



Industries Limited

**THIRTY-FOURTH ANNUAL REPORT
2022-2023**

BLOSSOM

Industries Limited

34th Annual Report 2022-23

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Haresh Thakkar

STATUTORY AUDITORS

M/s. CNK & Associates LLP
Chartered Accountants,
Mumbai

INTERNAL AUDITOR

M/s. Aneja Associates
Chartered Accountant,
Mumbai

REGISTRAR AND TRANSFER AGENT (R & TA)

M/s. Link Intime India Pvt. Ltd
C 101, 247 Park, L B S Marg,
Vikhroli - West, Mumbai – 400 083
Tel No: 022 - 4918 6270
Fax No: 022 - 4918 6060
Email: rnt.helpdesk@linkintime.co.in

SECRETARIAL AUDITOR

M/s. VPP & Associates
Practising Company Secretaries,
Mumbai

REGISTERED OFFICE & PLANT

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

COST AUDITOR

Mr. Girikrishna Maniar
Cost Accountant,
Mumbai

NOTICE

To,
The Members,
BLOSSOM INDUSTRIES LIMITED

Notice is hereby given that the **Thirty-Fourth** Annual General Meeting of the Members of **BLOSSOM INDUSTRIES LIMITED** will be held on Friday, 25th August 2023 at 11.00 a.m. through video conference (VC)/ other audio visual means (OAVM), to transact the business mentioned hereunder:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2023, 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 provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to the provisions of the Articles of Association of the Company, the consent of the Members be and is hereby accorded for payment of commission to the Non- Executive Directors of the Company of a sum not exceeding in aggregate 1% of the net profits of the Company for each financial year, as computed in manner laid down in Section 198 of the Companies Act, 2013 proportionately for a period of five financial years beginning with effect from financial year 2023-24.

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

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

Amit A. Khemani
Managing Director
DIN: 00057283

Address: Raheja Bay,
Flat No.F00801 & F00802,
Mount Mary Road,
Bandra (West),
Mumbai – 400 050

Date: 16th June, 2023
Place: Mumbai
CIN: U31200DD1989PLC003122

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

NOTES:

- A.** The Ministry of Corporate Affairs (“MCA”) has, vide its circular dated December 28, 2022 read with circulars dated May 5, 2020, April 8, 2020 & April 13, 2020 (collectively referred to as “MCA Circulars”), permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue upto September 30, 2023. In accordance with the said circulars of MCA and applicable provisions of the Act, the 34th AGM of the Company shall be conducted through VC / OAVM. National Securities Depository Limited (NSDL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The venue of the meeting shall be deemed to be the Registered Office of the Company at Village Jani Vankad, Nani Daman, Daman - 396210 (U.T.).
- B.** As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- C.** The Members can join the 34th AGM in the VC/OAVM mode 20 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- D.** The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 18th August 2023 to Friday, 25th August 2023, inclusive of both the days.
- E.** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out above is annexed hereto
- F.** In accordance with the MCA circulars, the 34th Annual Report inclusive of the Notice of AGM, Board Report, Auditor’s report, Financial Statements and other documents are being sent in electronic mode only to those Members whose e-mail address is registered with the Company or the Depository Participant(s).
- G.** Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Transfer Agent at rnt.helpdesk@linkintime.co.in along with the copy of the signed request letter mentioning the name, folio no. and address of the Member, self-attested copy of the PAN card, and self-attested copy of any address proof (eg.: Driving License, Election Identity Card, Passport).

34TH ANNUAL REPORT 2022-23

Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. Members whose email id are not registered and wish to receive the 34th Annual Report of the Company are requested to refer point R.II.

- H.** The attendance of the Members present at the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- I.** The Notice of AGM along with Annual Report for the financial year 2022-23, is available on the website of the Company at <https://www.blossombeverages.in/investors.html>. AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- J.** As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance along with their name demat account number / folio number, email id, mobile number at blossom@bildaman.com to register themselves as speaker attendee. Questions / queries should be sent during Friday, 18th August 2023 to Wednesday, 23rd August 2023. Only those queries which are registered during the said period will be answered to during the AGM. The Company reserves the right to restrict the number of questions, depending upon availability of time as appropriate for smooth conduct of the AGM.
- K.** The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, 18th August 2023, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- L.** All the documents referred to in the accompanying Notice and Explanatory Statement, shall be available for inspection through electronic mode, basis the request being sent on blossom@bildaman.com
- M.** During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, Audit Reports and all other statutory documents shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.
- N.** Members are requested to:
- Intimate to the Company or its Registrar and Share Transfer Agent immediately, of any change in their address.
 - Send all correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure to:
M/s. Link Intime India Pvt. Ltd
 C 101, 247 Park, L B S Marg,
 Vikhroli - West, Mumbai – 400 083
 Tel No: 022 - 4918 6270
 Fax No: 022 - 4918 6060
 Email: rnt.helpdesk@linkintime.co.in

- Quote Registered Folio Numbers/ DP ID/ Client ID in all the correspondence.
- Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address directly to their respective Depository Participants.
- 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.
- The Ministry of Corporate Affairs had vide it's Notification dated September 10, 2018 made it mandatory w.e.f. October 2, 2018 for the Unlisted Public Company to have connectivity with the depository i.e. NSDL or CDSL, for dematerialization of securities to enable security holders to hold their securities in dematerialized mode. Further, transfer as well as issue of securities of Unlisted Public Company on or after October 2, 2018 can only be done in dematerialized form. Thus, shareholders can hold shares in demat or physical mode, however, in case of request for transfer, it can be proceeded only in demat mode. In view of the above and to avail benefits of dematerialization, members are advised to dematerialize shares held by them in physical mode.

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

- O.** As required under Secretarial Standards 2, the details of Mr. Vincent Vaz, who retires by rotation and offers himself for re-appointment at this Annual General Meeting, are as under:

| | |
|---|---|
| Name of Director | Mr. Vincent Vaz |
| Designation | Whole-time Director |
| Age | 56 years |
| Qualifications | Chartered Accountant |
| Experience | Over two decades in the field of finance, accounts and taxation. He has been associated with Blossom Industries Limited for around 27 years. Over the years, his expertise, knowledge and understanding of beer industry has immensely benefited in the Company's growth. |
| Terms and conditions of re-appointment | He being liable to retire by rotation is being re-appointed with no change in the terms and conditions |
| Last drawn remuneration | Salary: Rs. 4,75,016/- p.m. plus Commission @ 1% p.a. of net profit u/s 198 of the Companies Act, 2013. |

| | |
|--|--|
| Name of Director | Mr. Vincent Vaz |
| Date of first appointment on the Board | 28/01/2008 |
| Shareholding in the Company | Nil |
| Relationship with other Director/ Manager/KMPs | He does not share any relationship with any other Director/Manager/KMPs of the Company |
| No. of meetings of the Board attended during the year 2022-23 | 4 |
| Other Directorships | Cosminova Cosmetics Private Limited |
| Membership/ Chairmanships of the Committees of other Boards | Nil |

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

Q. In case of any queries relating to e-voting or attending AGM through VC/OAVM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Abhijeet Gunjal at evoting@nsdl.co.in or Mr. Bharat Gopalani, Sr. Manager – Accounts & Finance, Blossom Industries Limited, Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.) on 0260 – 6687800 or email on bharat@bildaman.com.

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

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

The remote e-voting period begins on Tuesday, 22nd August 2023 at 9:00 A.M. and ends on Thursday, 24th August, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step I: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. |

| Type of shareholders | Login Method |
|--|--|
| | <p>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p>  |
| Individual Shareholders holding securities in demat mode with CDSL | <p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> |

| Type of shareholders | Login Method |
|--|--|
| | <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@hkacs.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Abhijeet Gunjal at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to blossom@bildaman.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to blossom@bildaman.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step I (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in

demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at blossom@bildaman.com. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

- S.** The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Friday, 18th August, 2023.
- T.** The Board of Directors of the Company at their meeting held on 16th June, 2023 has appointed Mr. Hemanshu Kapadia, Practising Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- U.** The Scrutinizer shall immediately after the conclusion of the general meeting held through Video Conferencing, scrutinize the entire e-voting process and make, within a period not exceeding three (3) days from the conclusion of the meeting a Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- V.** The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared alongwith the report of the scrutinizer shall be placed on the website of the Company i.e. <https://www.blossombeverages.in/investors.html>.

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

Item no. 3:

The Members of the Company in their 29th Annual General Meeting held on 18th August, 2018, pursuant to the provisions of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013, approved by way of a Special Resolution, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, a sum not exceeding one percent per annum (1% p.a.) of the net profits of the Company, calculated in accordance with the Companies Act 2013, for a period of 5 years w.e.f. the financial year 2018-2019 upto financial year 2022-2023.

In view of expiry of period of 5 years, the Board in their meeting held on the 16th June, 2023 proposed to continue the payment of remuneration by way of commission of one percent per annum (1% p.a.) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 to all the Directors other than Managing Director and the Whole-time Director for a further period of 5 years from the financial year 2023-2024 upto the financial year 2027-2028. This remuneration will be distributed amongst all the Non-Executive Directors in consultation with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company other than Managing Director and Whole-time Director, for a further period of five years commencing from the financial year 2023-2024 as set out in the Resolution at Item No. 3 of the Notice.

The Managing Director, Whole-time Director, Key Managerial Personnel or their relatives, are not interested or concerned, financially or otherwise in the resolution set out at Item No. 3 of the Notice.

Directors other than the Managing Director and the Whole-time Director of the Company shall be deemed to be concerned or interested in the resolution set out at Item No. 3 of the Notice to the extent of the remuneration that may be received by them.

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

Amit A. Khemani
Managing Director
DIN: 00057283

Address: Raheja Bay,
Flat No.F00801 & F00802,
Mount Mary Road,
Bandra (West),
Mumbai – 400 050

Date: 16th June, 2023

Place: Mumbai

CIN: U31200DD1989PLC003122

BOARD'S REPORT

To,
The Members,
BLOSSOM INDUSTRIES LIMITED

The Directors have pleasure in presenting the **Thirty-Fourth Annual Report** of the Company and the Audited Financial Statement for the year ended **31st March, 2023**.

1.0 Financial summary or highlights/performance of the Company

The financial highlights of the Company are given below:
(Rs. in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|------------------|------------------|
| Sales (Net of excise) | 30,764.71 | 21,734.71 |
| Other Income | 2,549.57 | 2,488.34 |
| Total Revenue | 33,314.28 | 24,223.05 |
| Less: | | |
| (1) Depreciation | 340.57 | 294.35 |
| (2) Finance Costs | 753.75 | 1,029.20 |
| (3) Expenditure other than Depreciation and Finance | 28,659.15 | 20,211.60 |
| Profit before tax | 3,560.81 | 2,687.90 |
| Less: | | |
| Tax Expense | 850.79 | 678.84 |
| Profit/ (Loss) for the Year | 2,710.02 | 2,009.06 |

During the year under review, the sales were increased to Rs. 30,764.71 lakhs as compared to Rs. 21,734.71 lakhs in the previous year, due to increase in demand in export and domestic market. Consequent to the increase in the turnover and reduction in the finance costs, the profit before tax increased to Rs. 3,560.81 lakhs as compared to Rs. 2,687.90 lakhs in the previous year, registering an increase of 32.48%

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 2022-23.

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 continues to manufacture beer of various brands under the license agreement with United Breweries Limited, who is one of the top most market player. The Company's own beer brand i.e. "TAG" is doing extremely well in the overseas market. Further, with effect from 01st April, 2022, Company had entered into an agreement with United Breweries Limited (UBL) for manufacturing and sales of non-alcoholic beverages under the brand 'Kingfisher Radler and Kingfisher Ultra'. However, the same was

discontinued in January 2023 due to unfavorable business conditions, as directed by UBL. Further, the Company has entered into an agreement with "The Coca-Cola Company" and "Schweppes Holdings Limited" w.e.f. January 2023 for manufacture and sales of RTD (Ready to drink) beverages under the brand "Lemon Dou" and "Schweppes", in relation to which the plant/processes are under implementation.

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 Thirty-third (33rd) Annual General Meeting (AGM) held on 19th August, 2022, M/s. CNK & Associates LLP (Firm's Registration No. 101961W/W-100036), Chartered Accountants, were re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive financial years commencing from the conclusion of Thirty-third (33rd) AGM until the conclusion of Thirty-eight (38th) AGM.

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 2022-23, as required under Section 204 of the Companies Act, 2013 and the Rules framed there under. The Secretarial Audit Report for the financial year 2022-23 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 explanation is required.

12.0 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, the Annual Return of the Company in e-Form MGT-7 which is already uploaded on the Company's website and available on https://www.blossombeverages.in/assets/pdf/others/Form_MGT_7_Blossom_2022-23.pdf.

