



**Industries Limited**

**TWENTY-NINTH ANNUAL REPORT  
2017-2018**



# BLOSSOM

**Industries Limited**  
**29<sup>th</sup> Annual Report 2017 - 2018**

## **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

## **AUDITORS**

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

Chartered Accountants,  
Mumbai

## **SECRETARIAL AUDITOR**

### **M/s. VPP & Associates**

Practising Company Secretaries,  
Mumbai

## **REGISTRAR AND TRANSFER AGENT (R & TA)**

### **Sharex Dynamic (India) Private Limited**

Unit No. 1, Luthra Ind. Premises,  
Andheri - Kurla Road, Safed Pool,  
Andheri (East), Mumbai - 400 072  
Tel No: 2851 5606, 2851 5644  
Fax No: 2851 2885  
Email: sharexindia@vsnl.com

## **COST AUDITOR**

### **Mr. Girikrishna Maniar**

Cost Accountant

## **REGISTERED OFFICE & PLANT**

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



## NOTICE

To,  
The Members,  
**BLOSSOM INDUSTRIES LIMITED**

Notice is hereby given that the **Twenty-Ninth** Annual General Meeting of the Members of **BLOSSOM INDUSTRIES LIMITED** will be held on Saturday, 18<sup>th</sup> August, 2018 at 10.00 a.m. at Sandy Resort, Devka Beach, Daman – 396210 (U.T.) to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2018, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes and the Reports of the Board of Directors (the Board) and the Auditor thereon.
2. To appoint a Director in place of Mr. Amit Khemani (DIN: 00057283), who retires by rotation and being eligible, offers himself for re-appointment.
3. **Ratification of appointment of Auditor:**

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

“**RESOLVED THAT** pursuant to the provisions of first proviso of Section 139(1), 139(9) and 142(1) of the Companies Act, 2013 read with Rules made there under and the Companies Amendment Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company be and hereby ratifies the appointment of M/s. CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W-100036) as the Statutory Auditors, who were appointed in the 28<sup>th</sup> Annual General Meeting to hold office for the period of 5 (Five) years i.e. until the conclusion of the 33<sup>rd</sup> Annual General Meeting, for the remaining tenure and the Board of Directors of the Company be authorized to fix remuneration at a later date.”

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all the other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if and to the extent applicable and required and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which shall include duly authorized Nomination and Remuneration

Committee thereof for the time being in force exercising the powers conferred upon it by the Board), the Members of the Company hereby approve the re-appointment of Mr. Vincent Vaz as the Whole-time Director-cum-Chief Financial Officer (CFO) of the Company, liable to retire by rotation, for a period of three (3) years with effect from 28<sup>th</sup> January, 2019 till 27<sup>th</sup> January, 2022, on the terms and conditions, including remuneration, as stated in the draft agreement to be entered into between the Company and Mr. Vincent Vaz and submitted to this meeting and initialled by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Vincent Vaz as the Whole-time Director-cum-CFO, the Company has no profits or its profits are inadequate, he shall be paid remuneration including perquisites as permitted under Schedule V of the Companies Act, 2013, as amended from time to time, subject to the approval of the Central Government, if and to the extent necessary and applicable.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution or to make modifications as may be deemed to be in the interest of the Company, with liberty to the Board to alter and vary the terms and conditions of the aforesaid re-appointment, including but not limited to the remuneration payable to Mr. Vincent Vaz, from time to time, in accordance with and subject to the limits as stated in the draft agreement or as may be stipulated by the Central Government if and to the extent necessary and applicable and to do all such acts, deeds, matters and things for giving effect to this resolution.

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

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. S. D. Israni (DIN: 00125532), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director to hold office for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, and whose office shall not be liable to retire by rotation.”
6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable

provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. D. T. Khilnani (DIN: 01824655), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director to hold office for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, and whose office shall not be liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Pamidi Kotaiiah (DIN: 00038420), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director to hold office for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, and whose office shall not be liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Lila Poonawalla (DIN: 00074392), Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director to hold office for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, and whose office shall not be liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P. R. Barpande (DIN: 00016214), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies

Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director to hold office for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, and whose office shall not be liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Harsh Vardhan Jajoo (DIN: 00758308), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director to hold office for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, and whose office shall not be liable to retire by rotation."

11. 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 2018-19.

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

**Date:** 9<sup>th</sup> June, 2018

**Place:** Mumbai

**CIN:** U31200DD1989PLC003122

**Registered Office:**

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

### NOTES:

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

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

**B.** The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 10<sup>th</sup> August, 2018 to Saturday, the 18<sup>th</sup> August, 2018, inclusive of both the days.

**C.** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out above is annexed hereto.

**D.** Members are requested to:

1. Intimate to the Company or its Registrar and Share Transfer Agent immediately, of any change in their address.
2. Send all share transfer lodgments (Physical mode) / correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure to:

### **M/s. Sharex Dynamic (India) Private Limited**

Unit No. I, Luthra Ind. Premises,  
Andheri - Kurla Road, Safed Pool,  
Andheri (East), Mumbai - 400 072  
Tel No: 2851 5606, 2851 5644  
Fax No: 2851 2885  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

3. Write to the Company at least 7 (seven) days before the date of meeting, in case they desire any information as regards the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2018, so as to enable the Company to keep the requisite information ready.
4. Quote Registered Folio Numbers/ DP ID/ Client ID in all the correspondence.
5. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address directly to their respective Depository Participants.
6. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registered Office or from its R & TA at either of the aforesaid addresses.
7. Members/ Proxies are requested to bring the Attendance Slip duly filled up and the copy of the Annual Report at the Annual General Meeting.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 6.00 p.m.) every day except on Public Holidays, Saturdays & Sundays, upto and including the date of the Annual General Meeting of the Company.
9. Route map to the venue of AGM forms part of the Notice of the 29<sup>th</sup> Annual General Meeting.

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

<b>Name of Director</b>	<b>Mr. Amit Khemani</b>	<b>Mr. Vincent Vaz</b>
<b>Designation</b>	Managing Director	Whole-time Director-cum- CFO
<b>Age</b>	41 years	51 years
<b>Qualifications</b>	Bachelor of Arts from Curry College, Milton and holds major degree in Business Management and Communication.	Chartered Accountant
<b>Experience</b>	He has been leading Blossom Industries Limited for more than a decade and has played a pivotal role achieving great success in the brewery industry. He had earlier worked with United Distillers and Vintners as Trainee.	Over two decades in the field of finance, accounts and taxation. He has been associated with Blossom Industries Limited for around 20 years. Over the years, his expertise, knowledge and understanding of beer industry has immensely benefited in the Company's growth.
<b>Terms and conditions of re-appointment</b>	He being liable to retire by rotation is being re-appointed with no change in the terms and conditions.	He is proposed to be re-appointed for a period of 3 years w.e.f. 28 <sup>th</sup> January, 2019, liable to retire by rotation. His remuneration shall continue to remain the same i.e. as under: a) Salary: 3,75,000/- per month b) Commission: 1% p.a. of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 (detailed terms mentioned in the explanatory statement and draft agreement).
<b>Last drawn remuneration</b>	Rs. 1,44,50,000/- p.a.	Rs. 69,32,152/- p.a.
<b>Date of first appointment on the Board</b>	27/09/2003	28/01/2008
<b>Shareholding in the Company</b>	45,66,500 equity shares	Nil
<b>Relationship with other Director/Manager/KMPs</b>	He is a promoter director of the Company, however does not share any relationship with any other Director/Manager/KMPs of the Company.	He does not share any relationship with any other Director/Manager/ KMPs of the Company.
<b>No. of meetings of the Board attended during the year 2017-18</b>	4	4
<b>Other Directorships</b>	Perfunova (International) Limited; Cosminova Cosmetics Private Limited; Norfolk Trading Private Limited; Kamla Kewalram Khemani Foundation	Cosminova Cosmetics Private Limited
<b>Membership/ Chairmanships of the Committees of other Boards</b>	Nil	Nil



11. 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.
12. The Members shall note that the facility for voting shall also be provided at the meeting through poll paper and the Members attending the meeting, who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting. If the Members have already cast their vote by remote e-voting prior to the meeting they may attend the meeting but shall not be entitled to cast their vote again and his vote, if any, cast at the meeting shall be treated as invalid.
13. In case of any grievances connected with the e-voting you may call Mr. Bharat Gopalani, Sr. Manager – Accounts & Finance, Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.) on 0260 – 2407800 or email on [bharat@bildaman.com](mailto:bharat@bildaman.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
14. **The instructions for shareholders voting electronically are as under:**
  - (i) The voting period begins on Tuesday, 14<sup>th</sup> August 2018 at IST 9.00 a.m. and ends on Friday, 17<sup>th</sup> August, 2018 at IST 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date (record date) of Saturday, 11<sup>th</sup> August 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders / Members
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below

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

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Blossom Industries Limited.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Saturday, the 11th August, 2018.
- The Board of Directors of the Company at their meeting held on Saturday, the 9th June, 2018 has appointed Mr. Hemanshu Kapadia, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- At the 29th Annual General Meeting the Chairman shall provide voting facilities for the attending Members who have not cast their votes electronically.
- The Scrutinizer(s) shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within a period not exceeding three (3) days from the conclusion of the meeting a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared alongwith the report of the scrutinizer shall be placed on the website of the Company i.e. <http://www.khemanigroup.com>.

**ROUTE MAP TO THE VENUE OF THE 29<sup>TH</sup> AGM OF BLOSSOM INDUSTRIES LIMITED**



**Landmark: Devka Beach**

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

**Item No. 4:**

Mr. Vincent Vaz (DIN: 02067875), Whole-time Director-cum-CFO of the Company, is a qualified Chartered Accountant having experience of over two decades in the field of finance, accounts and taxation. He has been associated with Blossom Industries Limited for around 20 years. Over the years, his knowledge, expertise and understanding of beer industry has immensely benefited in the Company's progress. His tenure as the Whole-time Director-cum-CFO of the Company expires on the 27<sup>th</sup> January, 2019. Taking into account his vast experience in the Brewery industry, the Board in its Meeting held on the 9<sup>th</sup> June, 2018, based on the recommendation of Nomination and Remuneration Committee proposed his re-appointment as the Whole-time Director-cum-CFO w.e.f. 28<sup>th</sup> January, 2019 for a period of 3 years and liable to retire by rotation, subject to approval of the members of the Company.

The remuneration shall continue to be same which is as under:

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

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, he shall be paid remuneration as per provision of Section II of Part II of Schedule V of the Companies Act, 2013 as the Minimum Remuneration.

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

**I. GENERAL INFORMATION:**

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

(in Rs.)

Particulars	Year ended 31 <sup>st</sup> March		
	2017	2016	2015
<b>Financial Parameters</b>			
<b>Turnover</b>	3,77,50,04,196	4,53,98,79,932	4,17,57,79,948
<b>Other Income</b>	4,33,96,829	1,05,13,300	1,03,57,933
<b>Profit before tax</b>	27,38,95,509	21,56,15,334	23,76,40,424
<b>Profit after tax (as per Profit &amp; Loss Account)</b>	17,02,17,390	13,87,67,667	15,66,12,424
<b>Net Worth</b>	81,38,54,173	64,36,36,783	50,48,69,116

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

**II. INFORMATION ABOUT THE APPOINTEE:**

**Mr. Vincent Vaz (DIN: 02067875):**

- (1) *Background details:*

Mr. Vincent Vaz, Whole-time Director-cum-CFO of the Company is a qualified Chartered Accountant with over two decades of experience in the field on finance, accounts and taxation.

- (2) *Past Remuneration:*
- Salary: Rs. 3,75,000 per month
  - Commission: 1% p.a. of the Net Profit calculated u/s 198 of the Companies Act, 2013.
- (3) *Recognition/Awards:*
- With his continued support and expertise during his association with Blossom, the Company has been presented with various awards.
- (4) *Job Profile and Suitability:*
- He has been associated with Blossom Industries Limited for around 20 years including 10 years of association as the Whole-time Director. Over the years, his expertise, knowledge and understanding of liquor and beer industry has immensely benefited in the Company's progress.
- (5) *Remuneration proposed w.e.f. 28<sup>th</sup> January, 2019:*
- Salary: Rs. 3,75,000 per month
  - Commission: 1% p.a. of the Net Profit calculated u/s 198 of the Companies Act, 2013.
- (6) *Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of the position and person:*
- The remuneration payable to Mr. Vincent Vaz commensurates with his qualification, experience, the duties and responsibilities entrusted to him.
- (7) *Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:*
- Mr. Vincent Vaz has no pecuniary relationship, directly or indirectly with the Company or with any managerial personnel, other than his present office as the Whole-time Director-cum-CFO and he does not hold any shares.

### III OTHER INFORMATION:

- Reason for loss or inadequate profits:* Currently, the Company does not have inadequate profit; this disclosure is for abundant precaution.
- Steps taken or proposed to be taken for improvement:* The Management always strives for improvement and increased return.
- Expected increase in productivity and profits in measurable terms:* The Company is currently utilising its optimum production capacity and sustaining its margin on sale of beer.

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

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

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

None of the Directors or Key Managerial Personnel of the Company are interested financially or otherwise, in the proposed resolution except Mr. Vincent Vaz, Whole-time Director-cum-CFO.

#### **Item nos. 5 to 10:**

The following Directors were appointed as Independent Directors in line with the provisions of the Companies Act, 2013 for a period of five years with effect from 1<sup>st</sup> April, 2014:

- Dr. S. D. Israni (DIN: 00125532)
- Mr. D. T. Khilnani (DIN: 01824655)
- Dr. Pamidi Kotaiah (DIN: 00038420)
- Ms. Lila Poonawalla (DIN: 00074392)
- Mr. P. R. Barpande (DIN: 00016214)
- Mr. Harsh Vardhan Jajoo (DIN: 00758308)

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be re-appointed for a second term of upto 5 years on passing of a special resolution in general meeting and disclosure of such re-appointment in the Board's report. Also, Schedule IV of the Act inter alia provides for carrying out of performance evaluation by the Board before extending the term of the Independent Director.

Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The Nomination & Remuneration Committee at its meeting held on the 9<sup>th</sup> June, 2018 has recommended the re-appointment of all the Independent Directors for second term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024. The Board at its meeting held on the 9<sup>th</sup> June, 2018 has approved the same.

The Company has received notices in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidatures of all the Independent Directors, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received the following documents from all the Independent Directors:

- Consent in writing to act as Director in Form DIR-2 pursuant to sub-section 5 of Section 152 of the Companies Act, 2013.
- Declaration pursuant to sub-section 4 of Section 152 of the Companies Act, 2013 to the effect that he/she is not disqualified to become a Director under Section 164 (2) of the Companies Act, 2013.
- A declaration to the effect that he/she meets the criteria of the independence as provided under sub-section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, all the Independent Directors proposed to be re-appointed, fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder and they are independent of the Management.

Copies of the draft letters for their re-appointment setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any day, excluding Saturday, Sunday and Public Holiday upto the date of the Annual General Meeting. A justification for their re-appointment including other details as prescribed under Secretarial Standards on General Meeting is annexed to the Notice by way of **Annexure I**.

Accordingly, the Board recommends the resolutions set forth in Item No. 5 to 10 for the approval of the Members as Special Resolutions.

No Director, Key Managerial Personnel or their relatives, except the Directors to be appointed, being the appointees, are interested or concerned, financially or otherwise in the resolution set out at Item No. 5 to 10.

**Item no. 11:**

The Members of the Company in their 25<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2014, 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 2013-2014 upto financial year 2017-2018.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and expiry of period of 5 years, the Board in their meeting held on the 9<sup>th</sup> June, 2018 decided to continue the payment of remuneration by way of commission not exceeding one percent per annum (1% p.a.) of the net profits of the Company computed in accordance with the provisions 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 2018-2019 upto the financial year 2022-2023. This remuneration will be distributed amongst all or some of the Directors in accordance 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 2018-2019 as set out in the Resolution at Item No. 11 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. 11 of the Notice.

Directors other than the Managing Director and the Whole-time Director of the Company may be deemed to be concerned or interested in the resolution set out at Item No. 11 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:** Devka, Plot No. 6,  
Nani Daman, Daman - 396210

**Date:** 9<sup>th</sup> June, 2018  
**Place:** Mumbai

**Annexure I**

**Justification for appointment of Independent Directors:**

In compliance with the requirements of the Secretarial Standards on General Meetings, appended below are justifications for re-appointment of following Directors as an Independent Director along with the summary of their performance evaluation:

**(i) Dr. S. D. Israni (DIN: 00125532):**

Qualifications & Experience:

Dr. S.D. Israni (DIN: 00125532) is a Corporate Lawyer with nearly 45 years of experience as a practitioner in the field of Corporate Laws, Business Advisory services and Corporate Governance issues. He is qualified in the field of Law, Company Secretaryship and Management. He is the Founder and Senior Partner of SD Israni Law Chambers, Advocates & Solicitors (UK). He has been a Member of various Committees of ICSI and currently holds Independent Directorships in various listed and unlisted Companies and is a trustee of Asian Heart Institute Charitable Trust. He is an eminent speaker at various Seminars, Conferences, Workshops and Conventions. He is an Active Rotarian and winner of several Rotary awards for Vocational & Club Service.

Summary of Performance Evaluation:

In compliance with the provisions of Schedule IV of the Act, the Board evaluated Dr. S. D. Israni's performance for re-appointment in terms of broad parameters like advising and providing suggestions to the Company's management and his level of skills and expertise. On the basis of the said evaluation, the Board approved his re-appointment as an Independent Director of the Company for a term of five years with effect from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

**(ii) Mr. D. T. Khilnani (DIN: 01824655):**

Qualifications & Experience:

Mr. D. T. Khilnani (DIN: 01824655) is B.A. (Hons.) in economics, B.G.L & L.L.B of Bombay University. He is retired officer of Reserve Bank of India and is author of many books on foreign exchange. He has written many articles on "NRI investments" which are regularly appearing in Weekly and Monthly magazines and has given an interview on NRI matters on Doordarshan. He is visiting Faculty Member at various training institutes all over India. He has also conducted workshops on "NRI Investments" and "FEMA at Glance" throughout India. He is a social worker and presently is President of Reserve Bank Sindhi Sabha, Mumbai and Hon. Secretary General of Sahiti Panchayat Mumbai. For his social work he has been honoured by many organizations.

Summary of Performance Evaluation:

In compliance with the provisions of Schedule IV of the Act, the Board evaluated Dr. D. T. Khilnani's performance for re-appointment in terms of broad parameters like advising and providing suggestions to the Company's management and his level of skills and expertise. On the basis of the said evaluation, the Board approved his re-appointment as an Independent Director of the Company for a term of five years with effect from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

**(iii) Dr. Pamidi Kotaiah (DIN: 00038420):**

Qualifications & Experience:

Dr. Pamidi Kotaiah has an excellent academic background: A Post Graduate in Economics with first rank and a gold medal; Doctor of Letters (D.Litt) from Andhra University; he is also a qualified associate of the Indian Institute of Bankers. He was conferred with the honorary fellowship by the Indian Institute of Banking and Finance (IIBF). Dr. Kotaiah has vast and diversified experience spanning over five decades in banking, finance, regulatory architecture, management, economic development and corporate governance. He was the Executive Chairman, Managing Director, Chief General Manager of National Bank for Agriculture and Rural Development (NABARD). He has work experience in varied fields in about 20 countries. Further he had spent time for report writing in Rome (FAO and IFAD) and Washington DC (World Bank) and had interactions with respective institutions. In addition to long and deep experience in India, Dr. Kotaiah had international exposure to over 40 countries. Currently he is an Independent Director of some Private Sector Companies.

Summary of Performance Evaluation:

In compliance with the provisions of Schedule IV of the Act, the Board evaluated Dr. Pamidi Kotaiah's performance for re-appointment in terms of broad parameters like advising and providing suggestions to the Company's management and his level of skills and expertise. On the basis of the said evaluation, the Board approved his re-appointment as an Independent Director of the Company for a term of five years with effect from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

**(iv) Ms. Lila Poonawalla (DIN: 00074392):**

Qualifications & Experience:

Ms. Lila Poonawalla (DIN: 00074392) is representing the Boards of various well-known companies and a member of various committees. She started her own Consultancy Services Company "Lila Consulting Services" and works as a Corporate Advisor. Currently she is a Strategic Advisor to SmartCloud Infotech Private Limited. She has been an advisor to Erehwon Consulting, ThyssenKrupp Industries India Pvt. Ltd. Schlumberger of USA and Arco Safety equipment of UK. She is the recipient of various prestigious awards including the prestigious Padmashree in 1989, by the Indian Government and the International recognition from the King of Sweden in 2003, with the Polar Star Award and named as the Officer of the Royal Order. She has also started the "Lila Poonawalla Foundation (LPF)" which grooms the girls to become economically independent, responsible and confident young ladies.

Summary of Performance Evaluation:

In compliance with the provisions of Schedule IV of the Act, the Board evaluated Ms. Lila Poonawalla's performance for re-appointment in terms of broad parameters like advising and providing suggestions to the Company's management and her level of skills and expertise. On the basis of the said evaluation, the Board approved her re-appointment as an Independent Director of the Company for a term of five years with effect from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

**(v) Mr. P. R. Barpande (DIN: 00016214):**

Qualifications & Experience:

Mr. P. R. Barpande (DIN: 00016214) is a commerce graduate with a degree in law and chartered accountancy. He brings with him over three decades of experience in audit having catered to several domestic and international clients. Mr. Barpande has served as an audit partner for C.C. Chokshi & Co., Chartered Accountants and thereafter had a stint with Deloitte Haskins & Sells, Chartered Accountants. He has been an Audit Engagement Partner for large listed companies including Reliance, Lupin, Bridgestone etc. He was actively involved in reformatting the accounts to US GAAP and IFRS for major domestic and multinational companies and Indian Banks. Mr. Barpande is on the Board of some reputed companies as an Independent Director and the Chairman of the Audit Committees.

Summary of Performance Evaluation:

In compliance with the provisions of Schedule IV of the Act, the Board evaluated Mr. P. R. Barpande's performance for re-appointment in terms of broad parameters like advising and providing suggestions to the Company's management and his level of skills and expertise. On the basis of the said evaluation, the Board approved his re-appointment as an Independent Director of the Company for a term of five years with effect from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

**(vi) Mr. Harsh Vardhan Jajoo (DIN: 00758308):**

Qualifications & Experience:

Mr. Harsh Vardhan Jajoo (DIN: 00758308) is a Bachelor of Commerce (Honors)-KMC from Delhi University. He is a member of the Institute of Chartered Accountants of India and has also completed senior management programme from IIM Kolkata. Mr. Harsh Vardhan Jajoo is also a Board Member of Council for EU Chambers in India since 2010 and he has been awarded the "Maha Intrapreneur Award" by Praj Group-Symbiosis Institute of Management for 2011. He has passion for seminal initiatives for cohesion and growth.

Summary of Performance Evaluation:

In compliance with the provisions of Schedule IV of the Act, the Board evaluated Mr. Harsh Vardhan Jajoo's performance for re-appointment in terms of broad parameters like advising and providing suggestions to the Company's management and his level of skills and expertise. On the basis of the said evaluation, the Board approved his re-appointment as an Independent Director of the Company for a term of five years with effect from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

**BOARD'S REPORT**

To,  
The Members,  
**BLOSSOM INDUSTRIES LIMITED**

The Directors have pleasure in presenting the **Twenty-Ninth Annual Report** of the Company and the Audited Financial Statement for the year ended **March 31, 2018**.

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

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

Particulars	2017-18	2016-17
Sales (Net of excise)	32,507.89	30,215.95
Other Income	457.52	433.97
Profit before Finance cost and Depreciation	2,954.31	3,218.48
Less:		
(1) Depreciation	370.66	478.92
(2) Finance Costs	0.10	0.60
Profit before tax	2,583.55	2,738.96
Less:		
Provisions for tax	997.61	1,036.78
Profit/ (Loss) for the Year	1,585.94	1,702.18

During the year under review, the Net Sales have increased from Rs. 30,215.95 lakhs in the previous year to Rs. 32,507.89 lakhs during the current year resulting in an increase of 7.59%. However, the Profit before Tax has reduced from Rs. 2,738.96 lakhs to Rs. 2,583.55 lakhs registering a decrease of 5.67%. The decrease in profit was majorly owing to the increase in the fixed expenditure (i.e. employment cost, factory overheads and administrative expenses) of the Company.

**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 2017-18.

**3.0 Reserves**

The Board, during the year under review, has transferred Rs. 60,00,00,000/- (Rupees Sixty Crores) to General Reserves.

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

The Company is manufacturing beer of various brands under the license agreement with United Breweries Limited & SABMiller India Limited, who are the top most market players. Your Company is operating under single segment namely beer.

In India, beer is one of the fastest growing markets because of growing disposable incomes of people, increasing young population and the rapid urbanization taking place in the country. However, in comparison to the previous year, the

Company's Gross Sales has been reduced by 1.56% and volume growth has been decreased by 2.74% due to changes in the legal and government policies. Your Company is focusing on increasing the sales volume for better performance in the coming years.

**5.0 Change in the nature of business, if any**

There was no change in the nature of business.

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

No material changes have occurred subsequent to the close of the financial year of the Company to which the financial statement relates and 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 details of the Subsidiary/Joint Venture/Associate Companies in Form AOC-I forms part of the Board's Report as **Annexure I**.

**9.0 Auditors**

At the 28<sup>th</sup> Annual General Meeting (AGM) held on 5<sup>th</sup> August, 2017, M/s. CNK & Associates LLP (Firm's Registration No. 101961W/W-100036), Chartered Accountants, were appointed as the Statutory Auditors of the Company for five (5) consecutive financial years i.e. upto the financial year 2022-2023. In terms of the resolution passed by the members at the 28<sup>th</sup> AGM and the Companies (Amendment Act), 2017, the appointment of the Auditors for the remaining tenure of 4 financial years i.e. 2018-2023 shall be placed for ratification at the ensuing Annual General Meeting and pursuant to the Companies (Amendment Act), 2017, the appointment of the Statutory Auditors shall not be required to be ratified at every subsequent Annual General Meeting. In this regard, the Company has received a certificate from the Auditors to the effect that if their appointment is ratified in the ensuing Annual General Meeting, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**10.0 Auditor's Report**

There are no qualifications, reservation or adverse remark or disclaimer made by the Auditor 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 2017-18, as required under Section 204 of the Companies Act, 2013 and the Rules framed there under. The Secretarial Audit Report for the financial year 2017-18 forms part of the Board's Report as **Annexure 2**.

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

## **12.0 Extract of the Annual Return**

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is annexed to the Directors' Report and marked as **Annexure 3**.

## **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:**

#### **i) the steps taken or impact on conservation of energy:**

##### **a) Electrical Energy**

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

##### **b) Fuel Oil Consumption**

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

#### **ii) The steps taken by the Company for utilising alternate sources of energy:**

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

#### **iii) The capital investment on energy conservation equipments:**

Not Applicable

### **13.2 Technology absorption:**

#### **i) The efforts made towards technology absorption:**

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

#### **ii) The benefits derived like product improvement, cost reduction, product development or import substitution;**

- a) Utilization of indigenous raw material has led to cost reduction.
- b) CO<sub>2</sub> Plant efficiency improvement has been done by installing flow meters for measurement and control.
- c) Online monitoring systems for Effluent Treatment Plant and Stack Monitoring has been installed to measure and control treated water parameters and gas emission parameters.
- d) Hand Wash Stations has been installed for food handlers for product safety.
- e) The Company has invested in Rain Water Harvesting System to improve the water table.

