



**AURANGABAD DISTILLERY LIMITED**  
**19<sup>th</sup> Annual Report 2018-19**

**Registered Office:** A/P Walchandnagar, Tal. Indapur, Pune 413114

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## **CORPORATE INFORMATION**

### **Board of Directors**

Mr. Amardeepsingh Sethi  
Mr. Dharampal Kalani  
Mr. Kanyalal Kalani  
Mr. Karan Yadav  
Mrs. Jagjitkaur Sethi  
Mr. Tanaji Yadav  
Mr. Ashokchandra Dhish  
Mr. Prakash Sawant  
Mr. Avinash Salunke

### **Chief Financial Officer**

Mr. Uday Hemade

### **Company Secretary**

CS Chetan Kumbojkar

### **Website**

[www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

### **Registered Office and Factory**

A/P Walchandnagar, Tal. Indapur, Pune  
413114

### **Statutory Auditor**

Natesh & Associates

### **Secretarial Auditor**

Prajot Tungare & Associates

### **Registrar & Share Transfer Agent**

Bigshare Services Private Limited

### **Cost Auditor**

A. J. Paranjape & Co

## **Information for Shareholders**

### **19<sup>th</sup> Annual General Meeting of the Company**

Day & Date : Saturday, 28<sup>th</sup> September, 2019

Time : 12.00 Noon

Venue: A/P Walchandnagar, Tal. Indapur, Pune 413114

## **COMMITTEES OF THE BOARD**

### **AUDIT COMMITTEE**

<b>Name of the Member</b>	<b>Category</b>
Mr. Avinash Salunke	Chairman & Independent Director
Mr. Ashokchandra Dhish	Independent Director
Mr. Dharampal Kalani	Managing Director

### **NOMINATION & REMUNERATION COMMITTEE**

<b>Name of the Member</b>	<b>Category</b>
Mr. Avinash Salunke	Chairman & Independent Director
Mr. Ashokchandra Dhish	Independent Director
Mr. Prakash Sawant	Independent Director

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

<b>Name of the Member</b>	<b>Category</b>
Mr. Avinash Salunke	Chairman & Independent Director
Mr. Ashokchandra Dhish	Independent Director
Mr. Dharampal Kalani	Managing Director

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

<b>Name of the Member</b>	<b>Category</b>
Mr. Dharampal Kalani	Chairman & Managing Director
Mr. Avinash Salunke	Independent Director
Mr. Prakash Sawant	Independent Director

## **BOARD'S REPORT**

To  
The Members  
**Aurangabad Distillery Limited**

The Board of Directors has pleasure in presenting herewith their 19<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March, 2019.

### **FINANCIAL RESULTS:**

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

(Amount in Rs.)

<b>Particulars</b>	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
Total Revenue	55,85,76,197	50,67,70,559
Less: Total expenses	47,60,96,256	46,67,15,667
<b>Profit Before Exceptional And Extraordinary Items And Tax</b>	<b>8,24,79,941</b>	<b>4,00,54,892</b>
Exceptional Items	-	-
<b>Profit Before Extraordinary Items And Tax</b>	<b>8,24,79,941</b>	<b>4,00,54,892</b>
Extraordinary Items	-	-
Add / (Less) : Prior Period Incomes / (Expenses)	-	-
Add : Excess / (Short) Provision of Taxation For Previous Years	-	-
<b>Profit Before Tax</b>	<b>8,24,79,941</b>	<b>4,00,54,892</b>
Tax Expense:		
Less : Current Tax	1,76,00,000	1,21,70,000
Earlier Year Tax	7,34,069	76,966
Deferred Tax	2,15,12,359	13,78,166
Mat Credit Entitlements	(2,21,45,437)	(36,29,431)
<b>Profit (Loss) For The Year</b>	<b>6,47,78,950</b>	<b>3,00,59,191</b>

### **REVIEW OF OPERATIONS AND DIVIDEND**

The Company generated revenue of Rs. 55,85,76,197/- during the current year as against revenue of Rs. 50,67,70,559/- generated in the preceding year. The operations of the Company have resulted into post tax profit of Rs. 6,47,78,950/- against post tax profit of Rs. 3,00,59,191/- in the preceding year. Owing to the growing business needs and the necessity to plough back the profits in the business, your Directors do not recommend any dividend for the year.

