Breweries and Anheuser-Busch InBev who are the leading players. Your Company has taken steps to reduce the cost of production and is working on 83% capacity in two-three shifts to meet the market demands. The Company has achieved 7.46% volume growth in the current financial year 2018-19. Your Directors are hopeful of continuing this momentum and achieving even better performance in future.

### **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 2019-20. However, as a good corporate governance practice, the Board of Directors in their meeting held on 8<sup>th</sup> June, 2019 appointed Mr. Girikrishna S. Maniar as the Cost Auditor of the Company for the financial year 2019-20 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. 2018-19 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 disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations. The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and

effectiveness of the system of internal controls for financial reporting with respect to financial statements.

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 31<sup>st</sup> March, 2019.

### **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.

Further, the Company's Audit Committee looks into the matter for its office and factory of the Company in compliance with the above-mentioned Act and Rules. For the financial year 2018-19, 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 complies with all the provisions of Secretarial Standards I & 2.

### **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**

**Address:** 24, Sukhmani - A, 4<sup>th</sup> Floor,  
Bomanji Petit Road, Warden Road,  
Mumbai 400036

**Date:** 8<sup>th</sup> June 2019

**Place:** Mumbai

## ANNEXURE TO THE BOARD'S REPORT

### GENERAL SHAREHOLDERS INFORMATION

**A) Annual General Meeting:**

<b>Day, Date, Time &amp; Venue</b>	Saturday, the 21 <sup>st</sup> September, 2019 at 10.00 a.m. at Sandy Resort, Devka Beach, Daman-396 210 (U.T.)
<b>Financial Year</b>	April 1, 2018 – March 31, 2019
<b>Book Closure Date</b>	Saturday, the 14 <sup>th</sup> September, 2019 to Saturday, the 21 <sup>st</sup> September, 2019 (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](mailto: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:**

In May 2002, the Company entered into an agreement with the Central Depository Services (India) Limited for dematerialization of its Equity Shares in accordance with the provisions of the Depositories Act, 1996.

**E) Plant Locations:**

The Company has manufacturing plant situated at  
Village Jani Vankad, Nani Daman, Daman - 396 210. (U.T.)  
Tel: (0260) 2407800  
E-mail: [blossom@bildaman.com](mailto:blossom@bildaman.com)

**F) Address for correspondence  
Registered Office**

Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.)  
Tel: (0260) 2407800  
E-mail: [blossom@bildaman.com](mailto:blossom@bildaman.com)

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial year ended 31<sup>st</sup> March 2019

*[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 31<sup>st</sup> March, 2019 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, 2019, 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:** 8<sup>th</sup> June, 2019  
**Place:** Mumbai

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

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.

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.

For **VPP & Associates**  
Practicing Company Secretaries

**Date:** 8<sup>th</sup> June, 2019

**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](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.24,49,60,895/-
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs.48,99,218/- 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. 50,00,000/- (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) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (in Rs.)	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	(7) Cumulative expenditure upto to the reporting period (in Rs.)	(8) Amount spent : Direct or through implementing agency
1	Anganwadi Project	Schedule VII(iii)	Maharashtra	30,00,000	30,00,000	30,00,000	Through Dayanand Hospital
2	Kerela Relief Fund	Schedule VII(viii)	Kerela	272,250	272,250	272,250	Through Daman Administrator
3	Torch-it Cannes for Visually impaired	Schedule VII(i)	Navsari	13,00,000	13,00,000	13,00,000	Manav Kalyan Trust-Navsari
4	Surgical materials for Hansen's patients	Schedule VII(i)	Maharashtra	427,750	427,750	427,750	Through Dayanand Hospital
	<b>TOTAL</b>			50,00,000	50,00,000	50,00,000	

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:** 8<sup>th</sup> June 2019  
**Place:** Mumbai

**S. D. Israni**  
Chairman of CSR Committee  
DIN: 00125532

**Address:** 24, Sukhmani – A, 4<sup>th</sup> Floor,  
Bomanji Petit Road, Warden Road, Mumbai - 400036



## ANNEXURE 3

## 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
I	K. H. Khemani & Sons, Amit Khemani, Managing Director's relative is a partner in the said firm	Sale of Beer	1.4.2018 to 31.3.2019	Sale of Beer on one month credit Rs.2,01,10,33,694/-	N.A. Approval of shareholders was obtained in the AGM held on 29 <sup>th</sup> 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, 4<sup>th</sup> Floor,  
Bomanji Petit Road, Warden Road,  
Mumbai 400036

Date: 8<sup>th</sup> June 2019

Place: Mumbai

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BLOSSOM INDUSTRIES LIMITED

#### Report on the audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of Blossom Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, 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.

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, 2019, its profit and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 ('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.

##### Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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.

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

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

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

##### Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of 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.
2. We draw attention to Note \_\_\_ to the financial statements relating to retirement benefits included in remuneration paid to the Managing Director and the Whole-time-Director of the Company for the financial year ended 31<sup>st</sup> March, 2019, which is subject to the approval of the shareholders. Subject to the same, as required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
3. 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.
  - 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls 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 \_\_\_ 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 were no amounts which were 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

Date: 8 June, 2019  
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, 2019]

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, the Company has not granted any loans, made investments or provided guarantees in respect of which the provisions of section 185 and section 186 of the Act are applicable. Accordingly, paragraph 3(iv) of the Order is not 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) There was a delay in payment of first two instalments of advance income tax, which have been made good before the year end. Except for the same, 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 25.1(i) (c) 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 25.1(i)(b) to the financial statements)	Service Tax	Supreme Court	2009-10, 2010-11, 2011-12, 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 2011-12 2012-13	5,88,506

- (viii) There are no dues to a financial institution or to a bank or to debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer or by way of a term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (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.