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) Pipes Natural gas and LSHS 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.
- Dual Burner for Gas and LSHS installed.

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

- The Company has installed 100 KW Solar Power System as an alternate source of energy.
- The Company has installed Natural Gas pipeline from "Indian Oil-Adani Gas Private Limited" in substitute of Furnace oil used by the Company.

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;

Utilization 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 during the year:

The Company had incurred capital expenditure during the year on the following products/systems

- a. Fire Hydrant System
- b. New product variant in 250 ml Cans
- c. Producing Non-alcoholic beverages.

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.

(Rs. in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|------------------------------|---------|---------|
| Foreign Exchange Earnings | 883.51 | 520.13 |
| Foreign Exchange Outgo | 35.19 | 1.95 |
| Value of Import on CIF basis | 120.35 | 102.19 |

14.0 Directors and Key Managerial Personnel

14.1 Changes in Directors and Key Managerial Personnel:

During the year under review, Mr. Amit Khemani was re-appointed as the Managing Director of the Company w.e.f. 27th September 2022 for tenure of 5 years i.e. till 26th September 2027 in the 33rd Annual General Meeting held on 19th August 2022.

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, retires at the ensuing 34th Annual General Meeting and being eligible, offers himself for re-appointment.

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

14.2 Declaration by Independent Directors, if any:

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

14.3 Performance evaluation of Board, Committees & Directors:

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

The results of the reviews were discussed in the Nomination and Remuneration Committee Meeting as well as by the Board. Further, the Independent Directors, at their Meeting, reviewed the performance of the Chairman, Non-Independent Directors and the Board as a whole in respect of the financial year under review. The Board Members' expertise and knowledge in diverse fields helps the Company to deliberate and come to the proper decision at the Board and Committee Meetings.

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 operating process which is implemented on continuous basis by the Management of the Company. The Audit Committee reviews the process of risk management, based on various reports of the management, presentation of the internal auditors, etc.

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 comply with the provisions of Section 149 of the Companies Act, 2013 and other applicable laws. The Company has a policy of inducting eminent individuals from diverse fields as Directors on the Board, as and when need arises.

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: https://www.blossombeverages.in/assets/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.

Four (4) meetings of the Audit Committee were held during the year 2022-23. The dates of Meetings of the Audit Committee held during the financial year and attendance at the meeting by the Committee Members are given in the table below:

| Name of Member | Date of Meetings and Presence | | | |
|-------------------------|-------------------------------|------------|------------|------------|
| | 11.06.2022 | 19.08.2022 | 30.11.2022 | 22.02.2023 |
| 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: <https://www.blossombeverages.in/assets/pdf/policy/Nomination-Remuneration-Policy.pdf>

Two (2) meetings of the Nomination and Remuneration Committee were held during the year 2022-23. The dates of Meetings of the Nomination and Remuneration Committee held during the financial year and attendance at the meeting by the Committee Members are given in the table below:

| Name of Member | Date of Meetings and Presence | |
|-------------------------|-------------------------------|------------|
| | 11.06.2022 | 30.11.2022 |
| Dr. P. Kotaiah | Yes | Yes |
| Dr. S. D. Israni | Yes | Yes |
| Ms. Lila Poonawalla | Yes | No |
| Mr. D. T. Khilnani | Yes | Yes |
| Mr. P. R. Barpande | Yes | Yes |
| Mr. Harsh Vardhan Jajoo | Yes | Yes |

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 various requests relating to shares are executed within the time frame provided under the Companies Act, 2013. During the year under review, all the requests received from the Members were processed in time and the Company had not received any complaints during the year and there were no pending complaints as on 31st March 2023.

Four (4) meetings of the Stakeholders' Relationship Committee were held during the year 2022-23. The dates of Meetings of the Stakeholders' Relationship Committees held during the financial year and attendance at the meeting by the Committee Members are given in table below:

| Name of Member | Date of Meetings and Presence | | | |
|--------------------|-------------------------------|------------|------------|------------|
| | 11.06.2022 | 19.08.2022 | 30.11.2022 | 22.02.2023 |
| 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 held in 2022-23 and attendance of the members is as under:

| Name of Member | Date of Meetings and Presence | | | |
|--------------------|-------------------------------|------------|------------|------------|
| | 11.06.2022 | 19.08.2022 | 30.11.2022 | 22.02.2023 |
| Dr. S. D. Israni | Yes | Yes | Yes | Yes |
| Mr. P. R. Barpande | Yes | Yes | Yes | Yes |
| Dr. P. Kotaiah | Yes | Yes | Yes | Yes |
| Mr. D. T. Khilnani | Yes | Yes | Yes | Yes |

18.4.1 Corporate Social Responsibility:

The role of the Corporate Social Responsibility Committee of the Board (referred to as the 'CSR Committee'), is to inter alia consider, review, monitor and provide strategic direction to the Company's CSR and sustainability activities towards fulfilling its societal objectives. The Company has a long history of supporting social and community activities viz. welfare centres, associations of blind and cancer patients, education trusts, by associating with different Institutions.

With respect to the financial year 2022-23, the Company was required to spend an amount of Rs. 7 lakhs after setting off previous year's excess expenditure, whereas the Company had spent Rs. 87.50 lakhs during the year 2022-23. 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**.

During the year, the Company undertook the project of renovation of the Navy Ship - "INS Kukri" acquired by Administration of Dadra and Nagar Haveli and Daman and Diu. The said ship has been converted into a museum and visited by various dignitaries and public at large, as well.

The shareholders will be happy to know that this project was undertaken and executed as a part of CSR project which is under protection of national heritage of historical importance. On completion of this CSR project, your Company has received appreciation letter from UT of Dadra & Nagar Haveli and Daman & Diu Collectorate Office.

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 dates of Board meetings and attendance of Directors are as under:

| Name of Directors | Date of Meetings and Presence | | | |
|-------------------------|-------------------------------|------------|------------|------------|
| | 11.06.2022 | 19.08.2022 | 30.11.2022 | 22.02.2023 |
| 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, details of inter-corporate loans, investments and guarantees provided by the Company under Section 186 of the Companies Act, 2013 is provided in Note no. 12, 13, 15 and 19 of the Audited Financial Statement. The details of Investment made in mutual funds during the financial year, which does not fall under the limits prescribed under Section 186 of the Companies Act, 2013, is provided in Note no. 15 of the Audited Financial Statement.

21.0 Particulars of contracts or arrangements with related parties

The particulars of contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including material transactions entered at arms' length 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 2022-23: Refer Form MGT 7, web-link provided in the Board's Report.

24.0 Market Drivers and Challenges

India's alcohol industry has been experiencing unprecedented growth in recent years, making it one of the fastest-growing beverage markets globally. The reasons are an increasing urban population and rising disposable income, which are anticipated to fuel the development of India's alcohol market.

According to a study, in 2022, the market for alcoholic beverages will generate US \$ 47,500 million in revenue. Furthermore, the market is projected to grow by 8.86% per year (CAGR 2022–2025). All these changes over the years reflect that the alcohol industry is supporting the growth of the Indian economy.

Challenges Faced By Indian Alcohol Industry

The alcohol industry in India faces several challenges, ranging from regulatory hurdles and high taxes to shifting consumer preferences and evolving market dynamics. Here are some of the major challenges faced by the alcohol industry in India:

Regulatory Hurdles - The alcohol industry in India is heavily regulated, with a complex web of laws and regulations governing production, distribution, and sale. This can make it difficult for companies to navigate the system and can lead to delays and bureaucratic red tape.

High Taxes - The alcohol industry in India is subject to high taxes, which can drive up the cost of production and reduce profit margins. In addition, taxes can vary widely from state to state, making it difficult for companies to plan and budget effectively.

Changing Consumer Preferences - As India's economy grows and consumer tastes evolve, companies in the alcohol industry must adapt to changing trends and preferences.

Distribution Challenges - The distribution system in India is highly fragmented and can be difficult to navigate, particularly for small and medium-sized companies. This can make it challenging to get products to market and can limit the reach of companies in the industry.

Competition - The alcohol industry in India is highly competitive, with several large players dominating the market. This can make it difficult for new and innovative companies to gain a foothold and compete effectively.

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 2023-24. However, as a good corporate governance practice, the Board of Directors in their meeting held on 16th June, 2023 appointed Mr. Girikrishna S. Maniar as the Cost Auditor of the Company for the financial year 2023-24 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. 2022-23 was not required to be 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 Statutory Auditors in their reports on internal financial control have observed that your Company has, in all material respect, all adequate internal financial control system over the financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March, 2023. The Internal Auditor also reviewed the internal control system during the year and have opined about their adequacy and effectiveness of the same.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. For the financial year 2022-23, 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 Disclosure under the Secretarial Standards

The Company complies with all the provisions of Secretarial Standards I & 2.

29.0 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.
- h) The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- i) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

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

Date: 16th June, 2023
Place: Mumbai

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



ANNEXURE TO THE BOARD'S REPORT

GENERAL SHAREHOLDERS INFORMATION

A) Annual General Meeting:

| | |
|------------------------------------|--|
| Day, Date, Time & Venue | Friday, the 25th August, 2023 at 11.00 a.m. through Video Conferencing/Other Audio Visual Means. Registered office shall be deemed to be venue of the meeting. |
| Financial Year | April 1, 2022 – March 31, 2023 |
| Book Closure Date | Friday, the 18th August, 2023 to Friday, the 25th August, 2023 (both days inclusive) |

B) Registrar & Share Transfer Agent:

M/s. Link Intime India Pvt. Ltd., 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. Link Intime India Pvt. Ltd
C 101, 247 Park, L B S Marg,
Vikhroli - West, Mumbai – 400 083
Tel No: 022 - 4918 6270
Fax No: 022 - 4918 6060
Email: rnt.helpdesk@linkintime.co.in

C) Share Transfer System:

All matters pertaining to Share Transfer are being handled by M/s. Link Intime India Pvt. Ltd. The average time taken for processing Share Transfer requests including dispatch of Share Certificates is less than 30 days, while it takes a minimum of 15 days for processing dematerialization requests. The Company's representatives visit the office of the Registrar & Share Transfer Agents to monitor, supervise and ensure that there are no delays or lapses in the system.

D) Dematerialization of Shares and Liquidity:

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

Plant Locations:

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

Address for correspondence

Registered Office

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

Form No. MR-3

SECRETARIAL AUDIT REPORTFor the Financial year ended 31st March 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial 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 the **31st March 2023** 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 31st March 2023, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
(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 thereunder;
(Not Applicable to the Company as it is an Unlisted Public Limited Company)
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;
 - (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, 2018;

(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 and as notified by the Central Government, and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**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 and Non-Executive Directors. There were no changes in the composition of the Board of Directors of the Company during the period under review.

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

Pooja Jain

Partner

C.P. No.: 9136

Membership No.: F8160

UDIN: F008160E000504414

P/R no: 701/2020

Date: 16th June, 2023

Place: Mumbai

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
CIN: U31200DD1989PLC003122
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. Where ever 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 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**

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

Date: 16th June, 2023
Place: Mumbai

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy:** 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.
2. **Composition of the CSR Committee:** The Committee comprises of the following Independent Directors:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------|--------------------------------------|--|--|
| 1. | Dr. S. D. Israni | Chairman | 4 | 4 |
| 2. | Mr. P. R. Barpande | Member | 4 | 4 |
| 3. | Dr. P. Kotaiah | Member | 4 | 4 |
| 4. | Mr. D. T. Khilnani | Member | 4 | 4 |

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** The Policy is available on the Company's website i.e. https://www.blossombeverages.in/assets/pdf/policy/CSR_Policy_18_06_21.pdf
4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:** Not Applicable
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (Rs. in lakhs) | Amount required to be set- off for the financial year, if any (Rs. in lakhs) |
|---------|----------------|--|--|
| 1. | 2021-22 | 33.09 | 33.09 |
| | | Total | 33.09 |

6. **Average net profit of the company as per Section 135(5):** Rs. 2004.58 lakhs
7. (a) **Two percent of average net profit of the company as per section 135(5):** Rs. 40.09 lakhs
 (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
 (c) **Amount required to be set off for the financial year, if any:** Rs. 33.09 lakhs
 (d) **Total CSR obligation for the financial year (7a+7b-7c):** Rs. 7.00 lakhs
8. (a) **CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year (Rs. in lakhs). | Amount Unspent (Rs. in lakhs) | | | | |
|---|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Rs. 87.50 | Nil | Nil | Nil | Nil | Nil |