### **TRANSFER TO RESERVES**

The Board of Directors do not recommend to carry any amount to reserves.

### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished in "Annexure-I" and is attached to this Report.

## **NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors met 6 times during the year under review on 25<sup>th</sup> May, 2018, 16<sup>th</sup> August, 2018, 24<sup>th</sup> August 2018, 29<sup>th</sup> September 2018, 13<sup>th</sup> November, 2018 and 8<sup>th</sup> March, 2019 respectively. Notice of meetings with agenda along with necessary details was sent to the Directors in time.

Further following are the details with respect to Board meeting attendance by each Director.

<b>Name of Director</b>	<b>Board Meetings held during the tenure of Director</b>	<b>Board Meeting Attended</b>
Mr. Dharampal Kalani	6	5
Mr. Amardeepsingh Sethi	6	6
Mr. Kanyalal Kalani	6	5
Mrs. Jagjitkaur Sethi	6	5
Mr. Karan Yadav*	4	4
Mr. Ashokchandra Dhish	6	5
Mr. Prakash Sawant	6	6
Mr. Tanaji Yadav	6	6
Mr. Avinash Salunke	6	6

\*Appointed w.e.f. 16<sup>th</sup> August, 2018.

## **COMMITTEES OF THE BOARD:**

### **i. Audit Committee**

Composition of Audit Committee of the Company as follows:

<b>Name of the Member</b>	<b>Category</b>
Mr. Avinash Salunke	Chairman & Independent Director
Mr. Ashokchandra Dhish	Independent Director
Mr. Dharampal Kalani	Managing Director

### **ii. Nomination and Remuneration Committee**

Composition of Nomination and Remuneration Committee as follows:

<b>Name of the Member</b>	<b>Category</b>
Mr. Avinash Salunke	Chairman & Independent Director
Mr. Ashokchandra Dhish	Independent Director
Mr. Prakash Sawant	Independent Director

### **iii. Stakeholders Relationship Committee**

Composition of Stakeholders Relationship Committee as follows:

<b>Name of the Member</b>	<b>Category</b>
Mr. Avinash Salunke	Chairman & Independent Director
Mr. Ashokchandra Dhish	Independent Director
Mr. Dharampal Kalani	Managing Director

#### **iv. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was reconstituted by the Board of Directors in a meeting held on May 30, 2019. The Committee comprises of the following members:

<b>Name of the Member</b>	<b>Category</b>
Mr. Dharampal Kalani	Chairman & Managing Director
Mr. Avinash Salunke	Independent Director
Mr. Prakash Sawant	Independent Director

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with Section 152 of the Companies Act, 2013, Mr. Kanyalal Kimatram Kalani and Mr. Amardeepsingh Sethi are retiring by rotation at this Annual General Meeting and being eligible have offered themselves for re-appointment.

Mr. Avinash Salunke was appointed in 18<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2018 as Independent Director of the Company for a term of 5 years w.e.f 13<sup>th</sup> November, 2017.

Mr. Tanaji Yadav and Mr. Karan Yadav were appointed as Whole Time Directors of the Company for a term of 3 years w.e.f. 1<sup>st</sup> September, 2018.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act.

#### **NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have 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 & loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down proper internal financial controls and system which are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **AUDITORS & THEIR REPORTS**

### **STATUTORY AUDITORS**

M/s. Natesh & Associates, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on September 26, 2014, for a term of five consecutive years. Their tenure as the Statutory Auditors of the Company comes to an end at the 19<sup>th</sup> Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013, an Auditor's term can be for a maximum tenure of 5 years. M/s. Natesh & Associates has completed term and hence, it is proposed to appoint M/s. S Kale & Associates, Chartered Accountants (Firm Registration No.114144W) as Statutory Auditors of the Company for a period of 5 (Five) years to hold the office from the conclusion of this Annual General Meeting till the conclusion of Twenty Fourth Annual General Meeting.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDITORS**

The Board of Directors had appointed M/s. Prajot Tungare & Associates, Practicing Company Secretaries as the Secretarial Auditors of your Company to issue a Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 for the financial year 2018-19.