## 30<sup>TH</sup> ANNUAL REPORT 2018-19

- (xi) In our opinion and according to the information and explanations given to us, subject to approval of the shareholders for payment of retirement benefits, the remuneration paid to the managerial personnel is in accordance with 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

Date: 8 June, 2019  
Place: Mumbai

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 2(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, 2019]

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

We have audited the internal financial controls with reference to financial statements of Blossom Industries Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For C N K & Associates LLP**

Chartered Accountants

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

H. V. Kishnadwala

Partner

Membership No.: 037391

Date: 8 June, 2019

Place: Mumbai

### Balance sheet as at 31<sup>st</sup> March, 2019

	Note No.	As at 31 March, 2019 Rupees	As at 31 March, 2018 Rupees
<b>A EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	110,675,100	110,675,100
(b) Reserves and surplus	4	1,108,619,050	861,837,857
		1,219,294,150	972,512,957
<b>2 Non-current liabilities</b>			
(a) Other long-term liabilities	5	10,821,411	165,652
(b) Long-term provisions	6	2,544,142	3,715,164
		13,365,553	3,880,816
<b>3 Current liabilities</b>			
(a) Trade payables			
i) Dues to micro and small enterprises		27,374,405	23,000,942
ii) Others		706,976,713	353,224,226
(b) Other current liabilities	7	437,465,214	434,888,215
(c) Short-term provisions	8	3,372,102	4,452,718
		1,175,188,434	815,566,101
<b>TOTAL</b>		<b>2,407,848,137</b>	<b>1,791,959,874</b>
<b>B ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible assets	9	255,240,231	268,637,492
(ii) Intangible assets	9	-	-
(iii) Capital Work-in-Progress	9	-	-
		255,240,231	268,637,492
(b) Deferred tax assets		14,099,437	18,371,436
(c) Non Current Investments	10	173,000,000	173,500,000
(d) Long-term loans and advances	11	170,427,787	137,306,811
		612,767,455	597,815,739
<b>2 Current assets</b>			
(a) Current Investments	12	104,504,751	51,137,487
(b) Inventories	13	273,675,737	229,966,213
(c) Trade receivables	14	703,587,659	395,451,687
(d) Cash and bank balances	15	617,983,119	450,504,866
(e) Short-term loans and advances	16	73,467,020	51,324,108
(f) Other current assets	17	21,862,396	15,759,774
		1,795,080,682	1,194,144,135
<b>TOTAL</b>		<b>2,407,848,137</b>	<b>1,791,959,874</b>
<b>See accompanying notes forming part of the financial statements</b>	I to 28		

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**

**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 : 8 June, 2019

Place : Mumbai  
Date : 8 June, 2019



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

	Particulars	Note No.	For the year ended	For the year ended
			31 March, 2019	31 March, 2018
			Rupees	Rupees
<b>1</b>	Revenue from operations (gross)	18	5,737,552,133	3,741,917,123
	Less : Excise duty		2,091,769,941	491,128,620
	Revenue from operations (net)		3,645,782,192	3,250,788,503
<b>2</b>	Other income	19	44,727,614	45,752,001
<b>3</b>	<b>Total Revenue (1 + 2)</b>		<b>3,690,509,806</b>	<b>3,296,540,504</b>
<b>4</b>	<b>Expenses:</b>			
	(a) Cost of materials consumed	20	549,930,861	535,578,000
	(b) Changes in inventories of finished goods and work-in-progress	21	(4,552,288)	(4,538,447)
	(c) Employee benefits expense	22	100,867,467	86,507,114
	(d) Finance costs	23	7,328,873	10,286
	(e) Depreciation and amortisation expense	9	29,776,503	37,065,513
	(f) Other expenses	24	2,625,484,315	2,383,563,361
	<b>Total expenses</b>		<b>3,308,835,731</b>	<b>3,038,185,827</b>
<b>5</b>	<b>Profit before tax (3 - 4)</b>		<b>381,674,075</b>	<b>258,354,677</b>
<b>6</b>	Tax expense:			
	(a) Current tax		131,000,000	94,000,000
	(b) Deferred tax		4,271,999	5,807,856
	(c) Short/(Excess) provision of tax relating to prior years		(379,117)	(46,963)
			134,892,882	99,760,893
<b>7</b>	<b>Profit for the year (5 - 6)</b>		<b>246,781,193</b>	<b>158,593,784</b>
<b>8</b>	<b>Earnings per share (of Rs. 3/- each):</b>			
	Basic and diluted		6.69	4.30
	<b>See accompanying notes forming part of the financial statements</b>	I to 28		