- (b) **Details of CSR amount spent against ongoing projects for the financial year:**

| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Project duration. | Amount allocated for the project (Rs. in lakhs). | Amount spent in the current financial Year (Rs. in lakhs). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lakhs). | Mode of Implementation - Direct (Yes/ No). | Mode of Implementation - Through Implementing Agency. | |
|--|----------------------|--|-----------------------|--------------------------|----------|-------------------|--|--|---|--|---|----------------------|
| | | | | State | District | | | | | | Name | CSR Registration no. |
| NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY ONGOING PROJECTS | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No) | Location of the project. | | Amount spent for the project (Rs. in lakhs). | Mode of implementation - Direct (Yes/No) | Mode of Implementation - Through implementing agency. | |
|---------|--|---|---------------------|---|----------|--|--|---|----------------------|
| | | | | State | District | | | Name | CSR Registration No. |
| I. | Renovating the whole Navy Ship acquired by Administration of Dadra and Nagar Haveli and Daman and Diu and converting it into a museum. | V. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts | Yes | Union Territory of Dadra & Nagar Haveli and Daman & Diu | Diu | 87.50 | No | Kamala KevalramKhemani Foundation | CSR00013529 |
| | Total | | | | | 87.50 | | | |

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 87.50 lakhs

(g) Excess amount for set off, if any:

| Sl. No. | Particular | Amount (Rs. in lakhs) |
|---------|---|---|
| 1. | Two percent of average net profit of the company as per section 135(5) | 40.09 (Less set off of Rs. 33.09 lakhs of excess expenditure of previous year. Net amount of CSR obligation: Rs.7.00 lakhs) |
| 2. | Total amount spent for the Financial Year | 87.50 |
| 3. | Excess amount spent for the financial year [(2)-(1)] | 80.50 |
| 4. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| 5. | Amount available for set off in succeeding financial years [(3)-(4)] | 80.50 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in lakhs). | Amount spent in the reporting Financial Year (Rs. in lakhs). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (Rs. in lakhs). |
|----------------|---------------------------|---|--|--|------------------------|-------------------|---|
| | | | | Name of the Fund | Amount (Rs. in lakhs). | Date of transfer. | |
| NOT APPLICABLE | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (Rs. in lakhs) | Amount spent on the project in the reporting Financial Year (Rs. in lakhs) | Cumulative amount spent at the end of reporting Financial Year. (Rs. in lakhs) | Status of the project - Completed/ Ongoing. |
|---|-------------|----------------------|--|-------------------|---|--|--|---|
| NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY ONGOING PROJECT | | | | | | | | |

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not applicable as the Company has not created/acquired any capital asset.
- (a) Date of creation or acquisition of the capital asset(s).
 - (b) Amount of CSR spent for creation or acquisition of capital asset.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**
Not applicable

For and on behalf of the Board of Directors

Amit Khemani
Managing Director
DIN: 00057283
Address: Raheja Bay,
Flat No.F00801 & F00802,
Mount Mary Road,
Bandra (West),
Mumbai – 400 050

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

Date: 16th June 2023
Place: Mumbai

Date: 16th June 2023
Place: Mumbai

Form No. AOC-2

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

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

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

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

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

| Sr. no. | Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any |
|---------|--|---|---|---|--|
| 1 | K. H. Khemani & Sons, Amit Khemani, Managing Director's relative is a partner in the said firm | Sale of Beer | 01.04.2022 to 31.03.2023 | Sale of Beer on 2 months credit Rs. 27,077.27 lakhs | As it is on arm's length basis approval of Board is not required. The Company has obtained approval of Audit Committee and the members in the 31 st AGM for a period of 5 years |

For and on behalf of the Board of Directors

S. D. Israni
Chairman
DIN: 00125532

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

Date: 16th June 2023
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BLOSSOM INDUSTRIES LIMITED

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Blossom Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, 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 ('the Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Companies Act, 2013 ('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, 2023, its profit and its cash inflows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. (a) We draw attention to Note 28 (i) A regarding disclosure of contingent liabilities with reference to statutory payments and other claims. As disclosed in the said Note the Company is confident of a final favourable outcome from the litigations and does not expect any additional liabilities to arise;
- (b) We draw attention to Note 31 regarding inter-corporate loan of Rs. 9,977.45 lakhs given to a company and interest accrued thereon Rs. 1,303.96 lakhs. We have relied on the management's judgement about the recoverability of the loan along with interest accrued.

Our opinion is not modified in respect of these matters.

Other information

5. 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.
6. 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

7. The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 Companies Act, 2013.
8. 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.
9. 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.

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

Auditors' Responsibility for the Audit of the Financial Statements

11. 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.

12. 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;

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

14. 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.

15. 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.

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

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ('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.

18. 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to the Financial Statements;
- g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, we report that:
In our opinion and to the best of the information and explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) 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 – Refer Note 28 (i) to the Financial Statements;
 - ii. The Company did not have any long-term contracts, including derivatives contracts, for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 33(viii) to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like, on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 33(ix) to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like, on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not paid or declared any dividend during the year.
 - vi. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable for the year under audit.

For C N K & Associates LLP

Chartered Accountants

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

H. V. Kishnadwala

Partner

Membership No.: 037391

UDIN: 23037391BGULWR8899

Date: 16th June 2023

Place: Mumbai

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ('the Order')**

[Referred to in paragraph 17 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, 2023]

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and other relevant records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company has maintained proper records showing full particulars of intangible assets;
- (b) The Property, Plant and Equipment have been physically verified by the Management at reasonable intervals. Considering the size of the Company and nature of assets, in our opinion, the frequency of verification is reasonable. The Company has physically verified certain Property, Plant and Equipment during the year and the discrepancies were not material and have been properly dealt with in the books of account;
- (c) Based on our examination of the registered sales deeds provided to us, we report that the title deeds of all the immovable properties, comprising of land and building which are freehold disclosed in the Financial Statements are held in the name of the Company as at the balance sheet date;
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year;
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder;
- (ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. Considering the size of the Company and nature of its operations, the coverage and procedures are adequate. No discrepancies were noticed on physical verification, between the physical stock and the book records, that were 10% or more in the aggregate, for each class of inventory;
- (b) The Company has not been sanctioned any working capital limits at any point of time during the year. Accordingly clause 3(ii)(b) of the Order is not applicable;
- (iii) The Company has not granted any advance in nature of loan to any companies, firms, limited liability partnership or any other parties. The Company has granted unsecured loans to its employees and a company and provided guarantee or security to another company, details whereof are given in sub-clause (a) below. The Company has made investment in a partnership firm. The Company has not invested amount in companies, limited liability partnership or with other parties;
- (a) (A) The Company has not granted any loans, or provided guarantee, or security to subsidiaries, joint ventures or associates, hence reporting under clause 3(iii)(a)(A) of the Order is not applicable;
- (B) The Company has, in earlier years and during the year, granted loans, and provided guarantee, or security to parties, other than subsidiaries, joint ventures and associates, which is detailed as under;

| Particulars | Aggregate amount during the year (Rs. In lakhs) | Balance outstanding as at March 31, 2023 (Rs. in lakhs) |
|---|--|--|
| Loan to employees | 13.05 | 15.99 |
| Loan to a Company | - | 9,977.45 |
| Corporate Security given to a bank against loan to a Related Party | - | 14,000 |
| Corporate Guarantee given to a bank against loan to a Related Party | 14,000 | 14,000 |

- (b) In our opinion, the terms and conditions of the investments made in a firm and loans given to employees are prima facie, not prejudicial to the interest of the Company. In respect of loan given to a company refer Note 31 to the accounts. In respect of a security and guarantee offered to an entity for loan taken by a related party, we are unable to comment whether the terms and conditions of the security and guarantee offered are prejudicial to the interest of the Company. However, the Company has represented that looking to the business interest of the Company, the same is not prejudicial to the interest of the Company;
- (c) In respect of loans given to employees the schedule of repayment of principal and payment of interest has been stipulated and receipt of the same are regular. In respect to loan given to a company refer note 31 to the accounts;

- (d) In respect of the loans granted by the Company, there are no amounts which are overdue for more than ninety days (Also refer Note 31 to the accounts);
- (e) There are no loans that have fallen due during the year which have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties (Also refer Note 31 to the accounts);
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment;
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making of investments and providing guarantees and securities, as applicable;
- (v) The Company has not accepted any deposits, including deemed deposits, accordingly, clause 3(v) of the Order is not applicable;
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete;
- (vii) (a) On the basis of our examination of records and according to the information and explanations given to us, no undisputed statutory dues including provident fund, income-tax, Goods and Service Tax, duty of customs, duty of excise, sales tax / value added tax, cess and other material statutory dues were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable;
- (b) On the basis of our examination of records and according to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of any dispute are as under :

| Name of Statute | Nature of Dues | Forum where the dispute is pending | Year to which it relates | Amount (Rs. in lakhs) |
|---------------------------------|-----------------------|---|--------------------------|-----------------------|
| Bihar Value Added Tax Act, 2005 | Value Added Tax | Commissioner of Commercial Taxes, Bihar | 2011-12 | 28.61 |
| Income Tax Act, 1961 | Income Tax | Dy. Commissioner of Income Tax – (TDS) Circle | 2010-11 to 2016-17 | 11.14 |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | Directorate General of Goods and Service Tax | 2017 to 2019 | 2701.20 |

- (viii) As disclosed in Note 33(iv) to the accounts, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- (ix) On the basis of examination of records and according to the information and explanation given to us:
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon, to any lender;
- (b) The Company is not declared wilful defaulter by any bank or financial institution or other lender;
- (c) On an examination of records of the Company, we report that the term loans were applied for the purpose for which the loan was obtained;
- (d) On an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiary, nor it has entered into joint ventures with any party;
- (f) The Company does not have any subsidiary or associate company, nor it has entered into joint ventures with any party. Accordingly, clause 3(ix)(f) of the Order is not applicable;
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Hence, clause 3(x)(a) of the Order is not applicable;
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under review. Therefore, clause 3(x)(b) of the Order is not applicable;
- (xi) (a) There are no instances of material fraud by the Company or on the Company noticed or reported during the year;
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year;

- (xii) The Company is not a Nidhi Company and hence the reporting under paragraph 3(xii) of the Order is not applicable;
- (xiii) The Company is in compliance with Sections 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
(b) We have considered the internal auditors reports of the Company issued till date for the period under audit;
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company;
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and therefore, clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company;
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable;
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, clause 3(xviii) of the Order is not applicable;
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit Report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any on-going project or otherwise. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable;

For C N K & Associates LLP

Chartered Accountants

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

H. V. Kishnadwala

Partner

Membership No.: 037391

UDIN: 23037391BGULWR8899

Date: 16th June 2023

Place: Mumbai

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

[Referred to in paragraph 16(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, 2023]

We have audited the internal financial controls with reference to Financial Statements of Blossom Industries Limited ('the Company') as of March 31, 2023 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 to 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, 2023, based on the internal financial controls with reference to Financial Statements over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For C N K & Associates LLP

Chartered Accountants

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

H. V. Kishnadwala

Partner

Membership No.: 037391

UDIN: 23037391BGULWR8899

Date: 16th June 2023

Place: Mumbai

Balance sheet as at 31st March, 2023

| Particulars | Note No. | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|----------|---|---|
| A EQUITY AND LIABILITIES | | | |
| I Shareholders' funds | | | |
| (a) Share capital | 3 | 1,106.75 | 1,106.75 |
| (b) Reserves and surplus | 4 | 18,991.25 | 16,281.22 |
| | | 20,098.00 | 17,387.97 |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 2,500.00 | 7,446.86 |
| (b) Other long-term liabilities | 6 | 168.19 | 171.70 |
| (c) Long-term provisions | 7 | 28.43 | 28.89 |
| | | 2,696.62 | 7,647.45 |
| 3 Current liabilities | | | |
| (a) Trade payables | | | |
| i) Total Outstanding Dues of micro and small enterprises | 8 | 92.05 | 53.20 |
| ii) Total Outstanding Dues of creditors other than micro and small enterprises | 8 | 2,792.65 | 1,092.88 |
| (b) Other current liabilities | 9 | 4,886.61 | 5,853.40 |
| (c) Short-term provisions | 10 | 43.92 | 41.09 |
| | | 7,815.23 | 7,040.57 |
| TOTAL | | 30,609.85 | 32,075.99 |
| B ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, Plant and Equipment and Intangible assets | | | |
| (i) Property, Plant and Equipment | 11 | 2,943.62 | 2,787.89 |
| (ii) Intangible assets | 11 | 22.99 | 29.35 |
| (iii) Capital Work-in-Progress | 11 | 277.89 | 52.76 |
| | | 3,244.50 | 2,870.00 |
| (b) Non Current Investments | 12 | 7,500.00 | 7,500.00 |
| (c) Deferred tax assets | | 11.75 | 26.22 |
| (d) Long-term loans and advances | 13 | 755.34 | 758.09 |
| (e) Other Non-Current Assets | 14 | 159.52 | 161.52 |
| | | 11,671.11 | 11,315.83 |
| 2 Current assets | | | |
| (a) Current Investments | 15 | 1,490.99 | 516.99 |
| (b) Inventories | 16 | 3,094.52 | 2,272.92 |
| (c) Trade receivables | 17 | 599.90 | 2,659.83 |
| (d) Cash and bank balances | 18 | 509.49 | 504.22 |
| (e) Short-term loans and advances | 19 | 13,228.64 | 14,795.90 |
| (f) Other current assets | 20 | 15.20 | 10.30 |
| | | 18,938.74 | 20,760.16 |
| TOTAL | | 30,609.85 | 32,075.99 |
| See accompanying notes forming part of the financial statements | I to 34 | | |