Accordingly, the Secretarial Auditors have given their report, which is annexed hereto as "**Annexure II**".

#### **Auditor comments/ observation:**

- a. Filing of eform CHG- 1 and MGT -14 relating to creation of security for loan was filed late.

#### **Management Reply:**

- a. The delay was due to inadvertence. The Company has taken sufficient precautions not to repeat such instances in future.

### **COST AUDITORS**

The Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. In this connection, the Audit Committee has recommended to the Board of Directors and the Board of Directors has approved the appointment of M/s. A. J. Paranjape & Co., Cost Accountants, as Cost Auditors of the Company to conduct the Cost Audit Functions for the financial year 2019-20.



As required under the provisions of Companies Act, 2013, a resolution seeking members approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting of the Company.

#### **SHARE CAPITAL**

The paid up share capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 8.20 Crores. During the year under review the Company has not issued any types shares.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There were no loans, guarantees or investments made by the Company as referred under the under the provisions of the section 186 of the Companies Act, 2013 during the year, and hence the said provision are not applicable to the Company.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The transactions entered by the Company with related parties were in ordinary course of business and at arm's length basis. The particulars of transactions entered with related parties are annexed herewith as "**Annexure III**" to this report.

#### **MATERIAL CHANGES AND COMMITMENT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which financial statements relate and on the date of this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in "**Annexure IV**" to this report.

#### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The Company identifies all strategic, operational and financial risks that the Company faces, by assessing and analyzing the latest trends in risk information available internally and externally and uses the same to plan for risk mitigation activities.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has adopted adequate procedures for ensuring the internal financial controls. The Company adheres to best practices for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable and accurate financial information.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVE**

The provisions of Section 135 of the Companies Act, 2013, were not applicable to the Company during the financial year 2018-19. Hence, Company had not developed and implemented any Corporate Social Responsibility initiatives.

However, the provisions of the Corporate Social Responsibility are applicable in the current financial year 2019-20. In this regard the Board of Directors of the Company is taking initiatives to comply with the provisions by adopting CSR policy and fulfilling its social duty.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND THEIR POSITION & FINANCIAL PERFORMANCE**

The Company does not have any Subsidiary, Joint venture or Associate Company.

## **DEPOSITS**

Your Company has not accepted any deposits within the meaning as provided in the Companies Act, 2013.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented in "**Annexure V**" to this report.

## **PERFORMANCE EVALUATION**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of the Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter-se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out performance evaluation of its own performance and that of its committees and individual Directors.

## **PARTICULARS OF EMPLOYEES**

Disclosure as per Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "**Annexure VI**" to this report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In this regard, Internal Complaints Committee has been set up to redress complaints. During the year under review, there were no complaints received pursuant to the aforesaid Act.

**ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of The Board of Directors  
**Aurangabad Distillery Limited**

**Amardeepsingh Sethi**  
**Chairman & Wholetime Director**  
DIN: 00097644

Date: 21.08.2019  
Place: Walchandnagar

**Aurangabad Distillery Limited**  
**Annexure I to Director's Report**

ANNEXURE - I									
Form No. MGT-9									
EXTRACT OF ANNUAL RETURN									
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]									
<b>I. REGISTRATION AND OTHER DETAILS:</b>									
i)	CIN	: L55000PN2000PLC177314							
ii)	Registration Date	: 3/8/2000							
iii)	Name of the Company	: Aurangabad Distillery Limited							
iv)	Category	: Company limited by Shares							
v)	Sub Category	: Non-govt company							
vi)	Registered Office	: A/P Walchandnagar, Tal. Indapur Pune Pune MH 413114 IN							
	Telephone Number	: 1-2118-252507							
	Fax Number	: -							
	Email Id	: <a href="mailto:csaurangabaddistillery@gmail.com">csaurangabaddistillery@gmail.com</a>							
vii)	Whether listed company	: Yes (Listed on NSE Emerge Platform)							
viii)	Name, Address & Contact of Registrar and Transfer Agent	: Bigshare Services Private Limited 1st Floor   Bharat Tin Works Building   Opp.Vasant Oasis   Makwana Road Marol   Andheri (E) Mumbai - 400059   Maharashtra   India. P : +91 022 62638204							
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>									
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-									
Sr.No	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company						
1	Distilling, rectifying and blending of spirits; ethyl alcohol production from fermented materials	1101	100						
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES</b>									
Sr.No	Name and Address of the Company	CIN / GLN	Holding/Subsidiary Associate	%of Shares held	Applicable Section				
1	Not Applicable								
<b>IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
Categories of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	60,00,000	0	60,00,000	73.17	61,44,000	0	61,44,000	74.93	1.76
b) Central Govt	0	0	0	0	-	0	-	-	-
c) State Govt (s)	0	0	0	0	-	0	-	-	-
d) Bodies Corp.	0	0	0	0	-	0	-	-	-
e) Banks / FI	0	0	0	0	-	0	-	-	-
f) Any Other....	0	0	0	0	-	0	-	-	-
<b>Sub-total (A) (1):-</b>	<b>60,00,000</b>	<b>0</b>	<b>60,00,000</b>	<b>73.17</b>	<b>61,44,000</b>	<b>0</b>	<b>61,44,000</b>	<b>74.93</b>	<b>1.76</b>
(2) Foreign									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other --	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
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</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>60,00,000</b>	<b>-</b>	<b>60,00,000</b>	<b>73.17</b>	<b>61,44,000</b>	<b>0</b>	<b>61,44,000</b>	<b>74.93</b>	<b>1.76</b>

<b>B. Public</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(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	40,000	0	40,000	0.49	16,000	0	16,000	0.20	-0.29
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8,14,000	0	8,14,000	9.93	7,24,000	0	7,24,000	8.83	-1.1
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12,90,000	0	12,90,000	15.73	11,86,000	0	11,86,000	14.46	-1.27
c) Others (specify) i) Non resident Indian (REPAT)	2,000	0	2,000	0.02	2,000	0	2,000	0.02	0.00
ii) Non resident Indian (NON REPAT)	-	0	-	0.00	4,000	0	4,000	0.05	0.05
iii) Clearing Member	54,000	0	54,000	0.66	1,24,000	0	1,24,000	1.51	0.85
<b>Sub-total (B)(2):-</b>	<b>22,00,000</b>	<b>0</b>	<b>22,00,000</b>	<b>26.83</b>	<b>20,56,000</b>	<b>0</b>	<b>20,56,000</b>	<b>25.07</b>	
<b>Total Public Shareholding</b>	<b>22,00,000</b>	<b>0</b>	<b>22,00,000</b>	<b>26.83</b>	<b>20,56,000</b>	<b>0</b>	<b>20,56,000</b>	<b>25.07</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>Grand Total (A+B+C)</b>	<b>82,00,000</b>	<b>0</b>	<b>82,00,000</b>	<b>100</b>	<b>82,00,000</b>	<b>0</b>	<b>82,00,000</b>	<b>100</b>	

**(ii) Shareholding of Promoters**

Sl.No	Shareholders Name	Shareholding at the beginning			Share holding at the end of the			% 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	Kanyalal Kimatram Kalani	10,20,000	12.44	0	10,20,000	12.44	0	
2	Dharampal Kimatram Kalani	9,90,000	12.07	0	10,62,000	12.95	0	0.88
3	Hiralal Kimatram Kalani	9,90,000	12.07	0	9,90,000	12.07	0	
4	Amardeepsingh Triloksingh Sethi	5,25,000	6.40	0	5,97,000	7.28	0	0.88
5	Jagjitkaur Amardeep Sethi	5,25,000	6.40	0	5,25,000	6.40	0	-
6	Sethi Ramanjitkaur Hira	5,25,000	6.40	0	5,25,000	6.40	0	-
7	Baljitkaur Ratansingh Sethi	5,25,000	6.40	0	5,25,000	6.40	0	-
8	Ratansingh Triloksingh Sethi	3,75,000	4.57	0	3,75,000	4.57	0	-
9	Memkur Triloksingh Sethi	3,75,000	4.57	0	3,75,000	4.57	0	-
10	Hirasingh Triloksingh Sethi	1,50,000	1.83	0	1,50,000	1.83	0	-
	<b>Total</b>	<b>60,00,000</b>	<b>73.17</b>	<b>0</b>	<b>61,44,000</b>	<b>74.93</b>	<b>0</b>	