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**

**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 : 8 June, 2019

Place : Mumbai

Date : 8 June, 2019

### Cash flow statement for the year ended 31<sup>st</sup> March, 2019

Particulars	Year Ended 31 March, 2019		Year Ended 31 March, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before tax		381,674,075		258,354,677
<b>Adjusting for :</b>				
Depreciation and amortisation	29,776,503		37,065,513	
Finance cost	-		-	
Interest income	(33,522,748)		(25,926,876)	
Loss on sale / discard of fixed assets (Net)	-		28,358	
Profit on sale of current investment	(8,586,147)		(4,554,978)	
Provision for doubtful trade and other receivables, loans and advances	-		-	
Sundry credit balances written back	(163,271)	(12,495,663)	(8,791,022)	(2,179,005)
Operating profit before working capital changes		369,178,412		256,175,672
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(43,709,524)		25,302,062	
Trade receivables	(308,135,972)		(75,516,289)	
Fixed Deposits	(209,858,760)		(408,162)	
Short-term loans and advances	(22,142,912)		(15,073,591)	
Long-term loans and advances	(33,705,076)	(617,552,243)	(24,007,862)	(89,703,842)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	358,289,220		109,380,889	
Other current liabilities	3,385,390		(15,120,981)	
Other long-term liabilities	10,655,759		(87,581)	
Short-term provisions	5,650,152		8,813,355	
Long-term provisions	(1,171,022)		(391,136)	
		376,809,499		102,594,546
<b>Net Cash from Operations</b>		128,435,668		269,066,376
Net income tax (paid)		(137,351,651)		(104,582,880)
<b>Net cash flow from operating activities (A)</b>		<b>(8,915,983)</b>		<b>164,483,496</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Capital expenditure on fixed assets, including capital advances	(17,910,321)		(7,715,965)	
Proceeds on disposal of fixed assets	1,306,788		24,333	
Purchase of Investment in Mutual fund	(326,000,000)		(431,000,000)	
Proceeds from sale of Investment in Mutual Fund	281,718,883		275,000,000	
Dividend received	-		-	
Interest received	27,420,126		21,483,284	
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(33,464,524)</b>		<b>(142,208,348)</b>

Particulars	Year Ended 31 March, 2019		Year Ended 31 March, 2018	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds of Allotment money in arrears received from Shareholders	-		65,000	
<b>Net cash flow (used in) financing activities (C)</b>		-		<b>65,000</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B)</b>		<b>(42,380,507)</b>		<b>22,340,148</b>
<b>Cash and Cash Equivalents (Opening balance)</b>		89,674,907		67,334,759
<b>Cash and Cash Equivalents (Closing balance)</b>		<b>47,294,400</b>		<b>89,674,907</b>
<b>Cash and cash equivalents at the end of the year *</b>				
* Comprises:				
Cash on hand		188,994		244,448
Balances with banks :				
In current accounts		47,105,406		89,430,459
<b>Total</b>		<b>(42,380,507)</b>		<b>22,340,148</b>
<b>See accompanying notes forming part of the financial statements</b>				

In terms of our report attached.

**For CNK & Associates LLP**  
Chartered Accountants

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

Place : Mumbai  
Date : 8 June, 2019

**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 : 8 June, 2019

**Amit Khemani**  
Managing Director  
(DIN : 00057283)

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

## Notes forming part of the financial statements

### 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 in conformity with Indian GAAP which requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates 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 1<sup>st</sup> 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 Companies Act, 2013 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. Other Income: Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.
- c. 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, exgratia 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 short-term 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 and 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, 2019		As at 31 March, 2018	
	Number of shares	Rupees	Number of shares	Rupees
<b>Authorised</b>				
Equity shares of Rs.3/- each	50,000,000	150,000,000	50,000,000	150,000,000
<b>Issued, Subscribed and paid up</b>				
Equity shares of Rs.3/- each	36,891,700	110,675,100	36,891,700	110,675,100
<b>Total</b>	<b>36,891,700</b>	<b>110,675,100</b>	<b>36,891,700</b>	<b>110,675,100</b>

- (i) During the current year there is no change in the equity share capital of the Company. During the previous year, there was a receipt of Rs. 65,000 of Allotment money which was in arrears and transfer of the sum of Rs. 10,41,500 received on account of forfeited shares to Capital Reserve.
- (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, 2019		As at 31 March, 2018	
	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, 2019	As at 31 March, 2018
	Rupees	Rupees
<b>Capital Reserve</b>		
Opening balance	1,041,500	-
Add : Amount received on Equity Shares forfeited	-	1,041,500
Closing balance	1,041,500	1,041,500
<b>General Reserve</b>		
Opening balance	600,000,000	-
Add : Transferred from Surplus in Statement of profit and loss	-	600,000,000
Closing balance	600,000,000	600,000,000
<b>Revaluation Reserve</b>		
Opening balance / Closing balance	4,580,746	4,580,746
<b>Corporate Social Responsibility reserve (See Note 27 (I))</b>		
Opening balance	-	3,600,000
Add : Transferred from Surplus in Statement of profit and loss	-	7,252,000
Less : Transferred to Surplus in Statement of profit and loss	-	(10,852,000)
Closing balance	-	-
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	256,215,611	694,021,827
Add : Profit for the year	246,781,193	158,593,784
Less: Transferred to Corporate Social Responsibility Reserve	-	(7,252,000)
Add: Transferred from Corporate Social Responsibility Reserve	-	10,852,000
Less: Transferred to General Reserve	-	(600,000,000)
Closing balance	502,996,804	256,215,611
<b>Total</b>	<b>1,108,619,050</b>	<b>861,837,857</b>

**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 Other long-term liabilities**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Advances from employees	103,011	165,652
Lease rental payables	10,718,400	-
<b>Total</b>	<b>10,821,411</b>	<b>165,652</b>

**Note 6 Long-term provisions**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
<b>Provision for employee benefits:</b>		
Provision for compensated absences	2,544,142	3,715,164
<b>Total</b>	<b>2,544,142</b>	<b>3,715,164</b>

## Note 7 Other current liabilities

Particulars	As at	As at
	31 March, 2019	31 March, 2018
	Rupees	Rupees
Statutory liabilities		
Tax deducted at source	39,786,657	66,651,979
Excise duty on finished stock	40,093,005	14,657,573
VAT and CST on sales	15,777,197	28,504,780
Goods & Service Tax	5,316,549	3,648,972
Others	488,512	468,576
Employee related payments	4,401,884	3,901,176
Director's Remuneration payable	21,577,474	13,093,894
Advance from employees	46,261	145,597
Trade / security deposits received	900,000	900,000
Advances from customers	269,154,257	267,882,244
Payable for purchase of fixed assets	171,548	979,939
Others	39,751,870	34,053,485
<b>Total</b>	<b>437,465,214</b>	<b>434,888,215</b>