As per our report of even date 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)

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

Amit Khemani
Managing Director
(DIN : 00057283)

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

Place : Mumbai
Date : 16 June, 2023

Place : Mumbai
Date : 16 June, 2023

Statement of Profit and Loss for the year ended 31 March , 2023

| Particulars | | Note No. | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|-------------|--|----------|---|---|
| 1 | Revenue from operations (gross) | 21 | 56,694.43 | 28,354.05 |
| | Less : Excise duty | | 25,929.72 | 6,619.34 |
| | Revenue from operations (net) | | 30,764.71 | 21,734.71 |
| 2 | Other income | 22 | 2,549.57 | 2,488.34 |
| 3 | Total Income (1 + 2) | | 33,314.28 | 24,223.05 |
| 4 | Expenses: | | | |
| | (a) Cost of materials consumed | 23 | 6,252.81 | 3,014.17 |
| | (b) Changes in inventories of finished goods and work-in-progress | 24 | (165.07) | (115.06) |
| | (c) Employee benefits expense | 25 | 1,358.58 | 1,054.73 |
| | (d) Finance costs | 26 | 753.75 | 1,029.20 |
| | (e) Depreciation and amortisation expense | 11 | 340.57 | 294.35 |
| | (f) Other expenses | 27 | 21,212.83 | 16,257.76 |
| | Total expenses | | 29,753.47 | 21,535.15 |
| 5 | Profit before tax (3 - 4) | | 3,560.81 | 2,687.90 |
| 6 | Tax expense: | | | |
| | (a) Current tax | | 840.00 | 665.00 |
| | (b) Deferred tax | | 14.47 | 16.69 |
| | (c) Short/(Excess) provision of tax of earlier years | | (3.68) | (2.85) |
| | | | 850.79 | 678.84 |
| 7 | Profit for the year (5 - 6) | | 2,710.02 | 2,009.06 |
| 8 | Earnings per share (of Rs. 3/- each): | | | |
| | Basic | | 7.35 | 5.45 |
| | Diluted | | 7.35 | 5.45 |
| | See accompanying notes forming part of the financial statements | I to 34 | | |

As per our report of even date 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)

Vincent VazWhole-time Director
and Chief Financial Officer
(DIN : 02067875)**Amit Khemani**

Managing Director

(DIN : 00057283)

H.L. ThakkarCompany Secretary
(Mem No:A7898)

Place : Mumbai

Date : 16 June, 2023

Place : Mumbai

Date : 16 June, 2023

Cash flow statement for the year ended 31st March, 2023

(Rs. In Lakhs)

| Particulars | Year Ended 31 March, 2023 | | Year Ended 31 March, 2022 | |
|---|------------------------------|---------------|------------------------------|-------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| Profit before tax | | 3,560.81 | | 2,687.90 |
| Adjusting for : | | | | |
| Depreciation and amortisation | 340.57 | | 294.35 | |
| Finance cost | 753.75 | | 1,029.20 | |
| Interest income | (2,267.96) | | (1,912.23) | |
| Profit on sale of current investment | (15.84) | | (518.52) | |
| Sundry credit balances written back | (0.28) | (1,189.88) | (8.81) | (1,116.01) |
| Operating profit before working capital changes | | 2,370.93 | | 1,571.89 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | (821.59) | | (41.67) | |
| Trade receivables | 2,059.93 | | (868.56) | |
| Fixed Deposits | 42.07 | | (237.87) | |
| Short-term loans and advances | (2,882.74) | | (12,799.08) | |
| Long-term loans and advances | 90.92 | | 9,564.51 | |
| Other current assets | (2.92) | | (6.22) | |
| | | (1,514.33) | | (4,388.89) |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 1,738.92 | | 604.28 | |
| Other current liabilities | (966.77) | | 52.97 | |
| Other long-term liabilities | (3.51) | | - | |
| Short-term provisions | 2.83 | | (4.12) | |
| Long-term provisions | (0.47) | | (0.74) | |
| | | 771.00 | | 652.39 |
| Net Cash from Operations | | 1,627.60 | | (2,164.61) |
| Net income tax (paid) | | (836.32) | | (704.42) |
| Net cash flow from / (used in) operating activities (A) | | 791.28 | | (2,869.03) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| Capital expenditure on fixed assets, including capital advances | (803.32) | | (429.61) | |
| Proceeds on disposal of Property, Plant and Equipments | 0.20 | | 0.86 | |
| Purchase of Investment in Mutual fund | 63.18 | | 2,980.01 | |
| Investment in Partnership firm | (1,021.34) | | (7,500.00) | |
| Proceeds from sale of Investment in Mutual Fund | - | | 5,190.03 | |
| Interest received | 2,267.96 | | 3,637.18 | |
| Net cash flow from / (used in) investing activities (B) | | 506.68 | | 3,878.47 |

(Rs. In Lakhs)

| Particulars | | Year Ended 31 March, 2023 | | Year Ended 31 March, 2022 | |
|--|---|------------------------------|-------------------|------------------------------|-------------------|
| C. | <u>CASH FLOW FROM FINANCING ACTIVITIES :</u> | | | | |
| | Payment of Interest | (753.75) | | (1,167.41) | |
| | Repayment of borrowings- term loan | (4,946.86) | | (50.89) | |
| | Net cash flow from / (used in) financing activities (C) | | (1,250.61) | | (1,218.30) |
| | Net (Decrease) / Increase in Cash and Cash Equivalents (A+B) | | 47.35 | | (208.88) |
| | Cash and Cash Equivalents (Opening balance) | | 201.83 | | 410.74 |
| | Cash and Cash Equivalents (Closing balance) | | 249.18 | | 201.86 |
| | Cash and cash equivalents at the end of the year * | | | | |
| | * Comprises: | | | | |
| | Cash on hand | | 0.02 | | 0.03 |
| | Balances with banks : | | | | |
| | In current accounts | | 249.17 | | 201.83 |
| | Total | | 47.35 | | (208.88) |
| See accompanying notes forming part of the financial statements | | | | | |

As per our report of even date attached

For CNK & Associates LLP
Chartered Accountants

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

Place : Mumbai
Date : 16 June, 2023

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 : 16 June, 2023

Amit Khemani
Managing Director
(DIN : 00057283)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR 2022-23

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 made from Malt. The manufacturing plant is located at Daman.

2) Significant Accounting Policies

1.1 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 (“the Act”), and other relevant provisions of 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 and Judgments:

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

2.3 Property, Plant and Equipment:

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.0.25 Lakhs or less are expensed out in the year of acquisition.

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

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

Capital work-in-progress:

Property, Plant and Equipments which are not yet ready for their intended use are classified as Capital work-in-progress (CWIP) and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.4 Intangible Assets:

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

2.5 Depreciation and Amortisation:

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

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

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

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

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

2.6 Impairment of Assets:

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

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

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

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

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. All other borrowing cost are charged to revenue.

2.8 Inventories:

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

2.9 Revenue Recognition:

- a. Sale of goods: Revenue on sale of products is recognized when the products are dispatched to the customers, all significant contractual obligations (including risk and rewards) have been satisfied and the collection of the resulting receivables is reasonably expected. Sales include excise duty but exclude value added tax and Goods and Service tax, as applicable.
- b. Export incentives: Export Incentives are accounted for when the right to receive the same is established and when there is no significant uncertainty regarding the ultimate collection thereof.
- c. Revenue from sale of scrap is recognized as and when scrap is sold.
- d. Share of profit /Loss from a partnership firm in which the Company is a partner is accounted for when the same is determined by the firm and apportioned amongst the partners.
- e. Other Income: Investment income i.e. gain or loss on investment is recognized as and when investment is sold or redeemed. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established. Insurance claim are recognized on the basis of claims admitted / expected to be admitted, to the extent that the amount

recoverable can be measured reliably and it is reasonable to expect ultimate collection. Interest income is recognized when it is probable that economic benefit flow to the Company and the amount of income can be measured reliably.

2.10 Employee Benefits:

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

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

c) Short-term employee benefits:

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

d) Long-term employee benefits:

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

2.11 Foreign Currency Transactions:

Initial recognition:

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

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

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

Treatment of exchange differences:

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

2.12 Investments:

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

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

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

Investment in a partnership firm is carried at cost and is disclosed as capital contribution. Interest on capital contribution and share of profit from investment in the partnership firm is disclosed as current investments.

2.13 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized in the financial statements nor disclosed in the financial statements.

2.14 Lease Rentals:

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

Finance leases:-

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

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

Operating leases:-

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

2.15 Income Taxes:

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

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:

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, 2023 | | As at 31 March, 2022 | |
|---------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Rupees in Lakhs | Number of shares | Rupees in Lakhs |
| Authorised | | | | |
| Equity shares of Rs.3/- each | 5,00,00,000 | 1,500.00 | 5,00,00,000 | 1,500.00 |
| Issued, Subscribed and paid up | | | | |
| Equity shares of Rs.3/- each | 3,68,91,700 | 1,106.75 | 3,68,91,700 | 1,106.75 |
| Total | 3,68,91,700 | 1,106.75 | 3,68,91,700 | 1,106.75 |

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

(ii) Terms/ Rights attached to Equity Shares:

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

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

| Name of shareholder | As at 31 March, 2023 | | As at 31 March, 2022 | |
|------------------------|----------------------|-------|----------------------|-------|
| | Number of shares | % | Number of shares | % |
| Laju Ashok Khemani | 1,13,81,550 | 30.85 | 1,13,81,550 | 30.85 |
| Ashok Kewalram Khemani | 1,01,70,550 | 27.57 | 1,01,70,550 | 27.57 |
| Amit Ashok Khemani | 45,66,500 | 12.38 | 45,66,500 | 12.38 |
| Harsha Amit Khemani | 45,65,500 | 12.38 | 45,65,500 | 12.38 |
| Ashok K. Khemani HUF | 40,00,000 | 10.84 | 40,00,000 | 10.84 |

(iv) Number of Shares held by Promoters :

| Name of the Promoters | As at 31 March, 2023 | | As at 31 March, 2022 | | % Change during the year |
|------------------------|----------------------|-------------------|----------------------|-------------------|--------------------------|
| | Number of shares | % of Total Shares | Number of shares | % of Total Shares | |
| Laju Ashok Khemani | 1,13,81,550 | 30.85 | 1,13,81,550 | 30.85 | - |
| Ashok Kewalram Khemani | 1,01,70,550 | 27.57 | 1,01,70,550 | 27.57 | - |
| Amit Ashok Khemani | 45,66,500 | 12.38 | 45,66,500 | 12.38 | - |
| Harsha Amit Khemani | 45,65,500 | 12.38 | 45,65,500 | 12.38 | - |
| Ashok K. Khemani HUF | 40,00,000 | 10.84 | 40,00,000 | 10.84 | - |

Note 4 Reserves and surplus

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| Capital Reserve | | |
| Opening balance / Closing balance | 10.42 | 10.42 |
| General Reserve | | |
| Opening balance / Closing balance | 6,000.00 | 6,000.00 |
| Revaluation Reserve | | |
| Opening balance | - | 45.81 |
| Less : Reversed during the year | - | 45.81 |
| Closing balance | - | - |
| Surplus in Statement of Profit and Loss | | |
| Opening balance | 10,270.80 | 8,261.74 |
| Add : Profit for the year | 2,710.03 | 2,009.06 |
| Closing balance | 12,980.83 | 10,270.80 |
| Total | 18,991.25 | 16,281.22 |

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.

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. During the year 2021-22 the Company had reversed revaluation reserved and adopted cost model.