**Aurangabad Distillery Limited**  
**Annexure I to Director's Report**

(iii) Change in Promoters' Shareholding ( please specify, if there is no change)				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Dharampal Kimatram Kalani</b>				
At the beginning of the year	9,90,000	12.07		
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc):				
04.12.2018	2,000	0.02	9,92,000	12.10
05.12.2018	4,000	0.05	9,96,000	12.15
06.12.2018	2,000	0.02	9,98,000	12.17
10.12.2018	2,000	0.02	10,00,000	12.20
11.12.2018	2,000	0.02	10,02,000	12.22
12.12.2018	4,000	0.05	10,06,000	12.27
14.12.2018	2,000	0.02	10,08,000	12.29
17.12.2018	2,000	0.02	10,10,000	12.32
19.12.2018	8,000	0.10	10,18,000	12.41
21.12.2018	2,000	0.02	10,20,000	12
02.01.2019	12,000	0.15	10,32,000	12.59
03.01.2019	8,000	0.10	10,40,000	12.68
04.01.2019	8,000	0.10	10,48,000	12.78
07.01.2019	8,000	0	10,56,000	12.88
14.01.2019	6,000	0.07	10,62,000	12.95
<b>At the End of the year</b>			<b>10,62,000</b>	<b>12.95</b>
<b>Amardeepsingh Triloksingh Sethi</b>				
At the beginning of the year	5,25,000	6.40		
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc):				
04.12.2018	4,000	0.05	5,29,000	6.45
05.12.2018	2,000	0.02	5,31,000	6.48
07.12.2018	4,000	0.05	5,35,000	6.52
11.12.2018	4,000	0.05	5,39,000	6.57
12.12.2018	2,000	0.02	5,41,000	6.60
14.12.2018	2,000	0.02	5,43,000	6.62
17.12.2018	2,000	0.02	5,45,000	6.65
19.12.2018	10,000	0.12	5,55,000	6.77
20.12.2018	2,000	0.02	5,57,000	6.79
01.01.2019	4,000	0.05	5,61,000	6.84
02.01.2019	4,000	0.05	5,65,000	6.89
03.01.2019	8,000	0.10	5,73,000	6.99
04.01.2019	18,000	0.22	5,91,000	7.21
08.01.2019	4,000	0.05	5,95,000	7.26
16.01.2019	2,000	0.02	5,97,000	7.28
<b>At the End of the year</b>			<b>5,97,000</b>	<b>7.28</b>

<b>(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):</b>					
<b>Sl.No</b>	<b>Shareholding at the beginning of the year</b>			<b>Cumulative Shareholding during the year</b>	
	<b>Name of Shareholder</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	DHARMENDRA SHARMA	2,80,000	3.41	3,22,000	3.93
2	VINOD LODHA	1,14,000	1.39	1,14,000	1.39
3	FAIRWEALTH SECURITIES LIMITED	8,000	0.1	1,16,000	1.41
4	MANOJ AGARWAL	84,000	1.02	1,14,000	1.39
5	INDU JAIN	84,000	1.02	0	0
6	NIDHI BIYANI	74,000	0.9	74,000	0.90
7	LAXMI KANT BIYANI	60,000	0.73	60,000	0.73
8	RANJANA ROONGTA	54,000	0.66	54,000	0.66
9	GURNAMSING BHATIYANI	48,000	0.68	56,000	0.68
10	PANKAJ LADHA (HUF)	44,000	0.54	4,000	0.05
11	LAXMI KANT BIYANI HUF	40000	0.49	40000	0.49
12	MANJU RATANKUMAR ROONGTA	34000	0.41	34000	0.41
<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>					
<b>Sl.No</b>	<b>Shareholding at the beginning of the year</b>			<b>Cumulative Shareholding during the year</b>	
	<b>For Each of the Directors and KMP</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	DHARAMPAL KALANI				
	At the beginning of the year	9,90,000	12.07	10,62,000	12.95
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year			10,62,000	12.95
2	AMARDEEPSINGH SETHI				
	At the beginning of the year	5,25,000	6.40	597000	7.28
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year			5,97,000	7.28
3	KANYALAL KALANI				
	At the beginning of the year	10,20,000	12.44	10,20,000	12.44
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year			10,20,000	12.44
4	JAGJITKAUR SETHI				
	At the beginning of the year	5,25,000	6.4024	5,25,000	6.4024
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year			5,25,000	6.4024
5	AVINASH SALUNKE				
	At the beginning of the year		0		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year				0.00
6	ASHOKCHANDRA DHISH				
	At the beginning of the year	0	0		0