#### **iii) 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.

#### **iv) 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.

### **13.3 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.

<b>Foreign Exchange Earnings</b>	NIL
<b>Foreign Exchange Outgo</b>	Rs. 1,870,706/-
<b>Value of Import on CIF basis</b>	Rs. 27,502,596/-

## **14.0 Directors and Key Managerial Personnel**

### **14.1 Changes in Directors and Key Managerial Personnel:**

Mr. S.S.Bharwani, Chairman and Independent Director of the Company had been associated with the Company for almost two decades since the Company was taken over by the current promoters. All these years the Company had the benefit of the wisdom and vast experience possessed by Mr. Bharwani. As first Chairman, he ably led the Board of Directors with sagacity right from the time when the Company was faced with multiple challenges including turning around the moribund operations of the Company which the promoter had just taken over.



During the year under review, Mr. S. S. Bharwani, expressed his desire to resign as the Chairman and Independent Director of the Company due to advancing age coupled with health related issues. Though the Directors tried their best to dissuade Mr. Bharwani from submitting his resignation, eventually they had to accede to the request of Mr. Bharwani. Accordingly, he resigned w.e.f. the 5<sup>th</sup> August, 2018, thereby an era came to an end.

The Board placed on record its gratitude and deep appreciation for his guidance and support in turning around the Company into a successful Company. In view of the immense contribution by Mr. Bharwani in making the Company a showpiece, the Board decided to honour him by appointing him as the Chairman Emeritus of the Company. This will also enable the Company to continue to benefit from wisdom and experience of Mr. Bharwani in the years to come.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Amit Khemani (DIN: 00057283), Managing Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The tenure of Mr. Vincent Vaz (DIN: 02067875) as the Whole-time Director-cum-CFO expires on 27<sup>th</sup> January, 2019. The Board in their meeting held on 9<sup>th</sup> June, 2018 re-appointed him for a period of 3 years w.e.f. 28<sup>th</sup> January, 2019 subject to the approval of the members in this Annual General Meeting. The Board commends his re-appointment as the Whole-time Director-cum-CFO to the Members for their approval.

#### **14.2 Re-appointment of Independent Directors**

In accordance with the provisions of Section 150 (2) and other applicable provisions of the Act, the Members at the 25<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2014 had appointed Dr. S. D. Israni (DIN: 00125532), Mr. D.T. Khilnani (DIN: 01824655), Dr. Pamidi Kotaiah (DIN: 00038420), Ms. Lila Poonawalla (DIN: 00074392), Mr. P. R. Barpande (DIN: 00016214) and Mr. Harsh Vardhan Jajoo (DIN: 00758308) as Independent Directors of the Company, to hold office upto 31<sup>st</sup> March, 2019. The Company has received notices in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing their candidature for re-appointment as Independent Directors of the Company for a further term of 5 years w.e.f. 1<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024. The Board commends their re-appointment.

#### **14.3 Declaration by Independent Directors, if any**

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

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

#### **15.0 Risk Management Policy and Risk Mitigation**

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

Risk Management forms an integral part of the Company's planning process. The Audit Committee of the Board reviews the process of risk management.

#### **16.0 Details of establishment of vigil mechanism for Directors and Employees**

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

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

#### **17.0 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:

##### **17.1 Audit Committee**

The Board has constituted an Audit Committee comprising of Mr. P. R. Barpande, Independent Director as the Chairman of the Committee and Dr. P. Kotaiah, Mr. D. T. Khilnani, Mr. Harsh Vardhan Jajoo and Ms. Lila Poonawalla, Independent

Directors as the Members. The recommendations of the Audit Committee are always welcomed and accepted by the Board and all the major steps impacting the financials of the Company are undertaken only after consultation with the Audit Committee.

Total four (4) meetings of the Audit Committee were held during the year 2017-18. The dates of Meetings of the Audit Committees held during the financial year and attendance at the meeting by the Committee Members are given in table below:

Name of Directors	Date of Meetings and Presence			
	03.06.2017	05.08.2017	18.11.2017	28.02.2018
Mr. P. R. Barpande	Yes	Yes	Yes	Yes
Mr. S. S. Bharwani	Yes	Yes	NA*	NA*
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	NA**	NA**	NA**	Yes

\* He resigned as the Member of the Committee w.e.f. 5<sup>th</sup> August, 2017

\*\*She was appointed as the Member of the Committee in the Board Meeting held on 18<sup>th</sup> November, 2017

### 17.2 **Nomination and Remuneration Committee:**

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

As there was no business to be transacted by the Nomination & Remuneration Committee during the financial year 2017-2018, no meeting was required to be held.

### 17.3 **Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee comprises of Mr. D. T. Khilnani, Independent Director as the Chairman of the Committee w.e.f. 18<sup>th</sup> November, 2017 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 security holders' complaints and to approve/ratify/ note transfer of securities. The meetings of the Committee are held once in a quarter and the complaints received, if any, are responded and transfers are executed within the time frame provided under the Companies Act, 2013. During the year under

review, no complaints were received from any investors and all the requests received from the Members for transfer & transmission were processed in time and there are no pending complaints as on 31<sup>st</sup> March, 2018.

Four (4) meetings of the Stakeholders' Relationship Committee were held during the year 2017-18. The dates of Meetings of the Stakeholders' Relationship Committees held during the financial year and attendance at the meeting by the Committee Members are given in table below:

Name of Directors	Date of Meetings and Presence			
	03.06.2017	05.08.2017	18.11.2017	28.02.2018
Mr. S. S. Bharwani	Yes	Yes	NA*	NA*
Mr. D. T. Khilnani	NA**	NA**	Yes	Yes
Mr. Amit Khemani	Yes	Yes	Yes	Yes
Mr. Vincent Vaz	Yes	Yes	Yes	Yes

\*He resigned as the Member of the Committee w.e.f. 5<sup>th</sup> August, 2017

\*\*He was appointed as the Member of the Committee in the Board Meeting held on 18<sup>th</sup> November, 2017

### 17.4 **Corporate Social Responsibility Committee:**

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

Name of Directors	Date of Meetings and Presence	
	03.06.2017	05.08.2017
Dr. S. D. Israni	Yes	Yes
Mr. P. R. Barpande	Yes	Yes
Dr. P. Kotaiah	Yes	Yes
Mr. D. T. Khilnani	Yes	Yes

#### 17.4.1 **Corporate Social Responsibility:**

The role of the Corporate Social Responsibility Committee of the Board (referred to as the 'CSR Committee'), is inter alia, to consider, review, monitor and provide strategic direction to the Company's CSR and sustainability activities towards fulfilling its societal objectives. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Company's work in school education, community care and ecology has enhanced social and natural capital over the years. The Company has a long history of supporting social and community activities viz. welfare centres, associations of blind and cancer patients, education trusts, by associating with Institutions like Lila Poonawalla Foundation, Bulsar District Cricket Association, Blind Organization of India, Mahavir Seva Sadan and Maharashtra Dayanand Society. The Company had also established a Section 8 Company under the name Kamla

Kewalram Khemani Foundation for the purpose of fulfilling its CSR obligations. The Foundation has also received a Letter of Appreciation from Daman & Diu administration for its outstanding contribution towards transformation of various schools in Daman.

With respect to the financial year 2017-18, the Company was required to spend an amount of Rs. 47,99,814/-, while the Company actually spent more than double the amount being Rs.1,08,52,000/-, towards its CSR activities. 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 4**.

**18.0 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			
	03.06.2017	05.08.2017	18.11.2017	28.02.2018
Mr. S. S. Bharwani	Yes	Yes	NA*	NA*
Mr. Amit Khemani	Yes	Yes	Yes	Yes
Mr. Vincent Vaz	Yes	Yes	Yes	Yes
Dr. P. Kotaiah	Yes	Yes	Yes	Yes
Mr. D. T. Khilnani	Yes	Yes	Yes	Yes
Dr. S. D. Israni	Yes	Yes	Yes	Yes
Ms. Lila Poonawalla	Yes	Yes	Yes	Yes
Mr. P. R. Barpande	Yes	Yes	Yes	Yes
Mr. Harsh Vardhan Jajoo	Yes	Yes	Yes	Yes

\*He resigned as the Director of the Company w.e.f. 5<sup>th</sup> August, 2017

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

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

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

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including transactions entered at arms' length under third proviso, in prescribed Form No. AOC - 2 are appended as **Annexure 5** to the Board's Report.

**21.0 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.

**22.0 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 appended as **Annexure 6** to this Report.
- B) Remuneration paid to Executive and Non-Executive Independent Directors during the period 2017-18: Refer Form MGT 9 annexed to the Board's Report.

**23.0 Market Drivers and Challenges**

India's alcoholic beverages industry has had nothing short of a challenging 2017 in terms of volume growth, especially during the first three quarters of the year. Despite a large consumer base and youthful demographics, India's beer market has, until now, been slow to take off. India has one of the lowest levels of beer consumption per capita in Asia. It is being estimated that the total alcohol consumption shall be 5.1 litres per capita in 2018, considerably lower than the regional average of 20.9 litres per capita. Conservative attitudes, licensing regulations, restrictions on the sale of alcohol in certain states and a preference for locally produced spirits such as whiskey are key reasons for the slow development of India's beer market.

However, it is noted in early 2017 that the Indian beer market was gaining momentum, and it has continued to project significant long-term growth opportunities in the market. At a time when global brewers are looking to reduce reliance on saturated developed markets by expanding their reach and product offering in fast-growing emerging markets, it is believed that India will increasingly become a strategic area of focus for beer companies.

It has also been forecasted that beer sales in volume terms will grow by an average of 6.9% annually between 2018 and 2022, reaching 6.5 billion litres in total by the end of this period, up from an estimated 4.7 billion litres in 2017.

The two key factors which are driving the beer industry growth are as follows:

- **Burgeoning Middle Class** – We estimate the share of households falling into the middle-income segment (household disposable income of USD 10,000+) to account for 25% of households in 2022, up from 11% in 2018. Rising disposable incomes will lend support to greater discretionary spending and spending on alcoholic drinks, in particular for beer as Indian consumers pursue more aspirational lifestyles, locally produced spirits are cheaper and more widely accessible and so don't hold the same aspirational image.
- **Changing Attitudes Among Young Urban Consumers** – Attitudes towards alcohol are evolving, particularly among young urban-dwellers who are gaining an appetite for beer, as a drinking culture becomes more popular in major cities like Mumbai, Delhi and Bangalore. 33% of the total population in India is made up of millennials (aged 20-39 years old) according to our 2018 projections, which will help boost beer consumption, as drinking increasingly becomes part of social interactions. We expect major brewers to continue to focus expansion among urban millennials as a result.

While India presents considerable opportunities for global beer companies, we note that India is a high-risk high-reward market for alcoholic drink producers. The country ranks in seventh place out of 18 countries in Asia and in 29<sup>th</sup> place out of 101 countries globally with a score of 60.6 out of 100 (higher score = more attractive market) in the Q2/18 Alcoholic Drinks Risk and Reward Index (RRI). We highlight that India's overall score is dragged down by a low Industry Risk score, due to the country's comparatively unfavorable regulatory environment and lack of retail formalization.

The Government regulations, in particular, pose a significant risk to the overall alcohol market in India, including for beer. For example, in April 2017, the government imposed a ban on the sale of liquor within half a kilometre of state and national highways. Bars and restaurants have however found ways to skirt around this ban by constructing mazes to increase the "motorable distance" between bars and the highways while in the city of Gurgaon, roads have been barricaded to achieve the same effect. Furthermore, more states are considering becoming "dry-states" (where the sale of alcohol is illegal except through on-trade sale), with Madhya Pradesh the latest to become a "dry-state" in April 2017. Others states likely to join are Chhattisgarh and Kerala. More recently, in February 2018, various state governments have been hiking duties on liquor with the Karnataka government announcing plans to increase taxes by 8% while Gujarat is also likely to increase excise duty on liquor sold through permitted shops to 100%, up from 50%.

Blossom is currently manufacturing beer for United Breweries and SABMiller who are the leading players. Your Company has taken steps to reduce the cost of production and is working on 79% capacity in two shifts to meet the market demands. Your Directors are hopeful of continuing this momentum and achieving even better performance in future.

## **25.0 Cost Auditors**

In pursuance of provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the Company was not required to appoint Cost Auditor for the financial year 2018-19. However, as a good corporate governance practice, the Board of Directors in their meeting held on 9<sup>th</sup> June, 2018 appointed Mr. Girikrishna S. Maniar as the Cost Auditor of the Company for the financial year 2018-19 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, the Cost Audit Report for the F.Y. 2017-18 was not filed with the Registrar of Companies.

## **26.0 Internal Financial Control System and their Adequacy**

The Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations. The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

The Statutory Auditors in their reports on internal financial control have observed that your Company has, in all material respect, all adequate internal financial control system over the financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018.

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

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

Further, the Company's Audit Committee looks into this matter for its office and factory of the Company in compliance with the above mentioned Act and Rules. For the financial year 2017-18, no case of sexual harassment was pending at the beginning, no case was received during the year nor did any case remain pending at the close of the year.