Note 5 Long-term Borrowings

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|--|--|
| Secured Loan : | | |
| Term Loan - From Non-Banking Financial Companies (NBFCs) | 2,500.00 | 7,446.86 |
| Total | 2,500.00 | 7,446.86 |

Notes:

A. Term loan from NBFCs secured by :

- i) Secured by first exclusive charge on the entire movables and immovable properties, current as well as future of the Company,
- ii) First pari-passu charge on inter-corporate loan to Shree Naman Developers Private Limited of Rs.11,280.51 Lakhs, (Previous year Rs.14,427.45 Lakhs) (Including Interest accrued) ,
- iii) First and exclusive charge over Escrow of all the Cash flows / receivables from K.H.Khemani & Sons of Rs.2,221.58 Lakhs, Previous year Rs.597.60 Lakhs (Including profit share , interest and remuneration) and Escrow account of the Borrower,
- (iv) Personal guarantees of the Managing Director and one of his relatives, by way of primary security; and pledge cover of the entire stake of the promoters in the Company by way of collateral security.
- (v) Rate of interest 10.45% p.a upto 19th February 2023 and 11.95% p.a from 20th February 2023 (to be re-set annually on the basis of State bank of India MCLR rate) payable quarterly. Loan is repayable from March 2027 onwards in 5 quarterly installments (In the previous year repayable from September 2024 onwards in 15 quarterly installments).

Note 6 Other long-term liabilities

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|--|--|
| Long term maturities of Lease Obligations* | 168.19 | 171.70 |
| Total | 168.19 | 171.70 |

* Refer Note 29.4 (A).

Note 7 Long-term provisions

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---|--|--|
| Provision for employee benefits: | | |
| Provision for compensated absences | 28.43 | 28.89 |
| Total | 28.43 | 28.89 |

Note 8 Trade Payables

| Particulars | As at 31 March, 2023 | | | | | |
|---|--|------------------|--------------|--------------|-------------------|-----------------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Rupees in Lakhs | | | | | |
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Trade payables* : | | | | | | |
| (i) Micro, Small and Medium Enterprises | 84.86 | 7.19 | - | - | - | 92.05 |
| (ii) Others | 1,435.39 | 1,318.19 | 14.68 | 24.39 | - | 2,792.65 |
| (iii) Disputed dues - Micro, Small and Medium Enterprises | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 1,520.25 | 1,325.38 | 14.68 | 24.39 | - | 2,884.70 |

| Particulars | As at 31 March, 2022 | | | | | |
|---|--|------------------|--------------|-----------|-------------------|-----------------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Rupees in Lakhs | | | | | |
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Trade payables* : | | | | | | |
| (i) Micro, Small and Medium Enterprises | 33.91 | 19.29 | - | - | - | 53.20 |
| (ii) Others | 966.08 | 99.60 | 27.20 | - | - | 1,092.88 |
| (iii) Disputed dues - Micro, Small and Medium Enterprises | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 999.99 | 118.89 | 27.20 | - | - | 1,146.08 |

* Also refer note 30.6 for details of trade payables to Micro, Small and Medium Enterprises

Note 9 Other current liabilities

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| Current maturities of Lease Obligations | 3.51 | - |
| Inter Corporate Deposit from a Related Party* | 1,530.00 | 1,530.00 |
| Interest accrued and due on Inter Corporate Deposit | 428.79 | 263.55 |
| Statutory liabilities : | | |
| Tax deducted at source | 54.67 | 261.41 |
| Excise duty | 251.92 | 62.34 |
| VAT and CST on sales | 437.66 | 465.63 |
| Goods & Service Tax | 10.23 | 6.91 |
| Others | 19.97 | 15.67 |
| Employee related payments | 47.00 | 40.76 |
| Director's Remuneration payable | 378.17 | 186.16 |
| Trade / security deposits received | 44.00 | 44.00 |
| Advances from customers | 513.57 | 2,661.89 |
| Payable for purchase of fixed assets | 221.24 | 118.04 |
| Other Liabilities | 945.88 | 197.04 |
| Total | 4,886.61 | 5,853.40 |

* Inter Corporate Deposit from Khemani Distilleries Private Limited at the rate of 12% per annum.

Note 10 Short-term provisions

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---|--|--|
| Provision for employee benefits: | | |
| Provision for compensated absences | 3.53 | 3.01 |
| Provision for gratuity (Funded) | 8.97 | 6.18 |
| Provision for Bonus and Exgratia | 31.42 | 31.90 |
| Total | 43.92 | 41.09 |

Note - 11 - Property, Plant and Equipment

(Rupees in Lakhs)

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block | | |
|---|----------------------------|---------------|-------------------------|-----------------------------|-------------------------------|---------------|----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2022 | Additions | Deductions / Adjustment | Balance as at 31 March 2023 | Balance as at 1 April, 2022 | For the year | Adjusted against General Reserve | Deduction | Balance as at 31 March 2023 | Balance as at 31 March 2023 | Balance as at 31 March 2022 |
| A Property, Plant and Equipment | | | | | | | | | | | |
| Land (Freehold) | 309.28 | - | - | 309.28 | - | - | - | - | - | 309.28 | 309.28 |
| | <i>144.03</i> | <i>211.05</i> | <i>45.81</i> | <i>309.28</i> | - | - | - | - | - | <i>309.28</i> | <i>144.03</i> |
| Land (Lease hold) (See Note 1 below) | 202.36 | - | - | 202.36 | 20.18 | 6.13 | - | - | 26.31 | 176.05 | 182.18 |
| | <i>202.36</i> | - | - | <i>202.36</i> | <i>14.05</i> | <i>6.13</i> | - | - | <i>20.18</i> | <i>182.18</i> | <i>188.31</i> |
| Buildings | 3,578.83 | 12.32 | - | 3,591.15 | 1,877.45 | 105.16 | - | - | 1,982.61 | 1,608.54 | 1,701.38 |
| | <i>3,574.74</i> | <i>4.09</i> | - | <i>3,578.83</i> | <i>1,772.66</i> | <i>104.78</i> | - | - | <i>1,877.45</i> | <i>1,701.38</i> | <i>1,802.08</i> |
| Plant and Equipment | 12,536.47 | 449.81 | - | 12,986.28 | 11,999.35 | 189.75 | - | - | 12,189.10 | 797.18 | 537.11 |
| | <i>12,452.92</i> | <i>83.55</i> | - | <i>12,536.47</i> | <i>11,861.37</i> | <i>137.99</i> | - | - | <i>11,999.35</i> | <i>537.11</i> | <i>591.55</i> |
| Office Equipments | 71.86 | 4.21 | 1.63 | 74.45 | 63.45 | 4.64 | - | 1.55 | 66.55 | 7.90 | 8.41 |
| | <i>66.96</i> | <i>8.46</i> | <i>3.56</i> | <i>71.86</i> | <i>64.03</i> | <i>2.95</i> | - | <i>3.53</i> | <i>63.45</i> | <i>8.41</i> | <i>2.93</i> |
| Furniture and Fixtures | 219.54 | - | - | 219.54 | 216.63 | 0.95 | - | - | 217.58 | 1.96 | 2.91 |
| | <i>219.54</i> | - | - | <i>219.54</i> | <i>215.38</i> | <i>1.25</i> | - | - | <i>216.63</i> | <i>2.91</i> | <i>4.16</i> |
| Vehicles | 213.96 | 21.51 | 2.44 | 233.02 | 171.83 | 22.79 | - | 2.44 | 192.18 | 40.84 | 42.13 |
| | <i>226.47</i> | - | <i>12.52</i> | <i>213.96</i> | <i>153.34</i> | <i>27.15</i> | - | <i>8.67</i> | <i>171.83</i> | <i>42.13</i> | <i>73.13</i> |
| Computer Equipments | 55.35 | 2.16 | - | 57.51 | 50.86 | 4.79 | - | - | 55.64 | 1.87 | 4.49 |
| | <i>55.35</i> | - | - | <i>55.35</i> | <i>45.25</i> | <i>5.61</i> | - | - | <i>50.86</i> | <i>4.49</i> | <i>10.11</i> |
| Tangible Assets - Total | 17,187.65 | 490.01 | 4.07 | 17,673.59 | 14,399.75 | 334.21 | - | 3.99 | 14,729.97 | 2,943.62 | 2,787.89 |
| <i>Previous Year</i> | <i>16,942.38</i> | <i>307.14</i> | <i>61.88</i> | <i>17,187.64</i> | <i>14,126.07</i> | <i>285.87</i> | - | <i>12.20</i> | <i>14,399.75</i> | <i>2,787.89</i> | <i>2,816.30</i> |
| B Intangible Assets | | | | | | | | | | | |
| Computer software | 42.43 | - | - | 42.43 | 13.08 | 6.36 | - | - | 19.44 | 22.99 | 29.35 |
| | <i>42.43</i> | - | - | <i>42.43</i> | <i>4.59</i> | <i>8.49</i> | - | - | <i>13.08</i> | <i>29.35</i> | <i>37.83</i> |
| Intangible Assets - Total | 42.43 | - | - | 42.43 | 13.08 | 6.36 | - | - | 19.44 | 22.99 | 29.35 |
| <i>Previous Year</i> | <i>42.43</i> | - | - | <i>42.43</i> | <i>4.59</i> | <i>8.49</i> | - | - | <i>13.08</i> | <i>29.35</i> | <i>37.83</i> |
| Total - (a+b) | 17,230.08 | 490.01 | 4.07 | 17,716.02 | 14,412.83 | 340.57 | - | 3.99 | 14,749.41 | 2,966.61 | 2,817.24 |
| <i>Previous Year</i> | <i>16,984.81</i> | <i>307.14</i> | <i>61.88</i> | <i>17,230.07</i> | <i>14,130.66</i> | <i>294.36</i> | - | <i>12.20</i> | <i>14,412.83</i> | <i>2,817.24</i> | <i>2,854.13</i> |

Notes:

- 1 Land acquired on lease in FY. 2018-2019 and FY.2019-20 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.
- 2 Figures in *italics* are in respect of previous year.
- 3 There are no Intangible assets under development as on 31 March 2023 and 31st March 2022.
- 4 All title deeds of immovable assets are held in the name of the Company.

Capital-Work-in-Progres (CWIP) Ageing Schedule :-

| CWIP | As at 31 March, 2023 | | | | | As at 31 March, 2022 | | | |
|----------------------|----------------------|--------------|-----------|-------------------|---------------|----------------------|-----------|-------------------|--------------|
| | Rupees in Lakhs | | | | | Rupees in Lakhs | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | More than 3 years | Total |
| Projects in progress | 261.80 | 16.09 | - | - | 277.89 | 52.76 | - | - | 52.76 |
| Total | 261.80 | 16.09 | - | - | 277.89 | 52.76 | - | - | 52.76 |

Note :

There are no projects whose completion is overdue or has exceeded its estimated cost as at 31 March 2023 except Deareation water plant which has exceeded budgeted time due to performance results.

There are no projects whose completion is overdue or has exceeded its estimated cost as at 31 March 2022.

Note 12 Non Current Investments

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|--|----------------------|----------------------|
| | Rupees in Lakhs | Rupees in Lakhs |
| Investment in Partnership Firm : - | | |
| K.H.Khemani & Sons (See Note A (i) below Note 5) | 7,500.00 | 7,500.00 |
| Total | 7,500.00 | 7,500.00 |

Particulars of Investment in Partnership Firm viz., K. H. Khemani & Sons :

| Name of the Partners | Capital as at 3 ^{1st} March 2023 Amount (Rs. In Lakhs) | Capital as at 3 ^{1st} March 2022 Amount (Rs. In Lakhs) | Share in profits/ losses as at 31st March 2023 (%) | Share in profits/ losses as at 31st March 2022 (%) |
|-------------------------------|--|--|--|--|
| 1. Ashok K. Khemani | 22.00 | 287.48 | 31.25 | 31.25 |
| 2. Ashok K. Khemani - HUF | 115.16 | 587.42 | 31.25 | 31.25 |
| 3. Blossom Industries Limited | 7,500.00 | 7,500.00 | 37.50 | 37.50 |

Note 13 Long-term loans and advances - (Unsecured, considered good)

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| Capital advances | 147.00 | 58.82 |
| Loans and advances to employees | 8.26 | 4.24 |
| Prepaid expenses | 7.48 | 13.02 |
| Advance income tax (Net of provisions) | 99.15 | 188.56 |
| <u>Balances with government authorities :</u> | | |
| Service tax paid under protest* | 493.45 | 493.45 |
| Total | 755.34 | 758.09 |

*Represents amount recoverable from the Brand owner refer note 28 (i) (A) III.