**Aurangabad Distillery Limited**  
**Annexure I to Director's Report**

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0		0
	At the End of the year	0	0		0
7	<b>PRAKASH SAWANT</b>				
	At the beginning of the year	0	0		0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0		0
	At the End of the year	0	0		0
8	<b>TANAJI YADAV</b>				
	At the beginning of the year	4000	0.05	4000	0.05
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0		0
	At the End of the year	0	0	4000	0.05
9	<b>KARAN YADAV</b>				
	At the beginning of the year	0	0.00	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0		0
	At the End of the year	0	0	0	0
10	<b>CHETAN KUMBHOJKAR</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
11	<b>UDAY HEMADE</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0



V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of				
i) Principal Amount	11,99,92,754	0	0	11,99,92,754
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	11,99,92,754	0	0	11,99,92,754
Change in Indebtedness during				
Addition	17,62,72,573	0	0	17,62,72,573
Reduction	2,45,01,945	0	0	2,45,01,945
Net Change	15,17,70,628	0	0	15,17,70,628
Indebtedness at the end of the financial year				
i) Principal Amount	24,97,83,101	0	0	24,97,83,101
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	24,97,83,101	0	0	24,97,83,101

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL						
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
Sl.No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dharampal Kalani	Amardeepsingh Sethi	Karan Yadav	Tanaji Yadav	
1	Gross salary	19,00,000	19,00,000	3,50,000	3,50,000	45,00,000
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	as % of profit	0	0	0	0	0
	others, specify					0
	Others, please specify	0	0	0	0	0
	Total (A)	19,00,000	19,00,000	3,50,000	3,50,000	45,00,000
	Ceiling as per the Act					Within limit

B. Remuneration to other directors:						
Sl.No	Particulars of Remuneration	Name of Directors				Total Amount
			Avinash Salunkhe	Ashokchandra Dhish	Prakash Sawant	
1	Independent Directors					
	• Fee for attending board / committee meetings	0	0	0	0	0
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
2	Other Non-Executive Directors	Kanyalal Kalani	Jagjitkaur Sethi	-	-	
	• Fee for attending board / committee meetings	0	0	-	-	
	• Commission	0	0	-	-	
	• Others, please specify	0	0	-	-	
	Total (2)	0	0	-	-	
	Total (B)=(1+2)	0	0	-	-	
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**Aurangabad Distillery Limited**  
**Annexure I to Director's Report**

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD					
Sl.No	Particulars of Remuneration	Key Managerial Personnel		Total Amount	
		Chetan Kumbhojkar	Uday Hemade		
1	Gross salary	1,44,500	3,98,154	5,42,654	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission	0	0	0	
	as % of profit				
	others, specify				
	Others, please specify	0	0	0	
	<b>Total (A)</b>	<b>1,44,500</b>	<b>3,98,154</b>	<b>5,42,654</b>	
	Ceiling as per the Act	-			
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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE- II**

**FORM MR-3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

To,  
The Members,  
AURANGABAD DISTILLERY LIMITED  
CIN: L55000PN2000PLC177314  
A/P Walchandnagar, Tal. Indapur Pune MH 413114 IN

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

Management is responsible for the preparation and filing of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules there under and all the laws and regulations listed hereinafter and to ensure that they are free from material non-compliance, whether due to fraud or error.