## Note 8 Short-term provisions

Particulars	As at	As at
	31 March, 2019	31 March, 2018
	Rupees	Rupees
<b>Provision for employee benefits:</b>		
Provision for compensated absences	116,783	224,450
Provision for gratuity	-	1,127,069
Provision for Bonus and Exgratia	3,255,319	3,101,199
<b>Total</b>	<b>3,372,102</b>	<b>4,452,718</b>

## Note - 9 - Property, Plant and Equipment

(Rupees)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	Opening Balance as at 1 April 2018	Additions	Deductions/ Adjustment	Balance as at 31 March 2019	Opening Balance as at 1 April, 2018	For the year	Deduction	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
<b>A Tangible Assets</b>										
Land (Freehold) (See Note 1 below)	14,771,754 *	-	368,400	14,403,354	-	-	-	-	14,403,354	14,771,754
	9,296,294	5,475,460	-	14,771,754	-	-	-	-	14,771,754	9,296,294
Land (Lease hold) (See Note 2 below)	-	12,632,400	-	12,632,400	-	350,900	-	350,900	12,281,500	-
Buildings	340,440,917	1,168,200	-	341,609,117	147,372,886	9,946,972	-	157,319,858	184,289,259	193,068,031
	339,504,743	936,174	-	340,440,917	137,544,327	9,828,559	-	147,372,886	193,068,031	201,960,416
Plant and Equipments (See Note 3 below)	1,197,798,688	3,594,219	925,211	1,200,467,696	1,150,530,882	16,165,029	-	1,166,695,911	33,771,785	47,267,806
	1,195,251,151	3,129,838	582,301	1,197,798,688	1,128,019,525	23,067,923	556,566	1,150,530,882	47,267,806	67,231,626
Office Equipments	6,549,127	94,550	53,130	6,590,547	5,477,899	482,548	39,953	5,920,494	670,053	1,071,228
	6,265,411	373,670	89,954	6,549,127	4,732,162	808,734	62,997	5,477,899	1,071,228	1,533,249
Furniture and Fixtures	21,913,089	0	-	21,913,089	20,874,671	319,096	-	21,193,767	719,322	1,038,418
	21,863,776	49,313	-	21,913,089	20,387,075	487,596	-	20,874,671	1,038,418	1,476,701
Vehicles	19,581,540	196,661	426,942	19,351,259	8,328,719	2,421,721	426,942	10,323,498	9,027,761	11,252,821
	19,392,380	244,000	54,840	19,581,540	5,952,228	2,431,331	54,840	8,328,719	11,252,821	13,440,152
Computer Equipments	3,948,362	-	-	3,948,362	3,780,928	90,237	-	3,871,165	77,197	167,434
	3,906,562	94,300	52,500	3,948,362	3,392,058	441,370	52,500	3,780,928	167,434	514,504
<b>Tangible Assets - Total</b>	<b>1,605,003,477</b>	<b>17,686,030</b>	<b>1,773,683</b>	<b>1,620,915,824</b>	<b>1,336,365,985</b>	<b>29,776,503</b>	<b>466,895</b>	<b>1,365,675,593</b>	<b>255,240,231</b>	<b>268,637,492</b>
Previous Year	1,595,480,317	10,302,755	779,595	1,605,003,477	1,300,027,375	37,065,513	726,903	1,336,365,985	268,637,492	295,452,942
<b>B Intangible Assets</b>										
Computer software	-	-	-	-	-	-	-	-	-	-
	171,512	-	171,512	-	171,512	-	171,512	-	-	-
<b>Intangible Assets - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year	171,512	-	171,512	-	171,512	-	171,512	-	-	-
<b>Total - (a+b)</b>	<b>1,605,003,477</b>	<b>17,686,030</b>	<b>1,773,683</b>	<b>1,620,915,824</b>	<b>1,336,365,985</b>	<b>29,776,503</b>	<b>466,895</b>	<b>1,365,675,593</b>	<b>255,240,231</b>	<b>268,637,492</b>
Previous Year	1,595,651,829	10,302,755	951,107	1,605,003,477	1,300,198,887	37,065,513	898,415	1,336,365,985	268,637,492	295,452,942

### 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 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 10 Non Current Investments**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
<b>Non Trade Invesements (Unquoted)</b>		
<b>Investment in Mutual Funds :-</b>		
Aditya Birla Sun Life Credit Risk Fund ( Formerly known as Aditya Birla Sun Life Corporate Bond Fund) - Gr. Regular (2,135,657 units at 31 March 2019, Previous Year - 2,135,657 units )	25,000,000	25,000,000
Axis Dynamic Equity Fund -Growth (1,672,662 units at 31 March 2019, Previous Year - Rs.Nil)	18,000,000	-
Reliance Strategic Debt Fund-Growth Plan (2,504,334 units at 31 March 2019 , Previous Year - 2,504,334 units )	32,500,000	32,500,000
HDFC Credit Risk Debt Fund (HDFC Coprorate Debt Opportunities Fund) - Regular Plan - Growth (1,424,237 units at 31 March 2019 , Previous Year 1,424,237 units )	20,000,000	20,000,000
HDFC Equity Saving Fund - Regular Plan-Growth (286,673 units at 31 March 2019, Previous Year 286,673 units)	10,000,000	10,000,000
ICICI Prudential Balance Advantage Fund Growth (788,225 units at 31 March 2019 , Previous Year - 788,225)	25,000,000	25,000,000
ICICI Prudential Regular Income Fund - Growth ( NIL units at 31 March 2019, Previous Year - 1,867,207 units)	-	32,500,000
IDFC Credit Risk Fund (Formerly known as IDFC Credit Opportunities Fund) -Regular Plan - Growth (1,436,479 units at 31 March 2019 , Previous Year - 1,436,479 units)	15,000,000	15,000,000
IDFC Dynamic Equity Fund Regular Plan -Growth (1,079,969 units at 31 March 2019 , Previous Year - Nil)	14,000,000	-
SBI Credit Risk Fund (Formerly known as SBI Corporate Bond Fund ) Regular Plan - Growth (496,766 units at 31 March 2019 , Previous Year - 496,766 units)	13,500,000	13,500,000
<b>Total</b>	<b>173,000,000</b>	<b>173,500,000</b>
<b>Net Asset Value of above Invenemnts as at year end</b>	<b>189,892,926</b>	<b>181,273,688</b>