Note 14 Other Non-Current Assets

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|-----------------------------------|---|---|
| Security deposits (For Utilities) | 90.90 | 90.90 |
| Tender deposits | 2.00 | 14.00 |
| Other deposits | 66.62 | 56.62 |
| Total | 159.52 | 161.52 |

Note 15 Current Investments

(as cost or fair value, whichever is lower)

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|--|--|
| K.H.Khemani & Sons - Current Account (Including Interest on capital and Share of Profit) | 1,395.46 | 374.12 |
| Investments in Mutual Funds (Non Trade)* :- | | |
| ABSL Liquid Fund-Growth (11,740 units at 31 March, 2023, Previous Year - Nil units) | 42.00 | |
| Aditya Birla Sund Life Low Duration Fund-Growth (10,047 units at 31 March, 2023, Previous Year - 26,813 units) | 53.53 | 142.87 |
| Total | 1,490.99 | 516.99 |
| Net Asset Value of above Investments as at 31st March | 98.70 | 143.70 |

Note 16 Inventories

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|--|-------------------------|-------------------------|
| | Rupees in Lakhs | Rupees in Lakhs |
| Raw materials (including stock with third party Rs.533.52 Lakhs, As at 31st March 2022 Rs. 207.19 Lakhs) | 1,003.53 | 498.11 |
| Work-in-Progress | 402.41 | 223.03 |
| Finished goods | 594.88 | 419.58 |
| Stores and spares | 497.09 | 454.57 |
| Packing materials | 596.61 | 677.63 |
| Total | 3,094.52 | 2,272.92 |

Note 17 Trade receivables (Unsecured)

| Particulars | As at 31 March, 2023 | | | | | | |
|---|--|--------------------|-------------------|-------------|-----------|-------------------|---------------|
| | Rupees in Lakhs | | | | | | |
| | Outstanding for following periods from due date of payment | | | | | | |
| | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 205.46 | 392.88 | 1.56 | - | - | - | 599.90 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | 8.37 | 8.37 |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| | 205.46 | 392.88 | 1.56 | - | - | 8.37 | 608.27 |
| Less : Provision for doubtful trade receivables | - | - | - | - | - | 8.37 | 8.37 |
| Total | 205.46 | 392.88 | 1.56 | - | - | 0.00 | 599.90 |

| Particulars | As at 31 March, 2022 | | | | | | |
|---|--|--------------------|-------------------|-------------|-----------|-------------------|-----------------|
| | Rupees in Lakhs | | | | | | |
| | Outstanding for following periods from due date of payment | | | | | | |
| | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 273.50 | 2,386.33 | - | - | - | - | 2,659.83 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | 8.37 | 8.37 |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| | 273.50 | 2,386.33 | - | - | - | 8.37 | 2,668.20 |
| Less : Provision for doubtful trade receivables | - | - | - | - | - | 8.37 | 8.37 |
| Total | 273.50 | 2,386.33 | - | - | - | 0.00 | 2,659.83 |

Note 18 Cash and bank balances

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| (a) Cash and cash equivalents | | |
| (i) Balances with banks : | | |
| In current accounts | 249.17 | 201.83 |
| (ii) Cash on hand | 0.02 | 0.03 |
| | 249.19 | 201.86 |
| (b) Other Bank balances | | |
| (i) Balances with bank held as Margin money (See Note below) | 260.30 | 96.36 |
| (ii) In Deposit Accounts | - | 206.00 |
| | 260.30 | 302.36 |
| Total | 509.49 | 504.22 |

Note: Jointly held with Service providers for utilities and Revenue authorities in compliance of statutory requirements.

Note 19 Short-term loans and advances (Unsecured, considered good)

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| Inter corporate loan * | 9,977.45 | 11,290.00 |
| Interest accrued on inter corporate loan (See Note A (i) below Note 5) | 1,303.06 | 3,137.45 |
| Loans and advances to employees | 7.73 | 3.88 |
| Prepaid expenses ** | 119.52 | 80.03 |
| Advance to suppliers | 136.31 | 83.99 |
| Balances with government authorities : | | |
| Excise duty | 1,604.16 | 164.21 |
| GST | 55.55 | 1.31 |
| Export Incentive claims receivables | 24.47 | 34.29 |
| Others | 0.39 | 0.74 |
| | - | - |
| Total | 13,228.64 | 14,795.90 |

* Refer Note 31

** Includes on account of excess spending on CSR Rs.80.50 Lakhs to be adjusted over the next three years.

Note 20 Other current assets

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|------------------------------|--|--|
| Interest accrued on deposits | 15.20 | 10.30 |
| Total | 15.20 | 10.30 |

Note - 21 Revenue from Operations

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| Sale of products (Net of discount*) (Refer Note (i) below) | 55,839.64 | 27,806.95 |
| Other operating revenues (Refer Note (ii) below) | 854.79 | 547.10 |
| Total | 56,694.43 | 28,354.05 |
| Less : | | |
| Excise Duty | 25,929.72 | 6,619.34 |
| Total | 30,764.71 | 21,734.71 |

* From the current year onwards the Company has started giving discounts to its distributors.

Notes:

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| (i) Sale of products comprises : | | |
| <u>Manufactured goods</u> | | |
| Beer made from Malt | 55,794.57 | 27,806.95 |
| Non-Alcoholic Beer | 45.07 | - |
| Total - Sale of manufactured products | 55,839.64 | 27,806.95 |
| (ii) Other operating revenues comprises : | | |
| Sales of waste / by products, etc. | 432.76 | 292.47 |
| Compensation for volume commitment * | - | 232.51 |
| Compensation for loss in inventory items due to discontinuance of business* | 385.36 | - |
| Export incentives | 36.67 | 22.12 |
| Total - Other operating revenues | 854.79 | 547.10 |

*Refer note 32 A and 32 B.

Note 22 Other Income

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| Interest Income:- | | |
| on bank deposits, including on deposits held as Margin Money | 15.37 | 9.53 |
| on inter corporate loan | 1,447.85 | 1,562.54 |
| on income tax refund | 13.76 | 10.42 |
| from a firm in which the Company is a partner | 787.50 | 325.79 |
| on security deposits | 3.48 | 3.96 |
| | 2,267.96 | 1,912.24 |
| Net gain on foreign currency transaction and translation (Net) | 14.76 | - |
| Profit on sale of Plant, Property and Equipments | 0.12 | - |
| Sundry balances written back (Net) | 0.28 | 8.81 |
| Profit on sale of mutual funds | 15.84 | 518.52 |
| Share of Profit from a firm in which the Company is a partner | 233.84 | 48.33 |
| Miscellaneous income | 16.77 | 0.44 |
| Total Other income | 2,549.57 | 2,488.34 |

Note 23 Cost of materials consumed

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| Opening Stock | 498.11 | 498.87 |
| Add : Purchases | 6,839.64 | 3,013.41 |
| Less : Closing Stock | 1,084.94 | 498.11 |
| Cost of material consumed | 6,252.81 | 3,014.17 |
| Raw material consumed comprises : | | |
| (i) Malt | 3,761.81 | 1,649.39 |
| (ii) Rice broken/flakes | 1,004.17 | 571.68 |
| (iii) Sugar | 425.83 | 244.14 |
| (iv) Others | 1,060.99 | 548.96 |
| Total | 6,252.81 | 3,014.17 |

Note 24 Changes in inventories of finished goods and work-in-progress

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| <u>Inventories at the end of the year:-</u> | | |
| Finished goods | 594.88 | 419.58 |
| Work-in-progress | 402.41 | 223.03 |
| Total | 997.29 | 642.61 |
| <u>Inventories at the beginning of the year:-</u> | | |
| Finished goods | 419.58 | 341.01 |
| Work-in-progress | 223.03 | 188.08 |
| Total | 642.61 | 529.09 |
| (Add) / Less Adjustment for Excise Duty on Stocks | (189.61) | 1.54 |
| Net decrease / (increase) | (165.07) | (115.06) |

Note 25 Employee benefits expense

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| Salaries, wages, bonus, allowances, gratuity etc. | 711.10 | 632.69 |
| Directors Remuneration | 538.44 | 337.67 |
| Contribution to provident and other funds | 57.84 | 57.70 |
| Staff welfare expenses | 51.20 | 26.67 |
| Total | 1,358.58 | 1,054.73 |

Note 26 Finance Cost

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|-----------------------------------|---|---|
| Interest expenses:- | | |
| on Term Loan | 504.05 | 845.36 |
| on inter corporate deposit | 183.60 | 183.60 |
| on late payment of statutory dues | 0.02 | 0.24 |
| Loan Processing Fees | 66.08 | - |
| Total | 753.75 | 1,029.20 |

Note 27 Other expenses

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| Packing materials consumed | 14,751.33 | 8,317.48 |
| Consumption of stores and spare parts | 555.87 | 320.48 |
| Contract labour charges - Manufacturing | 126.55 | 94.19 |
| Security, Housekeeping and others | 141.13 | 134.51 |
| Power and fuel | 1,686.28 | 1,002.28 |
| Repairs and maintenance - Buildings | 170.25 | 81.17 |
| Repairs and maintenance - Machinery | 237.77 | 69.30 |
| Repairs and maintenance - Others | 24.43 | 2.95 |
| Insurance | 55.76 | 51.71 |
| Brand Owner's Surplus / (Deficit) | (483.73) | 4,790.28 |
| Director's sitting fees | 28.32 | 28.32 |
| Rent | 37.20 | 5.39 |
| Rates and taxes | 2.92 | 2.92 |
| Duties & fees | 1,219.16 | 295.41 |
| Communication | 16.95 | 13.06 |
| Travelling and conveyance | 73.22 | 20.43 |
| Legal and professional fees (Refer Note (i) below) | 121.78 | 107.11 |
| Advertisement and publicity | 109.24 | 97.41 |
| Carriage outward | 1,330.73 | 394.62 |
| Loading charges | 86.38 | 50.12 |
| Commission on Sales | 338.21 | 54.37 |
| Cash discount | 160.41 | 107.69 |

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| Corporate Social Responsibility Expenditure (Refer Note (ii) below) | 40.09 | 50.47 |
| Net loss on foreign currency transaction and translation (Net) | - | 1.26 |
| Loss on disposal of Property, Plant and Equipments | - | 3.02 |
| Loss on Sales of Export License (RODTEP) | 2.21 | - |
| Loss on destruction of inventories | 131.54 | 0.55 |
| Miscellaneous expenses | 248.83 | 161.27 |
| Total | 21,212.83 | 16,257.76 |

Notes (i)

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--|---|---|
| <u>Legal and Professional fees Includes payment to the auditors as under: (excluding GST):</u> | | |
| As auditors - statutory audit | 19.00 | 17.50 |
| For Tax Audit | 4.00 | 3.50 |
| Out of pocket expenses | 0.38 | 0.18 |
| Total | 23.38 | 21.18 |

Notes (ii)

Corporate Social Responsibility (CSR)

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| (a) Amount required to be spent by the Company during the year | 40.09 | 50.47 |
| (b) Amount of expenditure incurred | 87.50 | 83.57 |
| (c) Shortfall at the end of year* | - | - |
| (d) Total of previous year shortfall | - | - |
| (e) Reason for shortfall | Not Applicable | Not Applicable |
| (f) Nature of CSR activities | ** | ** |
| (g) Details of Related party transactions | - | - |
| (h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year | Not Applicable | Not Applicable |

* After adjusting the excess CSR expenditure of Rs. 33.09 lakhs carried forward from F.Y. 2021-22, excess CSR expenditure of Rs.80.50 lakhs spent during the year is to be carried forward to the next year.

** Promoting Education , Health care and Protection of national heritage use.

28 Contingent liabilities and commitments:

(i) Contingent liabilities:

A) Related to Statutory Dues:

- I. Claims against the Company not acknowledged as debts: Rs.37.87 Lakhs (Previous year Rs.37.87 Lakhs towards indirect tax demands. Against such demand, Rs.9.26 Lakhs (Previous Year Rs.9.26 Lakhs) is deposited with the Commercial tax authorities, Bihar, under protest.
- II. Income tax demands not acknowledged as debt Rs.13.84 Lakhs (Previous year Rs.13.84 Lakhs). The tax demand is raised under section 201 (1) of the Income Tax Act, 1961. Rs.2.70 Lakhs (Previous Year Rs. 2.70 Lakhs) is deposited with the Income tax authorities against the demand. Appeals against the said demands have been filed with the Commissioner of Income Tax (Appeal).
- III. Following an amendment to the definition of 'business auxiliary services' by the Finance Act, 2009, the Company became liable to pay service tax on production of goods, not covered under Central Excise Act, 1944, for or on behalf of others. The Company, along with others in the industry, has filed a petition challenging the validity of this levy in the Hon'ble High Court of Bombay, for which hearing is pending. In the meanwhile, the Company received show cause-cum-demand notices demanding payment of service tax for the period from 23 September, 2009 to 30 June, 2012 aggregating Rs. 2,860.31 Lakhs (excluding interest and penalty) in the earlier years, against which the Company deposited Rs.2,094.02 Lakhs (including interest Rs.327.51 Lakhs) under protest. Against the same, the Company filed appeals before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

On 1 September, 2015, the CESTAT held that the Company is liable to pay 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. Based on the Order of the CESTAT, the Company determined the liability of Rs. 1,600.57 Lakhs (including interest Rs.308.22 Lakhs). The sum of Rs.2,094.02 Lakhs paid under protest as above is appropriated / considered by the Company as amount paid against the said liability of Rs.1,600.57 Lakhs. The said payment, made on behalf of the brand owner, is confirmed by the brand owner. The balanced sum of Rs.493.45 Lakhs out of the amount paid under protest, is disclosed as such, under long term loans and advances (See Note 13).