## **28.0 General**

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

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Details relating to Deposits covered under Chapter V of the Act.
- d) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3) (c) of the Companies Act, 2013).
- e) The Company does not have any Holding Company or Fellow Subsidiary Company thus provision w.r.t. receipt of commission from them is not applicable.
- f) Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company.
- g) Details in respect of frauds reported by Statutory Auditors under Section 143(12) other than those which are reportable to the Central Government.

### **28.0 Disclosure under the Secretarial Standards**

The Company complies with all the provisions of Secretarial Standards 1 & 2.

### **29.0 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, team work, professionalism and continued contribution to the growth of the Company

**For and on behalf of the Board of Directors**

**Date:** 9<sup>th</sup> June, 2018

**Place:** Mumbai

**S. D. Israni**

**Chairman**

**DIN:** 00125532

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

**ANNEXURE TO THE BOARD'S REPORT**  
**GENERAL SHAREHOLDERS INFORMATION**

**A) Annual General Meeting:**

<b>Day, Date, Time &amp; Venue</b>	Saturday, the 18 <sup>th</sup> August, 2018 at 10.00 a.m. at Sandy Resort, Devka Beach, Daman-396 210 (U.T.)
<b>Financial Year</b>	April 1, 2017 – March 31, 2018
<b>Book Closure Date</b>	Friday, the 10 <sup>th</sup> August, 2018 to Saturday, the 18 <sup>th</sup> August, 2018 (both days inclusive)

**B) Registrar & Share Transfer Agent:**

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

**M/S. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**

UNIT NO. 1, LUTHRA IND. PREMISES,  
ANDHERI - KURLA ROAD, SAFED POOL,  
ANDHERI (EAST), MUMBAI - 400 072  
TEL NO: 022-2851 5606 / 2851 5644  
FAX NO: 022-2851 2885  
CONTACT PERSON: MR. B.S. BALIGA, DIRECTOR  
EMAIL: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

**C) Share Transfer System:**

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

**D) Dematerialization of Shares and Liquidity:**

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

**E) Plant Locations:**

The Company has manufacturing plant situated at  
Village Jani Vankad, Nani Daman, Daman - 396 210. (U.T.)  
Tel: (0260) 2221050, 2221130, 2221120, Fax: 2220421

**F) Address for correspondence:**

**Registered Office**

Village Jani Vankad, Nani Daman, Daman – 396210 (U.T.)  
Tel: (0260) 2221050, 2221130, 2221120, Fax: (0260) 2220421  
E-mail: [blossom@bildaman.com](mailto:blossom@bildaman.com)

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

**Not applicable as the Company did not have any Subsidiary Company during the reporting period.**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1. **Names of Associates or joint Ventures which are yet to commence operations-** None
2. **Names of associates or joint ventures which have been liquidated or sold during the year** – Kamla Kewalram Khemani Foundation was incorporated on 16<sup>th</sup> March, 2017 and became the Associate Company of Blossom w.e.f. 16<sup>th</sup> March, 2017. However, the shares held by Blossom Industries Limited were transferred to Mr. Ashok Khemani and therefore Kamla Kewalram Khemani Foundation ceased to be the Associate Company of Blossom Industries Limited w.e.f. 22<sup>nd</sup> March, 2018.

**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:** 9<sup>th</sup> June 2018

**Place:** Mumbai

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31<sup>st</sup> March, 2018

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

To,

The Members,

**Blossom Industries Limited**

CIN: U31200DD1989PLC003122

Village Jani Vankad,

Nani Daman- 396 210 (U.T.)

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; (Not applicable to the Company as it is an Unlisted Public Limited Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (Not applicable to the Company as it is an Unlisted Public Limited Company)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) And the following industry specific laws and regulations for breweries industry, as informed and confirmed by the Audit Committee of the Company:
  - (a) Food Safety and Standards Act, 2006;



- (b) Food Safety and Standards (Laboratory and Sampling Analysis) Regulation, 2011,
- (c) Food Safety and Standards (Packaging and Labelling) Regulation, 2011; and
- (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:

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

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

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

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

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

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

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

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

For **VPP & Associates**  
Practicing Company Secretaries

**Pooja Jain**  
Partner

**C.P. No.: 9136**

**Membership No.: F8160**

**Date:** 9<sup>th</sup> June, 2018

**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.



**Annexure A**

To,

The Members,

**Blossom Industries Limited**

Village Jani Vankad,

Nani Daman - 396 210 (U.T.)

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

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

For **VPP & Associates**  
Practicing Company Secretaries

**Pooja Jain**  
Partner

**C.P. No.: 9136**

**Membership No.: F8160**

**Date:** 9<sup>th</sup> June, 2018

**Place:** Mumbai

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U31200DD1989PLC003122
ii	Registration Date	10 <sup>TH</sup> AUGUST 1989
iii	Name of the Company	BLOSSOM INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE CAPITAL
v	Address of the Registered office & contact details	VILLAGE JANI VANKAD, NANI DAMAN 396 210 (U.T.), TEL: 0260 - 222 1050
vi	Whether listed company	NO
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED UNIT NO. 1, LUTHRA IND. PREMISES, ANDHERI - KURLA ROAD, SAFED POOL, ANDHERI (EAST), MUMBAI - 400 072 TEL NO: 022 - 2851 5606 / 2851 5644 FAX NO: 022 - 2851 2885 CONTACT PERSON: MR. B.S. BALIGA, DIRECTOR EMAIL: sharexindia@vsnl.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
I	MANUFACTURING OF BEER	11031	100

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
I	*Kamla Kewalram Khemani Foundation Address: Ringanwada, Kachigam Road, Nani Daman, Daman and Diu- 396210	U93090DD2017NPL009796	Associate	50.00%	2(6)

\*It ceased to be the Associate Company w.e.f. 22<sup>nd</sup> March, 2018

**IV (i) SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2500000	32168300	34668300	93.973	2500000	32169600	34669600	93.977	0.004
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>2500000</b>	<b>32168300</b>	<b>34668300</b>	<b>93.973</b>	<b>2500000</b>	<b>32169600</b>	<b>34669600</b>	<b>93.977</b>	<b>0.004</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>2500000</b>	<b>32168300</b>	<b>34668300</b>	<b>93.973</b>	<b>2500000</b>	<b>32169600</b>	<b>34669600</b>	<b>93.977</b>	<b>0.004</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	1100	1100	0.003	0	1100	1100	0.003	0.000
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(B)(1)</b>	<b>0</b>	<b>1100</b>	<b>1100</b>	<b>0.003</b>	<b>0</b>	<b>1100</b>	<b>1100</b>	<b>0.003</b>	<b>0.000</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian	1400	18700	20100	0.054	1400	18700	20100	0.054	0.000
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	70800	2130900	2201700	5.968	71200	2129200	2200400	5.964	-0.004
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
<b>c) Others (specify)</b>									
Non Resident Indians	500	0	500	0.001	500	0	500	0.001	0
<b>SUB TOTAL:(B)(2)</b>	<b>72700</b>	<b>2149600</b>	<b>2222300</b>	<b>6.024</b>	<b>73100</b>	<b>2147900</b>	<b>2221000</b>	<b>6.020</b>	<b>-0.004</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>72700</b>	<b>2150700</b>	<b>2223400</b>	<b>6.027</b>	<b>73100</b>	<b>2149000</b>	<b>2221100</b>	<b>6.023</b>	<b>-0.004</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A + B + C)</b>	<b>2572700</b>	<b>34319000</b>	<b>36891700</b>	<b>100.000</b>	<b>2573100</b>	<b>34318600</b>	<b>36891700</b>	<b>100.000</b>	<b>0.000</b>

(ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (01-04-2017)			Shareholding at the end of the year (31-03-2018)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ASHOK KEWALRAM KHEMANI	3339600	9.052	0	3340900	9.056	0	0.004
2	HARSHA AMIT KHEMANI	4565500	12.375	0	4565500	12.375	0	0
3	AMIT ASHOK KHEMANI	4566500	12.378	0	4566500	12.378	0	0
4	ASHOK KEWALRAM KHEMANI HUF	4000000	10.843	0	4000000	10.843	0	0
5	LAJU ASHOK KHEMANI	4565600	12.376	0	4565600	12.376	0	0
6	SURESH KEWALRAM KHEMANI	500000	1.355	0	500000	1.355	0	0
7	SURESH KEWALRAM KHEMANI HUF	4000000	10.843	0	4000000	10.843	0	0
8	USHA SURESH KHEMANI	4565600	12.376	0	4565600	12.376	0	0
9	VIVEK SURESH KHEMANI	4565500	12.375	0	4565500	12.375	0	0
	<b>Total</b>	<b>34668300</b>	<b>93.973</b>	<b>0</b>	<b>34669600</b>	<b>93.977</b>	<b>0</b>	<b>0.004</b>

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

Sr. No.	Name of Shareholder	Share holding at the beginning of the Year (01-04-2017)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share holding during the year 01-04-17 to 31-03-18)	
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
a)	<b>ASHOK KEWALRAM KHEMANI</b>							
	At the beginning of the year	3339600	9.052					
				23-06-2017	800	Transfer	3340400	9.055
				09-03-2018	500	Transfer	3340900	9.056
	At the end of the year						3340900	9.056

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	
<b>1</b>	<b>KAMLESH THAKUR</b>								
	At the beginning of the year	24600	0.067						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						24600	0.067	
<b>2</b>	<b>MUKESH BABU</b>								
	At the beginning of the year	18000	0.049						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						18000	0.049	
<b>3</b>	<b>MUKUL AMRATLAL SONAWALA</b>								
	At the beginning of the year	13000	0.035						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						13000	0.035	

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	
<b>4</b>	<b>KETAN V PAREKH</b>								
	At the beginning of the year	10000	0.027						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						10000	0.027	
<b>5</b>	<b>MADHAV KALAN TANDEL</b>								
	At the beginning of the year	10000	0.027						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						10000	0.027	
<b>6</b>	<b>NALINI V PAREKH</b>								
	At the beginning of the year	10000	0.027						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						10000	0.027	
<b>7</b>	<b>NITA K PAREKH</b>								
	At the beginning of the year	10000	0.027						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						10000	0.027	
<b>8</b>	<b>PARESH V PAREKH</b>								
	At the beginning of the year	10000	0.027						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						10000	0.027	
<b>9</b>	<b>PRITI P PAREKH</b>								
	At the beginning of the year	10000	0.027						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						10000	0.027	
<b>10</b>	<b>VINOD V PAREKH</b>								
	At the beginning of the year	9000	0.024						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						9000	0.024	

(v) **Shareholding of Directors & KMP (Financial Year 2017-18)**

Sr. No.	For Each of the Director / KMP	Shareholding at the beginning of the year(01-04-2017)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	
<b>I</b>	<b>AMIT ASHOK KHEMANI</b>								
	At the beginning of the year	4566500	12.378						
	Date wise increase/decrease in Share holding during the year	There was no change during the year							
	At the end of the year						4566500	12.378	

**Note:** No other Director or Key Managerial Personnel (KMP) hold any shares in the Company.

**V INDEBTEDNESS (Financial Year 2017-18)**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction			NIL	
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>A. Remuneration to Managing Director, Whole time Director and/or Manager: (Financial Year 2017-18)</b>					
Sr.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mr. Amit Khemani - MD	Mr. Vincent Vaz (WTD-cum-CFO)	Manager	
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	7500000	3934152		<b>11434152</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0		<b>0</b>
	(c ) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	0	0		<b>0</b>
<b>2</b>	<b>Stock option</b>	0	0		<b>0</b>
<b>3</b>	<b>Sweat Equity</b>	0	0		<b>0</b>
<b>4</b>	<b>Commission</b>	0	0		<b>0</b>
	as % of profit *	#5810994	2790000		<b>8600994</b>
	others (specify) (Reimbursement of expenses)	0	138000		<b>138000</b>
<b>5</b>	<b>Others</b>				
	Contribution to PF	648000	305424		<b>953424</b>
	<b>Total (A)</b>	<b>13958994</b>	<b>7167576</b>		<b>21126570</b>
	<b>Ceiling as per the Act</b>	<b>13958994</b>	<b>13958994</b>		<b>27917988</b>
		5% of the net profits	5% of the net profits		10% of the net profits

\*Provision made for Commission pertaining to the financial year 2017-18

# The Company has also made excess provision for commission of Rs. 639006/- which is not included in the above amount and the same shall be written off in next financial year

**B. Remuneration to other directors: (Financial Year 2017-18)**

Sr. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Mr. S. S. Bharwani	Dr. P Kotaiah	Mr. D.T. Khilnani	Dr. S.D. Israni	Ms. Lila Poonawalla	Mr. P. R. Barpande	Mr. Harsh Vardhan Jajoo	
<b>1</b>	<b>Independent Directors</b>								
	(a) Fee for attending board, committee meetings	100000	200000	200000	200000	200000	200000	200000	<b>1300000</b>
	(b) Commission*	-	465000	465000	465000	465000	465000	465000	<b>2790000</b>
	(c) Others, please specify								
	<b>Total (1)</b>	<b>10000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>4090000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>								
	(a) Fee for attending board, committee meetings	0	0	0	0	0	0	0	<b>0</b>
	(b) Commission	0	0	0	0	0	0	0	<b>0</b>
	(c) Others, please specify	0	0	0	0	0	0	0	<b>0</b>
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>10000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>665000</b>	<b>4090000</b>
	<b>Total Managerial Remuneration</b>								<b>25855576</b>
	<b>Overall Ceiling as per the Act</b>	<b>28102072</b>							11% of the net profits

\*Provision made for Commission pertaining to the financial year 2017-18

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Financial Year 2017-18)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Mr. Haresh Thakkar (Company Secretary)	CFO	
<b>1</b>	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A.	148291	The WTD acts as the CFO as well, his remuneration is mentioned in Table A	148291
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0		
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		0		0
<b>2</b>	<b>Stock Option</b>			0	0
<b>3</b>	<b>Sweat Equity</b>			0	0
<b>4</b>	<b>Commission</b>			0	0
	as % of profit			0	0
	others, specify			0	0
<b>5</b>	<b>Others, please specify</b>			0	0
	Provident Fund		3566		3566
	<b>Total</b>		<b>151857</b>		<b>151857</b>



## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					

## Corporate Social Responsibility (CSR)

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

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:** The Company's CSR Policy is framed for the benefit of different segments of the society, specifically the deprived, under privileged and differently-abled persons. The Policy is available on the Company's website i.e. [http://www.khemanigroup.com/about\\_khemani.html](http://www.khemanigroup.com/about_khemani.html)
2. **Composition of the CSR Committee:** The Committee comprises of the following Independent Directors:
  - a. Dr. S. D. Israni : Chairman
  - b. Mr. P. R. Barpande : Member
  - c. Dr. P. Kotaiah : Member
  - d. Mr. D. T. Khilnani : Member
3. **Average net profit of the Company for last three financial years:** Rs. 239,990,682/-
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs.4,799,814/- constitutes 2% of the amount in item 3 above.
5. **Details of CSR spent during the financial year:**
  - (a) **Total amount to be spent for the financial year:** Rs. 4,799,814/-
  - (b) **Amount unspent, if any:** NIL
  - (c) **Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (in Rs.)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto to the reporting period (in Rs.)	Amount spent : Direct or through implementing agency*
1	Renovation of Panchayat Schools	Schedule VII(iii)	Daman	10,000,000	10,552,000	14,952,000	Through Daman Industries Association (Implementing Agency)
2	Maharashtra Dayanand Society	Schedule VII(iii)	Maharashtra and Gujarat Border	-	300,000	4,700,000	Directly to Maharashtra Dayanand Society
<b>TOTAL</b>				10,000,000	10,852,000	19,652,000	

\*Give details of the implementing agency.