**Note 11 Long-term loans and advances - (Unsecured, considered good)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Capital advances	-	584,100
Security deposits	10,938,400	11,538,400
Tender deposits	4,258,318	2,958,318
Other deposits	5,471,104	5,471,104
Loans and advances to employees	249,600	291,000
Prepaid expenses	941,674	147,864
Advance income tax (Net of provisions - Rs. 325,072,650/-, 31st March, 2018 Rs.364,054,149/-)	19,344,173	12,613,405
<b>Balances with government authorities :</b>		
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*	37,034,735	11,552,837
Tax paid under protest	109,000	69,000
<b>Total</b>	<b>170,427,787</b>	<b>137,306,811</b>

\*Represents amount recoverable from one of the Brand owner.

**Note 12 Current Investments**  
(as cost or fair value, whichever is lower)

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
<b>Non Trade Invesements (Unquoted)</b>		
<b>In Mutual Fund :-</b>		
Aditya Birla Sun Life Low Duration Fund (Formerly known as Aditya Birla Sun Life Cash Manager) Growth Regular Plan ( 238,380 units at 31 March, 2019, Previous Year - 124,541 units )	104,504,751	51,137,487
<b>Total</b>	<b>104,504,751</b>	<b>51,137,487</b>
<b>Net Asset Value of above Invenemnts as at year end</b>	<b>107,137,958</b>	<b>52,002,517</b>

**Note 13 Inventories**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Raw materials (including stock with third party Rs.28,743,285/-, As at 31st March 2018 Rs. 38,741,142/-)	57,548,593	58,894,018
Work-in-Progress	24,853,621	20,551,427
Finished goods	109,046,199	83,360,593
Stores and spares	35,084,676	41,079,573
Packing materials	47,142,648	26,080,602
<b>Total</b>	<b>273,675,737</b>	<b>229,966,213</b>

**Note 14 Trade receivables (Unsecured)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Outstanding for a period exceeding six months from the due date		
Considered good	206,168	215,096
Considered Doubtful	836,577	836,577
	1,042,745	1,051,673
Less : Provision for doubtful trade receivables	(836,577)	(836,577)
<b>Total</b>	<b>206,168</b>	<b>215,096</b>
Other trade receivables		
Considered good	703,381,491	395,236,591
<b>Total</b>	<b>703,587,659</b>	<b>395,451,687</b>

**Note 15 Cash and bank balances**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
<b>(a) Cash and cash equivalents</b>		
(i) Cash on hand	188,994	244,448
(ii) Balances with banks :		
In current accounts	47,105,406	89,430,459
	47,294,400	89,674,907
<b>(b) Other Bank balances</b>		
(i) Margin money with banks	2,717,613	2,250,283
(ii) In Deposit Accounts	567,971,106	358,579,676
	570,688,719	360,829,959
<b>Total</b>	<b>617,983,119</b>	<b>450,504,866</b>

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### Note 16 Short-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Loans and advances to employees	1,132,423	851,595
Prepaid expenses	4,146,830	4,794,912
Advance to suppliers	3,624,709	4,663,590
<b>Balances with government authorities :</b>		
Excise duty	51,710,125	34,333,059
Import fees	11,625,600	6,680,952
Others	1,227,333	-
<b>Total</b>	<b>73,467,020</b>	<b>51,324,108</b>

### Note 17 Other current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Interest accrued on deposits	21,862,396	15,759,774
<b>Total</b>	<b>21,862,396</b>	<b>15,759,774</b>

### Note 18 Revenue from Operations

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Sale of products (Refer Note (i) below)	5,660,929,379	3,698,589,670
Other operating revenues (Refer Note (ii) below)	76,622,754	43,327,453
<b>Total</b>	<b>5,737,552,133</b>	<b>3,741,917,123</b>
<u>Less :</u>		
Excise Duty	2,091,769,941	491,128,620
<b>Total</b>	<b>3,645,782,192</b>	<b>3,250,788,503</b>

#### Notes:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
(i) Sale of products comprises :		
<u>Manufactured goods</u>		
Beer	5,660,929,379	3,698,589,670
<b>Total - Sale of manufactured products</b>	<b>5,660,929,379</b>	<b>3,698,589,670</b>
(ii) Other operating revenues comprises :		
Sale of scrap	32,522,754	20,827,453
Compensation for Volume Commitment	44,100,000	22,500,000
<b>Total - Other operating revenues</b>	<b>76,622,754</b>	<b>43,327,453</b>

**Note 19 Other Income**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Interest Income:-		
on banks deposits	33,011,056	25,382,141
on income-tax refund	-	14,079
on security deposit	511,692	530,656
	<b>33,522,748</b>	<b>25,926,876</b>
Net gain on foreign currency transaction and translation (Net)	-	525,871
Profit on sale of fixed assets	148,800	-
Sundry credit balance written back (Net)	163,271	8,791,022
Profit on sale of mutual fund-current investments	8,586,147	4,554,978
Compensation received against damaged goods	2,306,648	668,774
Insurance Claim Received	-	5,284,480
<b>Total Other income</b>	<b>44,727,614</b>	<b>45,752,001</b>