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

- IV. The Company has received Show cause notice ('SCN') from Directorate General of Goods & Service Tax Intelligence), Bengaluru. As per the SCN, Service tax of Rs.453.37 Lakhs is sought to be levied on amounts received by the Company as reimbursements of expenses towards water charges, electricity charges, fuel charges, administrative charges, selling and distribution expenses, etc. during the period from 01 June 2015 to 30 June 2017. The Company has denied any liability on account of the same before the Office of the Commissioner Central G.S.T., Daman Commissionerate, during the personal hearing as well as by written submission. The Company is informed by the Department that on an identical issue the Department has filed an appeal before the Supreme Court. Therefore, the matter will not be adjudicated immediately by the Revenue authority. As per the contract with its principal, the Company is entitled to reimbursement if eventually the liability crystalizes. Accordingly, the Company does not deem it necessary to provide for the liability in its books of accounts.
- V. In February 2020, the Company had received Demand Notice from Directorate General of Goods and Service Tax Intelligence ('DGGST') for payment of Goods and Service tax (GST) of Rs.1,937.96 Lakhs on the production overhead charges received from United Breweries Ltd. ('UBL') during the period from 01 July 2017 to 31 January 2020. Against the said Notice, the Company had filled writ petition before the Hon'ble Bombay High Court. Subsequently, DGGST by its letter dated 23.03.2022, has withdrawn the Demand Notice.

In February 2023, the Company had received a fresh Demand Notice from DGGST for payment of GST of Rs.2,701.20 Lakhs along with applicable interest and penalty on the production overhead charges received from United Breweries Ltd ('UBL') for the period from 01 July 2017 to 30 September 2020 and for the payment of GST on spent grain of Rs. 25.53 lakhs along with applicable interest and penalty for the period 01 July 2017 to 31 December 2019. The Company has already paid GST on spent grain of Rs.25.53 lakhs on 19 November 2021 under protest and the same has been charged to profit and loss account.

As per Advance Ruling ('AR') obtained by UBL, the contract brewing/bottling units are not liable to pay GST on production overheads, though the primary obligation to pay taxes is on the Company, the Brand owner has agreed to reimburse the Company, including for Interest and / or penalty, if any.

Similar notice has been received by the Chief Financial Officer of the Company in his personal capacity.

B) Related to others:

- a) Claims against the Company not acknowledged as debts: Rs.59.92 Lakhs (Previous year Rs.59.92 Lakhs) (excluding interest, if any) towards claims from vendors. Against such demands, Rs. 54.71 Lakhs (Previous Year Rs. 54.71 Lakhs) is deposited with the High Court receiver.
- b) Corporate Guarantee and Security to a bank for financial facilities of Rs. 14,000 Lakhs (Previous year Rs. 17,500 Lakhs) granted to a Related Party.
- (ii) Commitments :-

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|--|-------------------------|-------------------------|
| | Rupees in Lakhs | Rupees in Lakhs |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 366.48 | 201.57 |
| Liability for Export Obligations under Export Promotion Capital Goods Scheme. | --- | 84.96 |

- (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 impact on its financial results.

29 Disclosure in accordance with Accounting Standards :

29.1 Accounting Standard (AS) 15 – Employee Benefits:

Defined Contribution Plan:

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

(Amount in Rupees in Lakhs)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident fund | 57.84 | 57.70 |

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, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|--|--|
| Liability at the Beginning of the Year | 181.60 | 178.71 |
| Interest Cost | 13.06 | 12.24 |
| Current Service Cost | 13.89 | 13.35 |
| Past Service Cost –Vested Benefit | - | - |
| Benefits Paid | (6.28) | (6.73) |
| Actuarial (gain)/Loss on obligations – Due to change in Financial Assumption | (4.12) | (4.66) |
| Actuarial (gain)/Loss on obligations – Due to change in Demographic Assumption | - | 0.05 |
| Actuarial (gain)/Loss on obligations – Due to Experience | 2.64 | (11.35) |
| Liability at the end of the Year | 200.79 | 181.61 |

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

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|--|--|--|
| Fair value of Plan Assets at the beginning of the Year | 175.42 | 169.24 |
| Expected Return on Plan Assets | 12.61 | 11.59 |
| Contributions | 11.99 | 2.36 |
| Benefits paid | (6.28) | (6.73) |
| Actuarial Gain / (loss) on Plan Assets due to Experience | (1.92) | (1.04) |
| Fair value of Plan Assets at the end of the Year | 191.82 | 175.42 |

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

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---|--|--|
| Liability at the end of the Year | 200.79 | 181.61 |
| Fair value of Plan Assets at the end of the year | 191.81 | 175.42 |
| Plan assets / (Obligation) recognized in the Balance Sheet | (8.98) | (6.19) |

Cash outflow on account of contribution for F.Y.2022-23 is expected to be higher by Rs.8.98 Lakhs (Previous year higher by Rs. 6.19 Lakhs)

d) Expense recognized during the year.

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|---|---|
| Current Service Cost | 13.89 | 13.35 |
| Past Service Cost – Vested Benefit | - | - |
| Interest Cost | 13.06 | 12.24 |
| Expected Return on Plan Assets | (12.61) | (11.59) |
| Actuarial (Gain) or Loss | 0.44 | (14.93) |
| Expense (Gain) recognized in Profit and Loss | 14.78 | (0.93) |

e) Actual Return on Planned Assets :

| Particulars | As at 31 March, 2023 Rupees in Lakhs | As at 31 March, 2022 Rupees in Lakhs |
|---------------------------------------|--|--|
| Expected Return on Plan Assets | 12.61 | 11.59 |
| Actuarial Gain/ (Loss) on Plan Assets | (1.92) | (1.04) |
| Actual Return on Plan Assets | 10.69 | 10.55 |

f) Investment Details:

| Particulars | % Invested As at 31 March, 2023 | % Invested As at 31 March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Fund is managed by Life Insurance Corporation 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, 2023 | As at 31 March, 2022 |
|--|-------------------------|-------------------------|
| Mortality Table - Indian Assured Lives Mortality | 2012-14 (Urban) | 2006-08 (Urban) |
| Discount Rate (per annum) | 7.23% | 6.85% |
| Expected Return on Plan Assets | 7.23% | 6.85% |
| Rate of escalation in salary (per annum) | 8.00% | 8.00% |
| Attrition rate | 4.00% | 4.00% |

h) Experience Adjustments:

| Particulars | 31-3-2023 Amount Rs.in Lakhs | 31-3-2022 Amount Rs.in Lakhs | 31-3-2021 Amount Rs.in Lakhs | 31-3-2020 Amount Rs.in Lakhs | 31-3-2019 Amount Rs.in Lakhs |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Defined Benefit Obligation | 200.79 | 181.61 | 178.71 | 171.68 | 138.54 |
| Fair Value of Plan Assets | 191.81 | 175.42 | 169.24 | 158.93 | 150.82 |
| Surplus/(Deficit) | (8.98) | (6.19) | (9.47) | (12.75) | 12.27 |
| Experience Adjustment on Plan Assets –Gain / (Loss) | (1.92) | (1.04) | (0.96) | (1.47) | (0.87) |
| Experience Adjustment on Plan Liabilities (Gain) / Loss | 2.64 | (11.35) | (8.43) | 0.85 | (6.03) |

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 2023, there is a charge on account of the Compensated Absences of Rs. 4.33 Lakhs (Previous year charge of Rs. 2.60 Lakhs).

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

a) **Primary Segment – Business Segment:**

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

b) **Secondary Segment – Geographical Segment:**

The Company mainly sales in the domestic market though there are few export sales, but as revenue from export sales does not constitute 10% or more of the total revenue, the same is not identified as a reportable segment.

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

a) List of Related parties and Relationships

| Sr. No. | Names | Nature of Relationship |
|---------|--------------------------------------|--|
| 1 | Mr. Amit A. Khemani | Key Management Personnel (KMP) |
| 2 | Mr. Vincent Vaz | |
| 3 | Mr. Ashok K. Khemani | Promoters |
| 4 | Dr. S.D. Israni | Chairman and Independent Director |
| 5 | Mr. D.T. Khilnani | Independent Directors |
| 6 | Ms. Lila Poonawala | |
| 7 | Dr. P. Kotaiah | |
| 8 | Mr. P.R. Barpande | |
| 9 | Mr. Harsh Vardhan Jajoo | Entities wherein 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. |
| 10 | Khemani Distilleries Private Limited | |
| 11 | M/s. K. H. Khemani & Sons. | |
| 12 | M/s. Hariraj Cosmetics | |
| 13 | Perfunova International Limited | |
| 14 | Sai Saburi Holdings Private Limited | |
| 15 | Kamla Kewalram Khemani Foundation | |
| 16 | Cosminova Cosmetics Private Limited | |

Note: Related parties have been identified by the management.

b) Transactions with Related parties

Amount in Rupees in Lakhs

| | Particulars | KMP and Independent Directors | Promoters | Others |
|----|---|--|------------------------------|------------------------------|
| 1 | Remuneration paid to Managing Director - Mr. Amit Khemani Whole time Director-cum-CFO- Mr. Vincent Vaz | 253.37 (253.37) 78.07 (69.16) | Nil (Nil) Nil (Nil) | Nil (Nil) Nil (Nil) |
| 2 | Reimbursement of expenses incurred by Mr. Amit Khemani on behalf of the Company | 25.59 (7.78) | Nil (Nil) | Nil (Nil) |
| 3 | Sales to M/s. K. H. Khemani & Sons | Nil (Nil) | Nil (Nil) | 27,077.27 (21,000.73) |
| 4 | Reimbursement of expense to M/s. K. H. Khemani & Sons | Nil (Nil) | Nil (Nil) | 3,868.13 (248.34) |
| 5 | Interest received on Capital from M/s. K. H. Khemani & Sons | Nil (Nil) | Nil (Nil) | 787.50 (325.79) |
| 6 | Share of Profit from M/s. K. H. Khemani & Sons | Nil (Nil) | Nil (Nil) | 233.84 (48.33) |
| 7 | Interest paid on loan from Khemani Distilleries Private Limited | Nil (Nil) | Nil (Nil) | 183.60 (183.60) |
| 8 | Sales of Scrap to Khemani Distilleries Private Limited (Net) | Nil (Nil) | Nil (Nil) | Nil (0.14) |
| 9 | Reimbursement of expenses towards Air Freight and Import and clearing charges to Khemani Distilleries Private Limited | Nil (Nil) | Nil (Nil) | Nil (0.17) |
| 10 | Purchases of Extra Neutral Alcohol (HC) Khemani Distilleries Private Limited | Nil (Nil) | Nil (Nil) | 0.90 (Nil) |
| 11 | Purchases of hand sanitizers from Perfunova International Limited | Nil (Nil) | Nil (Nil) | Nil (0.54) |
| 12 | Purchases from M/s. Hariraj Cosmetics (for Factory purchases) | Nil (Nil) | Nil (Nil) | 0.15 (8.36) |
| 13 | Paid to Kamla Kewalram Khemani Foundation towards Corporate Social Responsibility (CSR) expenditure | Nil (Nil) | Nil (Nil) | 87.50 (Nil) |
| 14 | Sitting Fees and Commission to Mr. S.D. Israni | 10.85 (8.23) | Nil (Nil) | Nil (Nil) |
| 15 | Sitting Fees and Commission to Mr. D.T. Khilnani | 10.85 (8.23) | Nil (Nil) | Nil (Nil) |
| 16 | Sitting Fees and Commission to Ms. Lila Poonawala | 10.85 (8.23) | Nil (Nil) | Nil (Nil) |
| 17 | Sitting Fees and Commission to Dr. P. Kotaiah | 10.85 (8.23) | Nil (Nil) | Nil (Nil) |
| 18 | Sitting Fees and Commission to Mr. P.R. Barpande | 10.85 (8.23) | Nil (Nil) | Nil (Nil) |
| 19 | Sitting Fees and Commission to Mr. Harsh Vardhan Jajoo | 10.85 (8.23) | Nil (Nil) | Nil (Nil) |
| 20 | Corporate guarantee to a bank for financial facilities granted to Khemani Distilleries Private Limited. | | | 14,000.00 (Nil) |