**Details of the implementing agency:** Daman Industries Association (DIA), is the designated agency for collection of CSR funds and the said funds be deployed for the upgradation and repairs of the Primary Government Schools situated in the Union Territory of Daman.

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

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

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

**Date:** 9<sup>th</sup> June 2018  
**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**

<b>Sr. no.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts/ arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Date(s) of approval by the Board, if any</b>
I	K. H. Khemani & Sons, Amit Khemani, Managing Director's relative is a partner in the said firm	Sale of Beer	1.4.2017 to 31.3.2018	Sale of Beer on one month credit Rs. 1,756,468,749	N.A. However noting for the same was taken at every Audit Committee and Board Meeting.

**For and on behalf of the Board of Directors**

**S. D. Israni**  
Chairman  
DIN: 00125532

**Date:** 9<sup>th</sup> June 2018**Place:** Mumbai

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

**Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The details of top ten employees of the Company & other employees who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakhs rupees;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month;

<b>Name</b>	<b>Amit Khemani</b>	<b>Vincent Vaz</b>
<b>Designation</b>	Managing Director	Whole-time Director-cum-CFO
<b>Remuneration received</b>	Rs. 1,44,50,000/-	Rs. 67,94,152/-
<b>Nature of employment</b>	Contractual	Contractual
<b>Qualifications and Experience</b>	B.A. (USA)	Chartered Accountant
<b>Date of commencement of employment</b>	27.09.2003	28.01.2008
<b>Age</b>	41 years	50 years
<b>Previous Employment</b>	UDV Limited	Khemani Distilleries Pvt. Ltd.
<b>No. of shares in the Company</b>	4566500 shares	0
<b>Whether relative of Director or employee</b>	Himself is the Managing Director of the Company	Himself is the Whole-time Director-cum-CFO of the Company

<b>Name</b>	<b>Rajkumar Sharma</b>	<b>Bharat Gopalani</b>
<b>Designation</b>	Plant Head	Sr. Manager (Accounts & Finance)
<b>Remuneration received</b>	Rs. 36,46,649/-	Rs. 17,96,788/-
<b>Nature of employment</b>	Permanent Full Time	Permanent Full Time
<b>Qualifications and Experience</b>	MSC & MBA (Finance)	B. Com, D.B.M, P.G.D.FM, MBA-Finance
<b>Date of commencement of employment</b>	07.02.2014	19.09.2001
<b>Age</b>	44 years	46 years
<b>Previous Employment</b>	SAB Miller India Limited	Shah Pulp & Paper Ltd
<b>No. of shares in the Company</b>	0	900
<b>Whether relative of Director or employee</b>	No	No

<b>Name</b>	<b>Sandeep Deshmukh</b>	<b>Yogesh Sharma</b>
<b>Designation</b>	Chief Engineer	Sr. Manager (Process)
<b>Remuneration received</b>	Rs. 15,65,712/-	Rs. 11,28,848/-
<b>Nature of employment</b>	Permanent Full Time	Permanent Full Time
<b>Qualifications and Experience</b>	Dip. Mec. Eng.	BSC, DIFT, GCB
<b>Date of commencement of employment</b>	15.07.2011	19.01.2016
<b>Age</b>	48 years	35 years
<b>Previous Employment</b>	SOM Distillery	SAB Miller India Limited
<b>No. of shares in the Company</b>	0	0
<b>Whether relative of Director or employee</b>	No	No

<b>Name</b>	<b>Ikbai Meman</b>	<b>Dilip More</b>
<b>Designation</b>	HOD (P&A)	HOD (Bottling)
<b>Remuneration received</b>	Rs. 10,36,706/-	Rs. 10,01,211/-
<b>Nature of employment</b>	Permanent Full Time	Permanent Full Time
<b>Qualifications and Experience</b>	PGIRPM, PG HRD, LLB, BA	Dip. Mec. Eng.
<b>Date of commencement of employment</b>	01.12.2015	01.06.2000
<b>Age</b>	47 years	52 years
<b>Previous Employment</b>	NPL Mumbai	Raymond Textile
<b>No. of shares in the Company</b>	0	0
<b>Whether relative of Director or employee</b>	No	No

<b>Name</b>	<b>Ashish Mishra</b>	<b>Chetan Lad</b>
<b>Designation</b>	HOD (Lab)	Executive Maintenance
<b>Remuneration received</b>	Rs. 7,61,860/-	Rs. 6,86,496/-
<b>Nature of employment</b>	Permanent Full Time	Permanent Full Time
<b>Qualifications and Experience</b>	M.Sc.	Dip. Mec. Eng.
<b>Date of commencement of employment</b>	02.08.2000	27.06.2006
<b>Age</b>	40 years	45 years
<b>Previous Employment</b>	ZEN Pharma	UPL Ltd.
<b>No. of shares in the Company</b>	0	0
<b>Whether relative of Director or employee</b>	No	No

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF BLOSSOM INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Blossom Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 accounts 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 Flows 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 read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representation received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 25.1 to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

**For C N K & Associates LLP**  
Chartered Accountants  
(Firm Registration Number: 101961W / W-100036)

Himanshu V. Kishnadwala  
Partner  
Membership No.: 037391

Mumbai  
June 9, 2018

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Blossom Industries Limited ("the Company") on the financial statements as of and for the year ended March 31, 2018]

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) During the year the property, plant and equipment have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, the title deeds of immovable properties, other than self-constructed buildings, included in fixed assets are held in the name of the Company
- (ii) Inventories other than stocks lying with third parties, have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancy was noticed on such verification by the management as compared to book records.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in respect of which the provisions of section 185 and section 186 of the Act are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits to which the provisions of Sections 73 to 76 of the Act would apply.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under section 148(1) of the Act in respect of the Company's product and are of the opinion that *prima-facie*, the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the same with a view to determining whether they are accurate or complete.
- (vii) (a) The Company has been regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. Also refer Note 25.1(i) (c) to the Financial Statements.
- (b) According to the information and explanation given to us, there are no dues which have not been deposited by the Company on account of disputes except for the following:

Name of the Statute	Nature of dues	Forum where dispute is pending	Year to which the amount relates	Amount (Rs.)
Finance Act, 1994 (Refer note 25.1(i) (b) to the financial statements)	Service Tax	Supreme Court	2009-10, 2010-11, 2011-12, 2012-13	109,379,535
Bihar Value Added Tax Act, 2005	Value Added Tax	Commissioner of Commercial Taxes, Bihar	2011-12	2,417,099
Income Tax Act, 1961	Income Tax	Dy Commissioner of Income Tax –(TDS) Circle	2010-11 2011-12	3,22,513

- (viii) There are no dues to a financial institution or to a bank or to debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer or by way of a term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.



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

**For C N K & Associates LLP**  
Chartered Accountants  
(Firm Registration Number: 101961W / W-100036)

Himanshu V. Kishnadwala  
Partner  
Membership No.: 037391

Mumbai  
June 9, 2018



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Blossom Industries Limited on the financial statements as of and for the year ended March 31, 2018]

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Blossom Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements 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)

Himanshu V. Kishnadwala  
Partner  
Membership No.: 037391

Mumbai, June 9, 2018

## Balance sheet as at 31<sup>st</sup> March, 2018

Particulars	Note No.	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
<b>A EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	110,675,100	111,651,600
(b) Reserves and surplus	4	861,837,857	702,202,573
		<u>972,512,957</u>	<u>813,854,173</u>
<b>2 Non-current liabilities</b>			
(a) Other long-term liabilities	5	165,652	253,233
(b) Long-term provisions	6	3,715,164	4,106,300
		<u>3,880,816</u>	<u>4,359,533</u>
<b>3 Current liabilities</b>			
(a) Trade payables			
i) Dues to micro and small enterprises		23,000,942	4,644,353
ii) Others		387,277,711	305,044,434
(b) Other current liabilities	7	400,834,730	416,726,321
(c) Short-term provisions	8	4,452,718	6,269,206
		<u>815,566,101</u>	<u>732,684,314</u>
<b>TOTAL</b>		<b><u>1,791,959,874</u></b>	<b><u>1,550,898,020</u></b>
<b>B ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible assets	9	268,637,492	295,452,942
(ii) Intangible assets	9	-	-
(iii) Capital Work-in-Progress	9	-	-
		<u>268,637,492</u>	<u>295,452,942</u>
(b) Deferred tax assets (net)		18,371,436	24,179,292
(c) Non Current Investments	10	173,500,000	57,500,000
(d) Long-term loans and advances	11	137,306,811	116,656,349
		<u>597,815,739</u>	<u>493,788,583</u>
<b>2 Current assets</b>			
(a) Current Investments	12	51,137,487	6,582,509
(b) Inventories	13	229,966,213	255,268,275
(c) Trade receivables	14	395,451,687	319,935,398
(d) Cash and bank balances	15	450,504,866	427,756,556
(e) Short-term loans and advances	16	51,324,108	36,250,517
(f) Other current assets	17	15,759,774	11,316,182
		<u>1,194,144,135</u>	<u>1,057,109,437</u>
<b>TOTAL</b>		<b><u>1,791,959,874</u></b>	<b><u>1,550,898,020</u></b>
<b>See accompanying notes forming part of the financial statements</b>		I to 28	

In terms of our report attached.

**For CNK & Associates LLP**  
Chartered Accountants

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

Place : Mumbai  
Date : 9 June, 2018

**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 : 9 June, 2018

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

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

## Statement of Profit and Loss for the year ended 31 March, 2018

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2018	31 March, 2017
		Rupees	Rupees
1 Revenue from operations (gross)	18	3,741,917,123	3,775,004,196
Less : Excise duty		491,128,620	753,409,682
Revenue from operations (net)		3,250,788,503	3,021,594,514
2 Other income	19	45,752,001	43,396,829
<b>3 Total Revenue (1 + 2)</b>		<b>3,296,540,504</b>	<b>3,064,991,343</b>
<b>4 Expenses:</b>			
(a) Cost of materials consumed	20	535,578,000	562,336,912
(b) Changes in inventories of finished goods and work-in-progress	21	(4,538,447)	(40,580,010)
(c) Employee benefits expense	22	86,507,114	84,446,954
(d) Finance costs	23	10,286	59,526
(e) Depreciation and amortisation expense	9	37,065,513	47,892,412
(f) Other expenses	24	2,383,563,361	2,136,940,040
<b>Total expenses</b>		<b>3,038,185,827</b>	<b>2,791,095,834</b>
<b>5 Profit before tax (3 - 4)</b>		<b>258,354,677</b>	<b>273,895,509</b>
<b>6 Tax expense:</b>			
(a) Current tax		94,000,000	100,000,000
(b) Deferred tax		5,807,856	3,676,877
(c) Short/(Excess) provision of tax relating to prior years		(46,963)	1,242
		99,760,893	103,678,119
<b>7 Profit for the year (5 - 6)</b>		<b>158,593,784</b>	<b>170,217,390</b>
<b>8 Earnings per share (of Rs. 3/- each):</b>			
Basic and diluted		4.30	4.61
<b>See accompanying notes forming part of the financial statements</b>		1 to 28	

In terms of our report attached.