**Note 20 Cost of materials consumed**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Opening Stock	58,894,018	23,934,010
Add : Purchases	548,585,436	570,538,008
Less : Closing Stock	57,548,593	58,894,018
<b>Cost of material consumed</b>	<b>549,930,861</b>	<b>535,578,000</b>
<b>Raw material consumed comprises :</b>		
(i) Malt	289,521,413	284,912,312
(ii) Rice broken/flakes	132,284,737	122,426,339
(iii) Sugar	35,645,685	40,978,447
(iv) Others	92,479,026	87,260,902
<b>Total</b>	<b>549,930,861</b>	<b>535,578,000</b>

**Note 21 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
<u>Inventories at the end of the year:-</u>		
Finished goods	109,046,199	102,406,563
Work-in-progress	24,853,621	20,551,427
<b>Total</b>	<b>133,899,820</b>	<b>122,957,990</b>
<u>Inventories at the beginning of the year:-</u>		
Finished goods	83,360,593 **	154,276,822
Work-in-progress	20,551,427	25,194,780
<b>Total</b>	<b>103,912,020</b>	<b>179,471,602</b>
Add / (Less) Adjustment for Excise Duty on Stock	(25,435,512)	61,052,059
<b>Net decrease / (increase)</b>	<b>(4,552,288)</b>	<b>(4,538,447)</b>

\* Includes Rs.19,045,970/- being value of items against a specific customer order.

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

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### Note 22 Employee benefits expense

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Salaries and wages	92,867,328	79,498,482
Contribution to provident and other funds	3,958,929	3,752,398
Gratuity expenses	669,889	165,536
* Net of Actuarial gain Rs.458,095/- (Previous year Rs.160,3071/-)		
Staff welfare expenses	3,371,321	3,090,698
<b>Total</b>	<b>100,867,467</b>	<b>86,507,114</b>

### Note 23 Finance Cost

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Interest expenses:- on payment of statutory dues	7,328,873	10,286
<b>Total</b>	<b>7,328,873</b>	<b>10,286</b>

### Note 24 Other expenses

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Packing material consumed (net of amount recovered Rs.2,797,694 , Previous year Rs.Nil)	1,464,406,825	1,110,858,258
Consumption of stores and spares	46,836,274	30,492,217
Contract labour charges - Manufacturing	19,195,665	21,455,358
Security, Housekeeping and others	15,076,190	14,363,278
Power and fuel	115,173,506	91,588,325
Repairs and maintenance - Buildings	15,856,945	13,574,297
Repairs and maintenance - Machinery	19,745,124	22,101,317
Repairs and maintenance - Others	1,399,147	1,025,144
Insurance	2,530,043	1,797,586
Brand Owner's Surplus / License fees	560,291,989	861,376,018
Director's sitting fees	1,416,000	1,472,750
Rent	607,177	1,443,595
Rates , taxes, duties , fees etc.	93,163,666	17,280,262
Communication	1,525,634	1,505,023
Travelling and conveyance	4,438,678	5,479,215
Legal and professional fees (Refer Note below)	9,289,980	8,068,229
Advertisement and publicity	16,845,509	10,573,471
Carriage outward	166,810,580	98,794,353
Loading charges	10,936,301	9,607,107
Commission on Sales	15,735,692	-
Cash discount	17,199,165	4,770,708
Corporate Social Responsibility Expenditure	5,000,000	10,852,000
Donation	1,183,500	29,680,000
Net loss on foreign currency transaction and translation	85,351	-
Loss on disposal of fixed assets (Net)	-	28,358
Miscellaneous expenses	20,735,374	15,376,492
<b>Total</b>	<b>2,625,484,315</b>	<b>2,383,563,361</b>

**Notes (i)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
<u>Legal and Professional fees Includes payment to the auditors as under: (excluding service tax/Gst):</u>		
As auditors - statutory audit	1,550,000	1,550,000
For Tax Audit	250,000	250,000
Out of pocket expenses	55,395	36,831
<b>Total</b>	<b>1,855,395</b>	<b>1,836,831</b>

**25.1 Contingent liabilities and commitments:**

(i) Contingent liabilities :

- (i) 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) Claims against the Company not acknowledged as debts Rs.588,506/- (Previous year Rs. 391,513/-) towards income tax demands order u/s 201(1) r.w.s. 201(1a) of the Income Tax Act, 1961. Against such demands, Rs.109,000/- (Previous Year Rs. 69,000/-) is deposited with the Income tax authorities.

- b) Following an amendment to the definition of 'business auxiliary services' in 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 it 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 September 1, 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 had determined the amount payable as per CESTAT order of Rs. 160,057,421 and the amount of duty paid under protest (included in loans and advances) to the extent of Rs. 160,057,421 had been adjusted against the dues to/ advance received from the brand owner, as per the confirmation from brand owner. The balanced sum of Rs. 4,93,44,615/- paid under protest is shown under long term loans and advances.