| | Particulars | KMP and Independent Directors | Promoters | Others |
|----|--|--|------------------------------|------------------------------|
| | Year end Balances: | | | |
| 1 | Remuneration payable to Managing Director – Mr. Amit Khemani Whole time Director-cum-CFO- Mr. Vincent Vaz | 285.94 (128.64) 43.72 (27.55) | Nil (Nil) Nil (Nil) | Nil (Nil) Nil (Nil) |
| 2 | Reimbursement of expenses payable to Whole time Director-cum-CFO Mr.Vincent Vaz | 0.12 (0.12) | Nil (Nil) | Nil (Nil) |
| 3 | Advance received from Mr. Vincent Vaz-Whole Time Director | 0.02 (0.02) | Nil (Nil) | Nil (Nil) |
| 4 | Receivable from M/s K. H. Khemani & Sons | Nil (Nil) | Nil (Nil) | 469.41 (223.48) |
| 5 | Investment in M/s. K. H. Khemani & Sons (Capital) | Nil (Nil) | Nil (Nil) | 7,500.00 (7,500.00) |
| 6 | Interest on Capital and Share of Profit receivable from M/s. K. H. Khemani & Sons | Nil (Nil) | Nil (Nil) | 1,395.46 (374.12) |
| 7 | Loan along with Interest from Khemani Distilleries Private Limited. | Nil (Nil) | Nil (Nil) | 1,958.79 (1,793.55) |
| 8 | Commission Payable to Dr. S.D. Israni | 6.85 (4.23) | Nil (Nil) | Nil (Nil) |
| 9 | Commission Payable to Mr. D.T. Khilnani | 6.85 (4.23) | Nil (Nil) | Nil (Nil) |
| 10 | Commission Payable to Ms. Lila Poonawala | 6.85 (4.23) | Nil (Nil) | Nil (Nil) |
| 11 | Commission Payable to Dr. P. Kotaiah | 6.85 (4.23) | Nil (Nil) | Nil (Nil) |
| 12 | Commission Payable to Mr. P.R. Barpande | 6.85 (4.23) | Nil (Nil) | Nil (Nil) |
| 13 | Commission Payable to Mr. Harsh Vardhan Jajoo | 6.85 (4.23) | Nil (Nil) | Nil (Nil) |
| 14 | Corporate Security and Corporate Guarantee to a bank for financial facilities granted to Khemani Distilleries Private Limited. | | | 14,000.00 (17,500.00) |

Note: Comparative figures for the previous year are in brackets.

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

29.4 Accounting Standard (AS) 19 - Leases:

- A. The Company has taken land on lease for a period of 33 years .

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|---|--|--|
| Lease payable within one year | 3.51 | Nil |
| Later than one year and not later than five years | 26.64 | 20.18 |
| Later than five years | 141.55 | 151.52 |

- B. The Company has taken various assets on lease such as shop, machineries, printers under an operating lease for periods upto 5 years. The lease rental recognised as expenses in the Statement of Profit and Loss during the year and the future minimum lease payments are as under:

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31 March, 2023 | 31 March, 2022 |
| | Rupees in Lakhs | Rupees in Lakhs |
| i. Lease expenses recognized in the Statement of Profit and Loss | 37.20 | 5.39 |
| Lease payable within one year | 1.65 | 1.53 |
| Later than one year and not later than five years | 6.29 | Nil |
| Later than five years | Nil | Nil |
| The Company has paid refundable interest free security deposit of Rs. 0.50 Lakhs under this agreement | | |

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

| | Particulars | For the year ended | For the year ended |
|---|---|--------------------|--------------------|
| | | 31 March, 2023 | 31 March, 2022 |
| A | Net Profit after tax as per Statement of Profit and Loss (in Rupees in Lakhs) | 2,710.02 | 2,009.06 |
| B | Weighted average number of equity shares outstanding | 3,68,91,700 | 3,68,91,700 |
| C | Nominal value per equity share (in Rupees) | 3 | 3 |
| D | Earnings per share (in Rupees) | | |
| | - Basic and diluted | 7.35 | 5.45 |

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

(a) **Current Tax:**

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

(b) **Deferred Tax:**

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

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | 31 March, 2023 | 31 March, 2022 |
| | Rupees in Lakhs | Rupees in Lakhs |
| Deferred Tax Liability | - | - |
| Deferred Tax Asset: | | |
| Depreciation | (7.17) | 7.71 |
| Provision for Doubtful Debts | 2.11 | 2.11 |
| Liabilities allowable on payment basis | 16.81 | 16.40 |
| Total Deferred Tax Asset | 11.75 | 26.22 |
| Net Deferred Tax Asset | 11.75 | 26.22 |

30 Other Disclosures :

30.1 Details of loans and advances given and security provided as required under section 186(4) of the Act:

(Rupees in Lakhs)

| Name of the Party | Opening balance | Addition | Deduction | Closing Balance |
|---|--------------------------|------------------------|-------------------|--------------------------|
| Loans and Advances: | | | | |
| Shree Naman Developers Private Limited | 14,427.45 (13,021.16) | 1,303.06 (1,406.29) | 4,450.00 (--) | 11,280.51 (14,427.45) |
| Security and Guarantee provided: | | | | |
| Khemani Distilleries Private Limited | 17,500.00 (17,500.00) | 14,000.00 (--) | 17,500.00 (--) | 14,000.00 (17,500.00) |

30.2 Value of imports on CIF basis:

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|-----------------|---|---|
| Stores & Spares | 120.35 | 102.19 |

30.3 Details of consumption of imported and indigenous items:

| Particulars | For the year ended 31 March, 2023 | | For the year ended 31 March, 2022 | |
|--------------------------|--------------------------------------|----------------|--------------------------------------|----------------|
| | Rupees in Lakhs | % | Rupees in Lakhs | % |
| Raw Materials | | | | |
| Imported | 99.03 | 1.58% | 12.95 | 0.43% |
| Indigenous | 6,153.78 | 98.42% | 3,001.22 | 99.57% |
| Total | 6,252.81 | 100.00% | 3,014.17 | 100.00% |
| Packing Materials | | | | |
| Imported | - | - | 183.25 | 2.20% |
| Indigenous | 14,751.33 | 100.00% | 8,134.23 | 97.80% |
| Total | 14,751.33 | 100.00% | 8,317.48 | 100.00% |
| Stores and Spares | | | | |
| Imported | 104.39 | 18.78% | 145.25 | 45.32% |
| Indigenous | 451.48 | 81.22% | 175.23 | 54.68% |
| Total | 555.87 | 100.00% | 320.48 | 100.00% |

30.4 Earnings in Foreign Exchange (on accrual basis):

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--------------------------------|---|---|
| Export of Goods on F.O.B Value | 883.51 | 520.13 |

30.5 Expenditure in Foreign Currency (on accrual basis):

| Particulars | For the year ended 31 March, 2023 Rupees in Lakhs | For the year ended 31 March, 2022 Rupees in Lakhs |
|--------------------------------|---|---|
| Repairs to Plant and Machinery | 8.18 | Nil |
| Others | 27.01 | 1.95 |

30.6 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 under:

| Particulars | 2022-23 Rupees in Lakhs | 2021-22 Rupees in Lakhs |
|---|----------------------------|----------------------------|
| A Principal amount remaining unpaid as at year end | 92.05 | 53.20 |
| B Interest due thereon remaining unpaid to any supplier as at year end | - | - |
| C Interest paid by the Company in terms of Section 16 during the year. | - | - |
| D The amount of interest due and payable for the year | - | - |
| E Interest accrued and remaining unpaid as at year end | - | - |
| F Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid. | - | - |

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.

- 31.** The Company has advanced an inter-corporate loan of Rs. 11,290.00 Lakhs at an interest rate of 15% pa in February 2020 (changed to 12%pa with effect from 1st April 2021) for a tenure of three years repayable on demand. During the year Company has received a principal amount of Rs.1,312.55 Lakhs and an Interest amount of Rs.3,137.45 Lakhs. As on 31st March 2023, principal of Rs.9,977.45 Lakhs and interest of Rs.1,303.06 Lakh is recoverable. The management is confident of recovering the entire balance, including interest accrued and accordingly, continues to classify the loan amount as good for recovery.
- 32.A** During the year the company had entered into an agreement with UBL to manufacture Non Alcoholic Beverages (NAB). Due to certain issues, the Company had to discontinue the new line of business. The inventory relating to NAB has been destroyed and the compensation receivable for loss on discontinuance of business has been accounted and received till date.
- 32.B** The Company had received Compensation for Volume Commitment in the previous year of Rs.232.51 Lakhs from Anheuser Busch Inbev India Limited as per the agreement.

33 Other disclosures with respect to Schedule III

- i. No proceeding is either initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- ii. The Company is not declared as wilful defaulter by any bank or financial Institution or other lender;
- iii. During the year no Scheme of Arrangements is approved by the Competent Authority in terms of sections 230 to 237 of the Act in relation to the Company;
- iv. The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- v. The Company has not traded or invested in Crypto currency or Virtual Currency during the year;
- vi. The Company does not have any transactions with struck off companies;
- vii. All charges are registered with Registrar of Companies within the statutory period and no charge is required to be satisfied by the Company;
- viii. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ix. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- x. The Company has not made any Loans and Advances in the nature of loans to promoters, directors, Key Managerial Personnel and related parties either jointly or severally that are repayable on demand or without specifying any term of period of repayment.
- xi. The Company has not been sanctioned any working capital limits at any point of time during the year.
- xii. The Company has complied with the provisions of Section 2(87) of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rule, 2017.
- xiii. The Company has borrowed funds from a financial institution on the basis of security of current assets. However, it is not required to file any quarterly return or statement of current assets with the financial institution. Accordingly, the question of any discrepancies with books of accounts of quarterly returns filed does not arise.
- xiv. For Ratios refer to Annexure-I.



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

As per our report of even date attached

For C N K & Associates LLP
Chartered Accountants

For and on behalf of the board

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

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

Amit Khemani
Managing Director
(DIN : 00057283)

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

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

Place : Mumbai
Date : 16 June, 2023

Place : Mumbai
Date : 16 June, 2023

Annexure-I

| Ratios | Numerator | Denominator | FY 2022-23 | FY 2021-22 | % Variance | Reason for variance |
|--|---|---|------------|------------|------------|---|
| Current Ratio (times) | Current Asset | Current Liabilities | 2.42 | 2.95 | -17.82% | |
| Debt equity ratio(times) | Total Debt ⁽¹⁾ | Shareholders Equity | 0.20 | 0.52 | -61.16% | On account of repayment of loan taken from Non Banking Financial Institutions. |
| Debt Service Coverage Ratio (times) | Earnings available for debt service ⁽²⁾ | Debt Service ⁽³⁾ | 0.81 | 3.71 | -78.07% | On account of repayment of loan taken from Non Banking Financial Institutions. |
| Return on Equity Ratio | Net profit after Taxes-Preference dividend (if any) | Average Shareholders Equity | 14% | 12% | 18.07% | |
| Inventory turnover ratio (times) | Cost of goods sold or Sales | Average Inventory | 13.93 | 12.25 | 13.76% | |
| Trade Receivables turnover ratio (times) | Net Credit Sales | Average account Receivable | 18.88 | 9.77 | 93.28% | On account of increase in the turnover of the Company and improvement in the Debtors collection ratio. |
| Trade payables turnover ratio (times) | Net Credit Purchases | Average Trade Payables | 11.62 | 14.58 | -20.31% | |
| Net capital turnover ratio (times) | Net Sales | Working Capital | 2.77 | 1.58 | 74.58% | On account of increase in the turnover of the Company. |
| Net profit ratio | Net Profit | Net Sales | 9% | 9% | -4.70% | |
| Return on Capital employed | Earning before interest and taxes | Capital Employed ⁽⁴⁾ | 19% | 15% | 27.56% | On account of increase in the turnover of the Company and reduction in the finance cost due to repayment of borrowings. |
| Return on investment | Income generated from invested funds ⁽⁵⁾ | Average Invested funds in Treasury investments ⁽⁶⁾ | 13% | 11% | 19.45% | |

⁽¹⁾ Total Debt represents Current Borrowings + Non Current Borrowings

⁽²⁾ Earnings available for debt service represents Profit Before Tax + Interest on Debt + Depreciation

⁽³⁾ Debt Service represents Total of non-current borrowings & current borrowings + Lease liabilities

⁽⁴⁾ Capital Employed represents Total Equity + Borrowings + Deferred Tax liabilities

⁽⁵⁾ Income generated from invested funds represents Interest Income + Earnings on investment in Partnership firm + Gain on sale of Mutual funds

⁽⁶⁾ Average Invested funds in Treasury investments represents Fixed deposits + Investment in mutual funds + Investment in partnership firm

Courier

If undelivered, please return to:

BLOSSOM INDUSTRIES LIMITED

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