**For CNK & Associates LLP**  
Chartered Accountants

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

Place : Mumbai  
Date : 9 June, 2018

**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 : 9 June, 2018

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

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

## Cash flow statement for the year ended 31<sup>st</sup> March, 2018

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	258,354,677	273,895,509
<b>Adjusting for :</b>		
Depreciation and amortisation	37,065,513	47,892,412
Finance cost	-	-
Interest income	(25,926,876)	(18,955,556)
Loss on sale / discard of fixed assets (Net)	28,358	113,334
Profit on sale of current investment	(4,554,978)	(12,100,955)
Provision for doubtful trade and other receivables, loans and advances	-	-
Sundry credit balances written back	(8,791,022)	(10,745,556)
	(2,179,005)	6,203,679
Operating profit before working capital changes	256,175,672	280,099,188
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	25,302,062	(97,997,884)
Trade receivables	(75,516,289)	57,780,877
Fixed Deposits	(408,162)	(253,764,064)
Short-term loans and advances	(15,073,591)	(181,783,182)
Long-term loans and advances	(24,007,862)	(7,669,966)
	(89,703,842)	(483,434,219)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	109,380,889	(40,235,636)
Other current liabilities	(15,120,981)	239,584,315
Other long-term liabilities	(87,581)	100,973
Short-term provisions	8,813,355	1,226,333
Long-term provisions	(391,136)	1,479,199
	102,594,546	202,155,184
<b>Net Cash from Operations</b>	<b>269,066,376</b>	<b>(1,179,847)</b>
Net income tax (paid)	(104,582,880)	(87,528,993)
<b>Net cash flow from operating activities (A)</b>	<b>164,483,496</b>	<b>(88,708,840)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Capital expenditure on fixed assets, including capital advances	(7,715,965)	(13,178,286)
Proceeds on disposal of fixed assets	24,333	160,875
Purchase of Investment in Mutual fund	(431,000,000)	(213,000,000)
Proceeds from sale of Investment in Mutual Fund	275,000,000	263,500,575
Dividend received	-	-
Interest received	21,483,284	11,425,880
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(142,208,348)</b>	<b>48,909,044</b>

Cash flow statement for the year ended 31<sup>st</sup> March, 2018

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds of Allotment money in arrears received from Shareholders	65,000	-
<b>Net cash flow (used in) financing activities (C)</b>	<b>65,000</b>	<b>-</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B)</b>	<b>22,340,148</b>	<b>(39,799,796)</b>
<b>Cash and Cash Equivalents (Opening balance)</b>	<b>67,334,759</b>	<b>107,134,555</b>
<b>Cash and Cash Equivalents (Closing balance)</b>	<b>89,674,907</b>	<b>67,334,759</b>
<b>Cash and cash equivalents at the end of the year *</b>		
* Comprises:		
Cash on hand	244,448	114,752
Balances with banks :		
In current accounts	89,430,459	67,220,007
<b>Total</b>	<b>22,340,148</b>	<b>(39,799,796)</b>
<b>See accompanying notes forming part of the financial statements</b>		

In terms of our report attached.

**For CNK & Associates LLP**  
Chartered Accountants

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

Place : Mumbai  
Date : 9 June, 2018

**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 : 9 June, 2018

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

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

## Notes forming part of the financial statements

### 1) Company information: -

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

### 2) Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements:

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

#### 2.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP which requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Property, Plant and Equipments:

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

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

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

Capital work-in-progress:

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

#### 2.4 Intangible Assets:

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

#### 2.5 Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation on Plant and Machinery and Office Equipment is provided on written down value basis and on all other Property, Plant and Equipments on straight line method basis as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the 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.

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

#### 2.6 Impairment of Assets:

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

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

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

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

### 2.7 Borrowing Cost:

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

### 2.8 Inventories:

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

### 2.9 Revenue Recognition:

- a. Sale of goods: Revenue on sale of products is recognized when the products are dispatched to the customers, all significant contractual obligations have been satisfied and the collection of the resulting receivables is reasonably expected. Sales include excise duty but exclude sales tax and value added tax.
- b. Other Income: Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.
- c. Revenue from sale of scrap is recognized as and when scrap is sold.

### 2.10 Employee Benefits:

- a. Defined Contribution Plan:

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

- b. Defined Benefit Plan:

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

- c. Short-term employee benefits:

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

- d. Long-term employee benefits:

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

### **2.11 Foreign Currency Transactions:**

Initial recognition:

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

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

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

Treatment of exchange differences:

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

### **2.12 Investments:**

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

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

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

### **2.13 Provisions, Contingent Liabilities and Contingent Assets:**

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

### **2.14 Lease Rentals:**

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

Finance leases

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

Operating leases

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

### **2.15 Income Taxes:**

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

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

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



**2.16 Earnings per share:**

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

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

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

**2.18 Cash Flow Statement:**

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

**Note 3 Share capital**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Rupees	Number of shares	Rupees
<b>Authorised</b>				
Equity shares of Rs.3/- each	5,00,00,000	15,00,00,000	5,00,00,000	15,00,00,000
<b>Issued, Subscribed and paid up</b>				
Equity shares of Rs.3/- each	3,68,91,700	11,06,75,100	3,68,91,700	11,06,75,100.00
Less : Allotment money in arrears	-	-	-	(65,000)
Add : Amount paid on Equity shares forfeited	-	10,41,500	-	10,41,500
Less : Amount paid on fortified equity shares transferred to Capital Reserve A/c		(10,41,500)		-
<b>Total</b>	<b>3,68,91,700</b>	<b>11,06,75,100</b>	<b>3,68,91,700</b>	<b>11,16,51,600</b>

(i) There is no change in the equity share capital of the Company except for the receipt of the Allotment money in arrears and transfer of the sum of Rs. 10,41,500/- to Capital Reserve during the current year.

(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% shares:

Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Harsha Amit Khemani	45,65,500	12.38%	45,65,500	12.38%
Amit Ashok Khemani	45,66,500	12.38%	45,66,500	12.38%
Laju Ashok Khemani	45,65,600	12.38%	45,65,600	12.38%
Vivek Suresh Khemani	45,65,500	12.38%	45,65,500	12.38%
Usha Suresh Khemani	45,65,600	12.38%	45,65,600	12.38%
Suresh K. Khemani-HUF	40,00,000	10.84%	40,00,000	10.84%
Ashok K. Khemani HUF	40,00,000	10.84%	40,00,000	10.84%
Ashok Kewalram Khemani	33,40,900	9.06%	32,81,900	8.90%

**Note 4 Reserves and surplus**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>Capital Reserve</b>		
Opening balance	-	-
Add : Amount received in earlier years on Equity Shares forfeited	10,41,500	-
Closing balance	10,41,500	-
<b>General Reserve</b>		
Opening balance	-	-
Add : Transferred from Surplus in Statement of profit and loss	60,00,00,000	-
Closing balance	60,00,00,000	-
<b>Revaluation Reserve</b>		
Opening balance / Closing balance	45,80,746	45,80,746
<b>Community welfare reserve (See Note 27 (1))</b>		
Opening balance	36,00,000	21,00,000
Add : Transferred from Surplus in Statement of profit and loss	72,52,000	35,00,000
Less : Transferred to Surplus in Statement of profit and loss	(1,08,52,000)	(20,00,000)
Closing balance	-	36,00,000
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	69,40,21,827	52,53,04,437
Add : Profit for the year	15,85,93,784	17,02,17,390
Less: Transferred to Community Welfare Reserve	(72,52,000)	(35,00,000)
Add: Transferred from Community Welfare Reserve	1,08,52,000	20,00,000
Less: Transferred to General Reserve	(60,00,00,000)	-
Closing balance	25,62,15,611	69,40,21,827
<b>Total</b>	<b>86,18,37,857</b>	<b>70,22,02,573</b>

**Note 5 Other long-term liabilities**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Advances from employees	1,65,652	2,53,233
<b>Total</b>	<b>1,65,652</b>	<b>2,53,233</b>

**Note 6 Long-term provisions**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>Provision for employee benefits:</b>		
Provision for compensated absences	37,15,164	37,29,935
Provision for Gratuity	-	3,76,365
<b>Total</b>	<b>37,15,164</b>	<b>41,06,300</b>

**Note 7 Other current liabilities**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Other payables		
Statutory liabilities		
Tax deducted at source	6,66,51,979	46,75,245
Excise duty on finished stock	1,46,57,573	7,63,47,540
VAT and CST on sales	2,85,04,780	2,40,61,846
Goods & Service Tax	36,48,972	-
Others	4,68,576	3,26,249
Employee related payments	39,01,176	35,10,966
Director's Remuneration payable	1,30,93,894	1,17,46,894
Advance from employees	1,45,597	23,142
Trade / security deposits received	9,00,000	68,39,833
Advances from customers	26,78,82,244	28,74,44,057
Payable for purchase of fixed assets	9,79,939	17,50,549
<b>Total</b>	<b>40,08,34,730</b>	<b>41,67,26,321</b>

**Note 8 Short-term provisions**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>Provision for employee benefits:</b>		
Provision for compensated absences	2,24,450	2,19,114
Provision for gratuity	11,27,069	23,84,938
Provision for Bonus and Exgratia	31,01,199	36,65,154
<b>Total</b>	<b>44,52,718</b>	<b>62,69,206</b>

**Note 9 Property, Plant and Equipment**

(Rupees)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	Opening Balance as at 1 April 2017	Additions	Deductions/ Adjustment	Balance as at 31 March 2018	Opening Balance as at 1 April, 2017	For the year	Deduction	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
<b>A Tangible Assets</b>										
Land (Freehold)*	92,96,294 *	54,75,460	-	1,47,71,754	-	-	-	-	1,47,71,754	92,96,294
	<i>92,96,294</i>	-	-	<i>92,96,294</i>	-	-	-	-	<i>92,96,294</i>	<i>92,96,294</i>
Buildings	33,95,04,743	9,36,174	-	34,04,40,917	13,75,44,327	98,28,559	-	14,73,72,886	19,30,68,031	20,19,60,416
	<i>33,89,15,648</i>	<i>5,89,095</i>	-	<i>33,95,04,743</i>	<i>12,76,82,708</i>	<i>98,61,619</i>	-	<i>13,75,44,327</i>	<i>20,19,60,416</i>	<i>21,12,32,940</i>
Plant and Equipments	1,19,52,51,151	31,29,838	5,82,301	1,19,77,98,688	1,12,80,19,525	2,30,67,923	5,56,566	1,15,05,30,882	4,72,67,806	6,72,31,626
	<i>1,18,80,49,995</i>	<i>88,33,072</i>	<i>16,31,916</i>	<i>1,19,52,51,151</i>	<i>1,09,50,22,716</i>	<i>3,44,35,608</i>	<i>14,38,799</i>	<i>1,12,80,19,525</i>	<i>6,72,31,626</i>	<i>9,30,27,279</i>
Office Equipments	62,65,411	3,73,670	89,954	65,49,127	47,32,162	8,08,734	62,997	54,77,899	10,71,228	15,33,249
	<i>60,19,913</i>	<i>2,89,752</i>	<i>44,254</i>	<i>62,65,411</i>	<i>43,53,051</i>	<i>4,02,864</i>	<i>23,753</i>	<i>47,32,162</i>	<i>15,33,249</i>	<i>16,66,862</i>
Furniture and Fixtures	2,18,63,776	49,313	-	2,19,13,089	2,03,87,075	4,87,596	-	2,08,74,671	10,38,418	14,76,701
	<i>2,15,02,663</i>	<i>3,61,113</i>	-	<i>2,18,63,776</i>	<i>1,99,05,855</i>	<i>4,81,220</i>	-	<i>2,03,87,075</i>	<i>14,76,701</i>	<i>15,96,808</i>
Vehicles	1,93,92,380	2,44,000	54,840	1,95,81,540	59,52,228	24,31,331	54,840	83,28,719	1,12,52,821	1,34,40,152
	<i>1,94,69,679</i>	<i>12,51,673</i>	<i>13,28,972</i>	<i>1,93,92,380</i>	<i>48,51,404</i>	<i>23,69,205</i>	<i>12,68,381</i>	<i>59,52,228</i>	<i>1,34,40,152</i>	<i>1,46,18,275</i>
Computer Equipments	39,06,562	94,300	52,500	39,48,362	33,92,058	4,41,370	52,500	37,80,928	1,67,434	5,14,504
	<i>34,07,328</i>	<i>4,99,234</i>	-	<i>39,06,562</i>	<i>30,50,162</i>	<i>3,41,896</i>	-	<i>33,92,058</i>	<i>5,14,504</i>	<i>3,57,166</i>
<b>Tangible Assets - Total</b>	<b>1,59,54,80,317</b>	<b>1,03,02,755</b>	<b>7,79,595</b>	<b>1,60,50,03,477</b>	<b>1,30,00,27,375</b>	<b>3,70,65,513</b>	<b>7,26,903</b>	<b>1,33,63,65,985</b>	<b>26,86,37,492</b>	<b>29,54,52,942</b>
<i>Previous Year</i>	<i>1,58,66,61,520</i>	<i>1,18,23,939</i>	<i>30,05,142</i>	<i>1,59,54,80,317</i>	<i>1,25,48,65,896</i>	<i>4,78,92,412</i>	<i>27,30,933</i>	<i>1,30,00,27,375</i>	<i>29,54,52,942</i>	<i>33,17,95,624</i>
<b>B Intangible Assets</b>										
Computer software	1,71,512	-	1,71,512	-	1,71,512	-	1,71,512	-	-	-
	<i>1,71,512</i>	-	-	<i>1,71,512</i>	<i>1,71,512</i>	-	-	<i>1,71,512</i>	-	-
<b>Intangible Assets - Total</b>	<b>1,71,512</b>	-	<b>1,71,512</b>	-	<b>1,71,512</b>	-	<b>1,71,512</b>	-	-	-
<i>Previous Year</i>	<i>1,71,512</i>	-	-	<i>1,71,512</i>	<i>1,71,512</i>	-	-	<i>1,71,512</i>	-	-
<b>Total - (a+b)</b>	<b>1,59,56,51,829</b>	<b>1,03,02,755</b>	<b>9,51,107</b>	<b>1,60,50,03,477</b>	<b>1,30,01,98,887</b>	<b>3,70,65,513</b>	<b>8,98,415</b>	<b>1,33,63,65,985</b>	<b>26,86,37,492</b>	<b>29,54,52,942</b>
<i>Previous Year</i>	<i>1,58,68,33,032</i>	<i>1,18,23,939</i>	<i>30,05,142</i>	<i>1,59,56,51,829</i>	<i>1,25,50,37,408</i>	<i>4,78,92,412</i>	<i>27,30,933</i>	<i>1,30,01,98,887</i>	<i>29,54,52,942</i>	<i>33,17,95,624</i>

\* Includes increase in value of Land (freehold) Rs. 4,580,746/- consequent to revaluation as per approved valuer's report in the year 1999-2000.