During the financial year 2016-17, the Central Excise authorities has filed an appeal against the Order of the CESTAT dated 1 September, 2015 in the Hon'ble Supreme Court in respect of which the hearing proceedings are yet to be initiated. Based on advice from its service tax consultants 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) With reference to liability to pay Goods and Service tax (GST) on production overhead charges payable to the Company by its principal, one of the principals applied to the Authority for Advance Ruling in Karnataka (AAR) for Advance Ruling. The AAR vide its Ruling dated 28.06.2018 answered that contract brewing / bottling units are not engaged in supply of service hence it is not liable to pay GST. Accordingly and as advised by the principal, the Company has not paid GST which is estimated at Rs. 13,32,03,607 (Previous year Rs. 5,24,49,295). In any case, if the Company incurs the liability, the principal 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, 2019	As at 31 March, 2018
	Rupees	Rupees
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	1,138,500



(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.

**25.2 Value of imports on CIF basis:**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Stores and Spares	16,207,215	27,502,596

**25.3 Details of consumption of imported and indigenous items:**

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	Rupees	%	Rupees	%
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	549,930,861	100.00%	535,578,000	100.00%
<b>Total</b>	<b>549,930,861</b>	<b>100.00%</b>	<b>53,557,8000</b>	<b>100.00%</b>
<b>Packing Materials</b>				
Imported	-	-	-	-
Indigenous	1,464,406,825	100.00%	1,110,858,258	100.00%
<b>Total</b>	<b>1,464,406,825</b>	<b>100.00%</b>	<b>1,110,858,258</b>	<b>100.00%</b>
<b>Stores and Spares</b>				
Imported	26,859,259	57.35%	12,109,747	39.71%
Indigenous	19,977,015	42.65%	18,382,470	60.29%
<b>Total</b>	<b>46,836,274</b>	<b>100.00%</b>	<b>30,492,217</b>	<b>100.00%</b>

**25.4 Earnings in Foreign Exchange (on accrual basis): NIL**

**25.5 Expenditure in Foreign Currency (on accrual basis):**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Repairs to Plant and Machinery	380,232	467,987
Others	821,995	1,402,719

**25.6** 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		2018-19 Rupees	2017-18 Rupees
A	Principal amount remaining unpaid as on 31 March	27,374,405	23,000,942
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.

**26 Disclosure in accordance with Accounting Standards :**

**26.1 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, 2019	For the year ended 31 March, 2018
Employer's Contribution to Provident fund	3,958,929	3,752,398

**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, 2019	As at 31 March, 2018
	Rupees	Rupees
Liability at the Beginning of the Year	12,517,492	12,133,474
Interest Cost	980,120	873,610
Current Service Cost	1,039,734	1,065,114
Past Service Cost –Vested Benefit	-	504,679
Benefits Paid	(137,980)	(426,865)
Actuarial (gain)/Loss on obligations – Due to change in Financial Assumption	57,583	(908,492)
Actuarial (gain)/Loss on obligations – Due to Experience	(602,734)	(724,028)
<b>Liability at the end of the Year</b>	<b>13,854,215</b>	<b>12,517,492</b>

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Fair value of Plan Assets at the beginning of the Year	11,390,423	9,372,171
Expected Return on Plan Assets	891,870	674,796
Contributions	3,024,291	1,799,770
Benefits paid	(137,980)	(426,865)
Actuarial Gain / (loss) on Plan Assets due to Experience	(87,056)	(29,449)
<b>Fair value of Plan Assets at the end of the Year</b>	<b>15,081,548</b>	<b>11,390,423</b>

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Liability at the end of the Year	13,854,215	12,517,492
Fair value of Plan Assets at the end of the year	15,081,548	11,390,423
<b>Plan assets / (Obligation) recognized in the Balance Sheet</b>	<b>1,227,333</b>	<b>(1,127,069)</b>

Cash outflow on account of contribution for F.Y.2019-20 is expected to be lower by Rs. 1,227,333/- (Previous year higher by Rs. 1,127,069/-)

d) Expense recognized during the year.

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rupees	Rupees
Current Service Cost	1,039,734	1,065,114
Past Service Cost – Vested Benefit	-	504,679
Interest Cost	980,120	873,610
Expected Return on Plan Assets	(891,870)	(674,796)
Actuarial (Gain) or Loss	(458,095)	(1,603,071)
<b>Expense recognized in Profit and Loss</b>	<b>669,889</b>	<b>165,536</b>

e) Actual Return on Planned Assets :

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Expected Return on Plan Assets	891,870	674,796
Actuarial Gain/ (Loss) on Plan Assets	(87,056)	(29,449)
<b>Actual Return on Plan Assets</b>	<b>804,814</b>	<b>645,347</b>

f) Investment Details:

Particulars	% Invested As at 31 March, 2019	% Invested As at 31 March, 2018
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, 2019	As at 31 March, 2018
Mortality Table- Indian Assured Lives Mortality	2006-08 (Std)	2006-08 (Std)
Discount Rate (per annum)	7.79%	7.83%
Expected Return on Plan Assets	7.79%	7.83%
Rate of escalation in salary (per annum)	8.00%	8.00%
Attrition rate	2.00%	2.00%

h) Experience Adjustments:

Particulars	31-3-2019 Amount Rs.	31-3-2018 Amount Rs.	31-3-2017 Amount Rs.	31-3-2016 Amount Rs.	31-3-2015 Amount Rs.
Defined Benefit Obligation	13,854,215	12,517,492	12,133,474	9,139,442	7,910,075
Fair Value of Plan Assets	15,081,548	11,390,423	9,372,171	7,991,043	6,638,717
Surplus/(Deficit)	<b>1,227,333</b>	<b>(1,127,069)</b>	<b>(2,761,303)</b>	<b>(1,148,399)</b>	<b>(1,271,358)</b>
Experience Adjustment on Plan Assets –Gain / (Loss)	(87,056)	(29,449)	(80,050)	(13,238)	(48,492)
Experience Adjustment on Plan Liabilities (Gain) / Loss	(602,734)	(724,028)	398,745	135,138	253,245

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 2019, there is a gain on account of the Compensated Absences of Rs. 1,073,971/- (Previous year charge of Rs. 208,293/-).

**26.2** 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.

The Company mainly sales in the domestic market with no export sales. Hence, there is only a single geographical segment the information of which is disclosed in the financial statements.

**26.3 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
	Mr. Vincent Vaz	
2	Mr. Ashok K. Khemani	Promoters directly or indirectly holding more than 20% stake
	Mr. Suresh K. Khemani	
3	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.
4	K.H.Khemani & Sons.	
5	Kamla Kewalram Khemani Foundation	

Note : Related parties have been identified by the management.

b) Transactions with Related parties

	Particulars	Amount in Rupees		
		Key Management Personnel	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	20,293,000	Nil	Nil
		(14,598,000)	(Nil)	(Nil)
		8,433,576	Nil	Nil
		(7,167,576)	(Nil)	(Nil)
2	Reimbursement of expenses incurred by Mr.Amit Khemani on behalf of the Company	18,81,205 (1,756,495)	Nil (Nil)	Nil (Nil)
3	Sales to M/s.K.H.Khemani & Sons	Nil (Nil)	Nil (Nil)	2,011,033,694 (1,756,468,749)
4	Reimbursement of expense paid to K.H.Khemani & Sons	Nil (Nil)	Nil (Nil)	30,869,077 (29,140,640)
5	Donation paid to Kamla Kewalram Khemani Foundation	Nil (Nil)	Nil (22,000,000)	Nil (Nil)
6	Received from Mr.Suresh K. Khemani against Sales of Shares of Kamla Kewalram Khemani Foundation	Nil (Nil)	Nil (50,000)	Nil (Nil)
<b>Year end Balances :</b>				
1	Remuneration payable to Managing Director – Mr.Amit Khemani Whole time Director-cum-CFO- Mr. Vincent Vaz	12,516,000	Nil	Nil
		(6,821,000)	(Nil)	(Nil)
		4,273,394	Nil	Nil
		(2,967,394)	(Nil)	(Nil)
2	Reimbursement of expenses payable to Whole time Director-cum-CFO Mr.Vincent Vaz	11,500 (11,500)	Nil (Nil)	Nil (Nil)
3	Advance received from Mr.Vincent Vaz-Whole Time Director	2,000 (2,000)	Nil (Nil)	Nil (Nil)
4	Advance to/(from) M/s K. H. Khemani & Sons outstanding	Nil (Nil)	Nil (Nil)	29,64,821 (4,630,528)

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.

**26.4 Earnings per share:**

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A	Net Profit after tax as per profit and loss account (in Rupees)	246,781,193	158,593,784
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	6.69	4.30

**26.5(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, 2019	As at 31 March, 2018
	Rupees	Rupees
<b>Deferred Tax Liability</b>	-	-
<b>Deferred Tax Asset:</b>		
Depreciation	12,310,285	15,343,758
Liabilities allowable on payment basis	1,789,152	3027,678
<b>Total Deferred Tax Asset</b>	<b>14,099,437</b>	<b>18,371,436</b>
<b>Net Deferred Tax Asset</b>	<b>14,099,437</b>	<b>18,371,436</b>

**27 Other Disclosures :****27.1 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.

**27.2 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. 4,899,218/- (2018: Rs. 4,799,814/-).
- b) Amount spent during the year:

	Particulars	F.Y. 2018-19	F.Y. 2017-18
(i)	Construction / acquisition of any asset	-	-
(ii)	On purpose other than (i) above	5,000,000	10,852,000



27.3 There are no foreign currency exposures for the Company as on 31 March, 2019.

28 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 : 8 June, 2019

**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 : 8 June, 2019

**Amit Khemani**  
Managing Director  
(DIN : 00057283)

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

**Form No. MGT-11**

**Proxy form**

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

**BLOSSOM INDUSTRIES LIMITED**

**CIN:** U31200DD1989PLC003122

**Registered office:** Village Jani Vankad, Nani Daman 396 210 (U.T.) Daman and Diu.

**30<sup>th</sup> Annual General Meeting - 21<sup>st</sup> September, 2019**

Name of the Member(s):

Registered Address:

Email:

Folio no. / Client ID:

DP ID:

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held on the Saturday, 21<sup>st</sup> September, 2019 at 10.00 a.m. at Sandy Resort, Devka Beach, Daman- 396210 (U.T.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions	Voting (Optional)	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2019 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes, Reports of the Board of Directors (the Board) and the Auditors thereon.		
2.	Appoint a Director in place of Mr. Vincent Vaz (DIN: 02067875), who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3.	Re-appoint Mr. Amit Khemani (DIN: 00057283) as the Managing Director of the Company for a period of 3 years up to 26 <sup>th</sup> September, 2022, liable to retire by rotation. (Special Resolution)		
4.	To give authority to the Board to give loan, make investment provide guarantee or security in excess of the limit specified under section 186 of the Companies Act, 2013. (Special Resolution)		
5.	To give authority to borrow money exceeding the limit specified under section 180(1)(c) of the Companies Act, 2013. (Special Resolution)		
6.	To give authority to create charge on the property of the Company under section 180(1)(a) of the Companies Act, 2013. (Special Resolution)		
7.	To give authority to invest up to Rs. 150 Crores (Rupees One Hundred Fifty Crores Only) in M/s. K.H. Khemani & Sons under section 186 of the Companies Act, 2013.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
revenue  
stamp

Signature of Member

Signature of Proxy holder

Signature of Proxy holder

Signature of Proxy holder

**Note:**

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

TEAR HERE











Courier

*If undelivered, please return to:*

**BLOSSOM INDUSTRIES LIMITED**

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