Figures in Italics are in respect of previous year.

**Note 10 Non Current Investments**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>Non Trade Investments</b>		
<b>Investment in Mutual Funds :-</b>		
Aditya Birla Sun Life Corporate Bond Fund - Gr. Regular (2,135,657 units at 31 March 2018, Previous Year - 2,135,657 units )	2,50,00,000	2,50,00,000
Reliance Corporate Bond Fund-Growth Plan (2,504,334 units at 31 March 2018 , Previous Year - 2,504,334 units )	3,25,00,000	3,25,00,000
HDFC Coprorate Debt Opportunities Fund - Regular Plan - Growth (1,424,237 units at 31 March 2018 , Previous Year Nil )	2,00,00,000	-
HDFC Equity Saving Fund - Regular Plan-Growth (286,673 unites at 31 March 2018, Previous Year Nil)	1,00,00,000	-
ICICI Prudential Balance Advantage Fund Growth (788,225 units at 31 March 2018 , Previous Year -Nil)	2,50,00,000	-
ICICI Prudential Regular Income Fund - Growth ( 1,867,207 units at 31 March 2018, Previous Year - Nil)	3,25,00,000	-
IDFC Credit Opportunities Fund-Regular Plan - Growth (1,436,479 units at 31 March 2018 , Previous Year - Nil)	1,50,00,000	-
SBI Corporate Bond Fund - Regular Plan - Growth (496,766 units at 31 March 2018 , Previous Year - Nil)	1,35,00,000	-
<b>Total</b>	<b>17,35,00,000</b>	<b>5,75,00,000</b>
<b>Market Value of above Investments as at year end</b>	<b>18,12,73,688</b>	<b>5,85,23,206</b>

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

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Capital advances	5,84,100	39,41,500
Security deposits	1,99,67,822	1,86,44,004
Loans and advances to employees	2,91,000	2,44,500
Prepaid expenses	1,47,864	1,25,000
Advance income tax (Net of provisions - Rs. 365,054,149/-, 31st March, 2017 Rs.270,101,112/-)	1,26,13,405	29,96,799
Balances with government authorities :		
CENVAT credit / Service tax	-	42,88,834
Service tax paid under protest*	8,95,07,477	8,38,42,406
VAT paid under protest*	25,73,306	25,73,306
GST on Production overheads paid under protest*	1,15,52,837	-
Tax paid under protest	69,000	-
<b>Total</b>	<b>13,73,06,811</b>	<b>11,66,56,349</b>

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

**Note 12 Current Investments**

(as cost or fair value, whichever is lower)

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>Non Trade Investments</b>		
<b>In Mutual Fund :-</b>		
Aditya Birla Sun Life Cash Manager - Growth Regular Plan ( 124,541 units at 31 March 2018, Previous Year - 16,866 units )	5,11,37,487	65,82,509
<b>Total</b>	<b>5,11,37,487</b>	<b>65,82,509</b>
<b>Market Value of above Investments as at year end</b>	<b>5,20,02,517</b>	<b>66,14,434</b>

**Note 13 Inventories**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Raw materials (including stock with third party Rs.38,741,142/-, As at 31st March 2017 Rs. NIL)	5,88,94,018	2,39,34,010
Work-in-Progress	2,05,51,427	2,51,94,780
Finished goods (including in transit of Rs.Nil; As at 31st March 2017 Rs.58,719,232)	8,33,60,593	15,42,76,822
Stores and spares	4,10,79,573	2,38,95,920
Packing materials	2,60,80,602	2,79,66,743
<b>Total</b>	<b>22,99,66,213</b>	<b>25,52,68,275</b>

**Note 14 Trade receivables (Unsecured)**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Outstanding for a period exceeding six months from the due date		
Considered good	2,15,096	22,550
Considered Doubtful	8,36,577	12,87,771
	<b>10,51,673</b>	<b>13,10,321</b>
Less : Provision for doubtful trade receivables	(8,36,577)	(12,87,771)
<b>Total</b>	<b>2,15,096</b>	<b>22,550</b>
Other trade receivables		
Considered good	39,52,36,591	31,99,12,848
<b>Total</b>	<b>39,54,51,687</b>	<b>31,99,35,398</b>

**Note 15 Cash and bank balances**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>(a) Cash and cash equivalents</b>		
(i) Cash on hand	2,44,448	1,14,752
(ii) Balances with banks :		
In current accounts	8,94,30,459	6,72,20,007
	<b>8,96,74,907</b>	<b>6,73,34,759</b>
<b>(b) Other Bank balances</b>		
(i) Margin money with banks	22,50,283	21,29,598
(ii) In Deposit Accounts	35,85,79,676	35,82,92,199
	<b>36,08,29,959</b>	<b>36,04,21,797</b>
<b>Total</b>	<b>45,05,04,866</b>	<b>42,77,56,556</b>

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

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Loans and advances to employees	8,51,595	10,04,000
Prepaid expenses	47,94,912	29,27,959
Advance to suppliers	46,63,590	39,73,618
<b>Balances with government authorities :</b>		
Excise duty	3,43,33,059	2,34,36,750
Import fees	66,80,952	48,29,392
Export Incentive claim	-	43,798
Others	-	35,000
<b>Total</b>	<b>5,13,24,108</b>	<b>3,62,50,517</b>

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

**Note 17 Other current assets**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Interest accrued on deposits	1,57,59,774	1,13,16,182
<b>Total</b>	<b>1,57,59,774</b>	<b>1,13,16,182</b>

**Note 18 Revenue from Operations**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Sale of products (Refer Note (i) below)	3,69,85,89,670	3,75,71,00,028
Other operating revenues (Refer Note (ii) below)	4,33,27,453	1,79,04,168
<b>Total</b>	<b>3,74,19,17,123</b>	<b>3,77,50,04,196</b>
<b>Less :</b>		
Excise Duty	49,11,28,620	75,34,09,682
<b>Total</b>	<b>3,25,07,88,503</b>	<b>3,02,15,94,514</b>
Notes:		
(i) Sale of products comprises :		
<u>Manufactured goods</u>		
Beer	3,69,85,89,670	3,75,71,00,028
<b>Total - Sale of manufactured products</b>	<b>3,69,85,89,670</b>	<b>3,75,71,00,028</b>
(ii) Other operating revenues comprises :		
Sale of scrap	2,08,27,453	1,79,04,168
Compensation for Volume Commitment	2,25,00,000	-
<b>Total - Other operating revenues</b>	<b>4,33,27,453</b>	<b>1,79,04,168</b>

**Note 19 Other Income**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Interest Income:-		
on banks deposits	2,53,82,141	1,73,89,720
on income-tax refund	14,079	9,85,055
on security deposit	5,30,656	5,80,781
	2,59,26,876	1,89,55,556
Net gain on foreign currency transaction and translation	5,25,871	1,28,222
Sundry credit balance written back	87,91,022	1,07,45,556
Profit on sale of mutual fund-current investments	45,54,978	1,21,00,955
Compensation received against damaged goods	6,68,774	7,33,664
Insurance Claim Received	52,84,480	7,32,876
<b>Total Other income</b>	<b>4,57,52,001</b>	<b>4,33,96,829</b>

**Note 20 Cost of materials consumed**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Opening Stock	2,39,34,010	1,82,90,781
Add : Purchases	57,05,38,008	56,79,80,141
Less : Closing Stock	5,88,94,018	2,39,34,010
<b>Cost of material consumed</b>	<b>53,55,78,000</b>	<b>56,23,36,912</b>
<b>Raw material consumed comprises :</b>		
(i) Malt	28,49,12,312	31,24,91,313
(ii) Maize/corn/rice flakes	12,24,26,339	12,68,54,985
(iii) Sugar/maltose syrup	4,09,78,447	3,91,56,632
(iv) Others	8,72,60,902	8,38,33,982
<b>Total</b>	<b>53,55,78,000</b>	<b>56,23,36,912</b>

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

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Inventories at the end of the year:-		
Finished goods	10,24,06,563 *	15,42,76,822
Work-in-progress	2,05,51,427	2,51,94,780
<b>Total</b>	<b>12,29,57,990</b>	<b>17,94,71,602</b>
Inventories at the beginning of the year:-		
Finished goods	15,42,76,822	6,07,04,706
Work-in-progress	2,51,94,780	2,59,38,985
<b>Total</b>	<b>17,94,71,602</b>	<b>8,66,43,691</b>
Add / (Less) Adjustment for Excise Duty on Stock	6,10,52,059	(5,22,47,901)
<b>Net decrease / (increase)</b>	<b>(45,38,447)</b>	<b>(4,05,80,010)</b>

\* Includes Rs.1,90,45,970/- being value of items against a specific customer order.

**Note 22 Employee benefits expense**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Salaries and wages	79,498,482	75,286,683
Contribution to provident and other funds	3,752,398	3,571,611
Gratuity expenses*	165,536	2,694,205
* Net of Actuarial gain Rs.1,603,071 (Previous year Actuarial Loss Rs.1,667,843/-)		
Staff welfare expenses	3,090,698	2,894,455
<b>Total</b>	<b>86,507,114</b>	<b>84,446,954</b>

**Note 23 Finance Cost**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Interest expenses:-		
on payment of statutory dues	10,286	59,526
<b>Total</b>	<b>10,286</b>	<b>59,526</b>

**Note 24 Other expenses**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Packing material consumed	1,11,08,58,258	82,27,14,693
Consumption of stores and spares	3,04,92,217	2,91,72,399
Contract labour charges - Manufacturing	2,14,55,358	2,08,91,240
Security, Housekeeping and others	1,43,63,278	1,25,25,368
Power and fuel	9,15,88,325	8,86,77,424
Repairs and maintenance - Buildings	1,35,74,297	93,43,728
Repairs and maintenance - Machinery	2,21,01,317	1,63,55,103
Repairs and maintenance - Others	10,25,144	7,49,197



## 29<sup>TH</sup> ANNUAL REPORT 2017-18

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Insurance	17,97,586	19,50,189
Brand Owner's Surplus / License fees	86,13,76,018	92,16,52,668
Director's sitting fees	14,72,750	8,54,250
Rent	14,43,595	20,10,280
License and other fees	1,72,80,262	3,39,27,688
Communication	15,05,023	18,29,801
Travelling and conveyance	54,79,215	44,34,091
Legal and professional fees (Refer Note below)	80,68,229	80,24,909
Advertisement and publicity	1,05,73,471	68,42,174
Carriage outward	9,87,94,353	8,83,18,779
Loading charges	96,07,107	71,64,734
Commission	-	1,16,575
Cash discount	47,70,708	1,54,22,883
Corporate Social Responsibility Expenditure	1,08,52,000	20,00,000
Donation	2,96,80,000	2,64,47,500
Loss on disposal of fixed assets (Net)	28,358	1,13,334
Miscellaneous expenses	1,53,76,492	1,54,01,033
<b>Total</b>	<b>2,38,35,63,361</b>	<b>2,13,69,40,040</b>
<b>Notes (i)</b>		
Legal and Professional fees Includes payment to the auditors as under: (excluding service tax/Gst):		
As auditors - statutory audit	<b>15,50,000</b>	<b>15,50,000</b>
For Tax Audit	2,50,000	2,50,000
Out of pocket expenses	36,831	20,879
<b>Total</b>	<b>18,36,831</b>	<b>18,20,879</b>

### 25.1 Contingent liabilities and commitments:

(i) Contingent liabilities :

- a) (i) Claims against the Company not acknowledged as debts Rs.11,426,140/- (Previous year Rs. 11,426,140/-) comprises of Rs. 5,433,865/- (Previous year Rs. 5,433,865/-) towards indirect tax demands and Rs. 5,992,275/- (Previous year Rs. 5,992,275/-) towards claims from vendors. Against such demands, Rs. 2,573,306/- (Previous Year Rs. 2,573,306/-) is deposited with the Sales tax authorities under protest and Rs. 5,471,104/- (Previous Year Rs. 5,471,104/-) is deposited with the High Court receiver respectively.
- (ii) Claims against the Company not acknowledged as debts Rs.391,513/- (Previous year Rs. 205,486/-) towards income tax demands order u/s 201(1) r.w.s. 201(1a) of the Income Tax Act, 1961. Against such demands, Rs.69,000/- (Previous Year Rs. Nil) is deposited with the Income tax authorities.
- b) Following an amendment to the definition of 'business auxiliary services' in the Finance Act, 2009, the Company became liable to pay service tax on production of goods not covered under Central Excise Act, 1944 for or on behalf of others. The Company, along with others in the Industry, has filed a petition challenging the validity of this levy in the Hon'ble High Court of Bombay, for which hearing is pending. In the meanwhile, the Company received show cause-cum-demand notices demanding payment of service tax for the period from 23 September, 2009 to 30 June, 2012 aggregating Rs. 286,030,616 (excluding interest and penalty) in an earlier year, against which it deposited Rs. 209,402,036 (including interest Rs. 32,750,955) under protest while filing an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

On 1 September, 2015, the CESTAT pronounced an Order confirming the liability of service tax under Business Auxiliary Services on charges received for production or processing of goods for or on behalf of client on which central excise is not applicable. While the Order giving effect to this pronouncement is awaited, the Company had determined the amount payable as per CESTAT order of Rs. 160,057,421 and the amount of duty paid under protest (included in loans and advances) to the extent of Rs. 160,057,421 had been adjusted against the dues to/ advance received from the brand owner, as per the confirmation from brand owner. The balanced sum of Rs. 4,93,44,615/- paid under protest is shown under long term loans and advances.

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

- c) In respect of production overhead charges with reference to goods manufactured between 01.07.2017 to 31.03.2018 for one of its principals, the Company has not paid Goods and Service tax (GST) estimated at Rs. 52,449,295/- as the principal for whom the goods have been manufactured, believes that no GST is payable and the principal has applied to Authority for Advance Ruling (AAR) for advance ruling. As at the date of the signing of the financial statements, the order of the AAR is awaited. However, the principal has agreed to reimburse the Company if and when the liability to pay GST is levied, including interest for delayed payment of GST. Accordingly, in the view of the Company, there is no liability accruing to the Company and hence no provision is made for the same.

(ii) Commitments :-

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,138,500	1,525,660

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

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

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Stores and Spares	27,502,596	12,529,761

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

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	Rupees	%	Rupees	%
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	535,578,000	100.00%	562,336,912	100.00%
<b>Total</b>	<b>53,557,8000</b>	<b>100.00%</b>	<b>562,336,912</b>	<b>100.00%</b>
<b>Packing Materials</b>				
Imported	-	-	-	-
Indigenous	1,110,858,258	100.00%	822,714,693	100.00%
<b>Total</b>	<b>1,110,858,258</b>	<b>100.00%</b>	<b>822,714,693</b>	<b>100.00%</b>
<b>Stores and Spares</b>				
Imported	12,109,747	39.71%	15,645,918	53.63%
Indigenous	18,382,470	60.29%	13,526,481	46.37%
<b>Total</b>	<b>30,492,217</b>	<b>100.00%</b>	<b>29,172,399</b>	<b>100.00%</b>

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

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

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Repairs to Plant and Machinery	467,987	-
Others	1,402,719	2,078,912

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

Particulars	2017-18	2016-17
	Rupees	Rupees
A Principal amount remaining unpaid as on 31 March	23,000,942	4,644,353
B Interest due thereon remaining unpaid to any supplier as on 31 March*	-	-
C Interest paid by the Company in terms of Section 16 the supplier beyond the appointed day during the year.*	-	-
D The amount of interest due and payable for the year*	-	-
E Interest accrued and remaining unpaid as at 31 March*	-	-
F Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.*	-	-

\*Delays in payments due to disputes/negotiations with vendor are not considered for the purpose of disclosures above.

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

**26.1 Employee Benefits :**

**Defined Contribution Plan:**

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

(Amount in Rupees)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Employer's Contribution to Provident fund	3,752,398	3,571,611

**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, 2018	As at 31 March, 2017
	Rupees	Rupees
Liability at the Beginning of the Year	12,133,474	9,139,442
Interest Cost	873,610	738,467
Current Service Cost	1,065,114	933,571
Past Service Cost –Vested Benefit	504,679	-
Benefits Paid	(426,865)	(265,799)
Actuarial (gain)/Loss on obligations – Due to change in Financial Assumption	(908,492)	1,189,048
Actuarial (gain)/Loss on obligations – Due to Experience	(724,028)	398,745
<b>Liability at the end of the Year</b>	<b>12,517,492</b>	<b>12,133,474</b>

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

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Fair value of Plan Assets at the beginning of the Year	9,372,171	7,991,043
Expected Return on Plan Assets	674,796	645,676
Contributions	1,799,770	1,081,301
Benefits paid	(426,865)	(265,799)
Actuarial Gain / (loss) on Plan Assets due to Experience	(29,449)	(80,050)
<b>Fair value of Plan Assets at the end of the Year</b>	<b>11,390,423</b>	<b>9,372,171</b>

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

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Liability at the end of the Year	12,517,492	12,133,474
Fair value of Plan Assets at the end of the year	11,390,423	9,372,171
<b>Amount recognized in the Balance Sheet</b>	<b>(1,127,069)</b>	<b>(2,761,303)</b>

Expected contribution for the next year Rs. 1,127,069/-(Previous year Rs.2,761,303/-)

d) Expense recognized during the year.

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rupees	Rupees
Current Service Cost	1,065,114	933,571
Past Service Cost – Vested Benefit	504,679	-
Interest Cost	873,610	738,467
Expected Return on Plan Assets	(674,796)	(645,676)
Actuarial (Gain) or Loss	(1,603,071)	1,667,843
<b>Expense recognized in Profit and Loss</b>	<b>165,536</b>	<b>2,694,205</b>

e) Actual Return on Planned Assets :

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
Expected Return on Plan Assets	674,796	645,676
Actuarial Gain/ (Loss) on Plan Assets	(29,449)	(80,050)
Actual Return on Plan Assets	<b>645,347</b>	<b>565,626</b>

f) Investment Details:

Particulars	% Invested As at 31 March, 2018	% Invested As at 31 March, 2017
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of the plan assets is not available.	100%	100%

g) Actuarial Assumptions:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Mortality Table- Indian Assured Lives Mortality	2006-08 (Std)	2006-08 (Std)
Discount Rate (per annum)	7.83%	7.20%
Expected Return on Plan Assets	7.83%	7.20%
Rate of escalation in salary (per annum)	8.00%	8.00%
Attrition rate	2.00%	2.00%

h) Experience Adjustments:

Particulars	31-3-2018 Amount Rs.	31-3-2017 Amount Rs.	31-3-2016 Amount Rs.	31-3-2015 Amount Rs.	31-3-2014 Amount Rs.
Defined Benefit Obligation	(12,517,492)	(12,133,474)	(9,139,442)	(7,910,075)	5,705,989
Fair Value of Plan Assets	11,390,423	9,372,171	7,991,043	6,638,717	6,008,360
Surplus/(Deficit)	<b>(1,127,069)</b>	<b>(2,761,303)</b>	<b>(1,148,399)</b>	<b>(1,271,358)</b>	<b>302,371</b>
Experience Adjustment on Plan Assets –Gain / (Loss)	(29,449)	(80,050)	(13,238)	(48,492)	(6,176)
Experience Adjustment on Plan Liabilities (Gain) / Loss	(724,028)	398,745	135,138	253,245	(208,900)

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**

The Compensated Absences charge for the year ended 31 March 2018 Rs. 208,293/- (Previous year Rs. 1,217,306/-), based on actuarial valuation carried out using the projected unit credit method.

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

The Company mainly has sales in the domestic market with Rs. Nil export sales. To that extent, there is only a single geographical segment the information of which is disclosed in the financial statements.

**26.3 Related Party Disclosures:**

a) List of Related parties and Relationships

Sr. No.	Names of Related parties	Nature of Relationship
1	Mr. Amit A. Khemani Mr. Vincent Vaz	Key Management Personnel
2	Mr. Ashok K. Khemani Mr. Suresh K. Khemani	Promoters directly or indirectly holding more than 20% stake
3	Khemani Distilleries Private Limited	Entities where individuals i.e. Key Management Personnel,
4	K.H.Khemani & Sons.	Promoters and their relatives have Control and / or significant
5	Kamla Kewalram Khemani Foundation	Influence and with whom transactions have taken place during the year.

Note : Related parties have been identified by the management.

b) Transactions with Related parties

Amount in Rupees

	Particulars	Key Management Personnel	Promoters	Other related parties where control/significant influence exists
1	Remuneration paid to Managing Director - Mr. Amit Khemani	14,598,000 (14,301,307)	Nil (Nil)	Nil (Nil)
	Whole time Director-cum-CFO- Mr. Vincent Vaz	7,167,576 (7,237,576)	Nil (Nil)	Nil (Nil)
2	Reimbursement of expenses incurred by Mr.Amit Khemani on behalf of the Company	1,756,495 (2,566,171)	Nil (Nil)	Nil (Nil)
3	Reimbursement of expenses incurred by Mr.Ashok Khemani on behalf of the Company	Nil (Nil)	Nil (29,187)	Nil (Nil)
4	Sales to M/s.K.H.Khemani & Sons	Nil (Nil)	Nil (Nil)	1,756,468,749 (2,052,131,908)
5	Reimbursement of expense paid to K.H.Khemani & Sons	Nil (Nil)	Nil (Nil)	29,140,640 (38,798,915)
6	Reimbursement of expense paid to Khemani Distilleries Pvt. Ltd.	Nil (Nil)	Nil (Nil)	Nil (5750)
7	Donation paid to Kamla Kewalram Khemani Foundation	Nil (Nil)	22,000,000 (Nil)	Nil (Nil)
8	Received from Mr.Suresh K. Khemani against Sales of Shares of Kamla Kewalram Khemani Foundation	Nil (Nil)	50,000 (Nil)	Nil (Nil)
	<b>Year end Balances :</b>			
1	Remuneration payable to Managing Director – Mr.Amit Khemani	6,821,000 (7,321,000)	Nil (Nil)	Nil (Nil)
	Whole time Director-cum-CFO- Mr. Vincent Vaz	2,967,394 (3,062,394)	Nil (Nil)	Nil (Nil)
2	Reimbursement of expenses payable to Whole time Director-cum-CFO Mr.Vincent Vaz	11,500 (11,500)	Nil (Nil)	Nil (Nil)
3	Advance received from Mr.Vincent Vaz-Whole Time Director	2,000 (2,000)	Nil (Nil)	Nil (Nil)
4	Advance to/(from) M/s K. H. Khemani & Sons outstanding	Nil (Nil)	Nil (Nil)	4,630,528 (7,598,975)

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

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

**26.4 Earnings per share:**

	Particulars	For the year ended	For the year ended
		31 March, 2018	31 March, 2017
A	Net Profit after tax as per profit and loss account (in Rupees)	158,593,784	170,217,390
B	Weighted average number of equity shares outstanding (Nos.)		
	- Basic and diluted	36,891,700	36,891,700
C	Nominal value per equity share (in Rupees)	3	3
D	Earnings per share (in Rupees)		
	- Basic and diluted	4.30	4.61

**26.5 (a) Current Tax:**

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

**(b) Deferred Tax:**

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

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Rupees	Rupees
<b>Deferred Tax Liability</b>	-	-
<b>Deferred Tax Asset:</b>		
Depreciation	15,343,758	18,560,248
Liabilities allowable on payment basis	3,027,678	3,995,778
Provision for Obsolete Inventories	-	1,623,266
<b>Total Deferred Tax Asset</b>	<b>18,371,436</b>	<b>24,179,292</b>
<b>Net Deferred Tax Asset</b>	<b>18,371,436</b>	<b>24,179,292</b>

**27 Other Disclosures :**

**27.1** Based on the recommendation of the Corporate Social Responsibility Committee, the Board sets aside such amount as it deems fit, out of the profits of the Company, for amount to be spent on Corporate Social Responsibility activities to the credit of Community Welfare Fund.

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

**27.2** Corporate Social Responsibility expenditure:

- As required by the Companies Act, 2013 and the rules thereunder, amount required to be spent toward Corporate Social Responsibility amounts to Rs. 4,799,814/- (2017: Rs. 3,419,825/-).
- Amount spent during the year:

	Particulars	Amount in Rupees
(i)	Construction / acquisition of any asset	- (-)
(ii)	On purpose other than (i) above	10,852,000 (2,000,000)

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

**27.3** The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31 March, 2018 which are as follows:

**Amount payable in foreign currency on account of the following:**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Amount in Rupees	Amount in foreign currency (USD)	Amount in Rupees	Amount in foreign currency (USD)
Trade and Security deposit	-	-	6,409,833	98,760



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

In terms of our report attached.

**For CNK & Associates LLP**  
Chartered Accountants

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

Place : Mumbai  
Date : 9 June, 2018

**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 : 9 June, 2018

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

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



**Form No. MGT-11**

**Proxy form**

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

**BLOSSOM INDUSTRIES LIMITED**

**CIN:** U31200DD1989PLC003122

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

**29<sup>th</sup> Annual General Meeting - 18<sup>th</sup> August, 2018**

Name of the Member(s):

Registered Address:

Email:

Folio no. / Client ID:

DP ID:

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

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

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

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

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on the Saturday, 18<sup>th</sup> August, 2018 at 10.00 a.m. at Sandy Resort, Devka Beach, Daman- 396210 (U.T.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions	Voting (Optional)	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2018 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes, Reports of the Board of Directors (the Board) and the Auditors thereon.		
2.	Appoint a Director in place of Mr. Amit Khemani (DIN: 00057283), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of Statutory Auditor.		
<b>Special Business</b>			
4.	Re-appoint Mr. Vincent Vaz as Whole-time Director-cum-CFO for a period of 3 years.		
5.	Re-appoint Dr. S.D. Israni (DIN: 01824655) as an Independent Director up to March 31, 2024.		
6.	Re-appoint Mr. D. T. Khilnani (DIN: 00125532) as an Independent Director up to March 31, 2024.		
7.	Re-appoint Dr. Pamidi Kotaiah (DIN: 00038420) as an Independent Director up to March 31, 2024.		
8.	Re-appoint Ms. Lila Poonawalla (DIN: 00074392) as an Independent Director up to March 31, 2024.		
9.	Re-appoint Mr. P. R. Barpande (DIN: 00016214) as an Independent Director up to March 31, 2024.		
10.	Re-appoint Mr. Harsh Vardhan Jajoo (DIN: 00758308) as an Independent Director up to March 31, 2024.		
11.	Payment of Commission to Non-Executive Directors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix revenue stamp

Signature of Member

Signature of Proxy holder

Signature of Proxy holder

Signature of Proxy holder

**Note:**

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

TEAR HERE





Courier

*If undelivered, please return to:*

**BLOSSOM INDUSTRIES LIMITED**

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