Secretarial Audit for the Company is conducted as a process of verification of records and documents on sample basis to check secretarial compliances with the provisions of laws, rules and procedures. The procedure for Secretarial Audit is selected on the Secretarial Auditor's judgment of material facts of the documents submitted. Our responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. We have conducted the audit solely on the basis of secretarial compliances and filing done by the Company, under the below mentioned laws.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby make our report on the basis of our opinion during the audit conducted covering the financial year ended on 31<sup>st</sup> March, 2019, on various secretarial compliances with statutory provisions listed hereunder and on Board processes and compliance mechanism to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *[Not applicable to the Company during the Audit Period]*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *[Not applicable to the Company during the Audit Period]*;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *[Not applicable to the Company during the Audit Period]*;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *[Not applicable to the Company during the Audit Period]*;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *[Not applicable to the Company during the Audit Period]*; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *[Not applicable to the Company during the Audit Period]*.

We further report that, having regards to the business operations of the Company, in our view following are the laws specifically applicable to the Company for which we have conducted audit on test-check basis, and on the basis of representation made by the Company and its Officers considering the secretarial compliance systems prevailing in the Company:

- a) Bombay Prohibition Act, 1949

We have also examined secretarial compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with National Stock Exchange.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. Filing of eform CHG-1 & MGT-14 relating to creation of security for loan was filed late.

We further report that:

1. 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 year under review were carried out in compliance with the provisions of the Act.
2. As per information and representation given, we also report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and hence, no dissenting views have been recorded.

We further report that the compliance by the Company of applicable financial statements and laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and also on the review of representation provided by the Officers, Company Secretary and Director of the Company, in my opinion adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines as mentioned above.

For Prajot Tungare & Associates  
Company Secretaries

CS Prajot Tungare  
Partner  
FCS: 5484  
CP No: 4449

Date: 21<sup>st</sup> August 2019  
Place: Pune

To,  
The Members  
Aurangabad Distillery Limited

Our Secretarial Audit Report to be read along with this letter.

#### Management's Responsibility

- 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.

#### Auditor's Responsibility

- Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- We believe that audit evidence and information obtained from company's management is adequate and appropriate for us to provide a basis for our opinion.
- Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

#### Disclaimer

- The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

For Prajot Tungare & Associates  
Company Secretaries

CS Prajot Tungare  
Partner  
FCS: 5484  
CP No: 4449

Date: 21<sup>st</sup> August 2019  
Place: Pune

**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- Not Applicable**

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
Brihan Karan Sugar Syndicate Pvt Ltd	Sale of Rectified Spirits	Ongoing Basis	Rs. 24,96,68,486/-	NA	NA

**Aurangabad Distillery Limited**  
**Annexure III to Director's Report**

Karan Bottling Company Pvt Ltd	Sale of Rectified Spirits	Ongoing Basis	Rs. 9,68,04,250/-	NA	NA
Karan Agencies	Sale of Rectified Spirits	Ongoing Basis	Rs. 5,96,87,352/-	NA	NA
Master Blenders Pvt Ltd	Sale of Rectified Spirits	Ongoing Basis	Rs. 3,41,18,496/-	NA	NA
Nevitad Distilleries Pvt Ltd	Sale of Rectified Spirits	Ongoing Basis	Rs. 2,60,38,113/-	NA	NA

**For and on behalf of the Board of Directors**  
**Aurangabad Distillery Limited**

Amardeepsingh Triloksingh Sethi  
Chairman & Wholetime Director  
DIN: 00097644



## ANNEXURE IV

### FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### **A. CONSERVATION OF ENERGY:**

- i) Energy conservation measures taken:- Making of Bio-Gas from Spent wash and is used in Boiler as fuel. It reduces consumption of Bagasse and company produces electricity through turbine which is captively consumed in our distillation process and reduces the dependency on purchased electricity.
- ii) Additional investments and proposals for reduction in consumption of energy: - NIL

#### **B. IMPACT OF MEASURES TAKEN FOR ENERGY CONSERVATION:**

Impact of measures taken for energy conservations  
 Reduce the Fuel cost & Electricity cost.

#### **C. TECHNOLOGY ABSORPTION**

- a. Efforts made towards technology absorption and benefits derived from such absorption: During year under review the Company did not bring any new technology. Thus there is nothing to report under this section.
- b. Imported Technology: During the year under review, the Company has not imported any new technology.

**Research and Development: NIL**

#### **D. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Details of inflows & outflows of Foreign Exchange

	2019 (Rupees)	2018 (Rupees)
Total foreign exchange earned	Nil	Nil
Total foreign exchange spent	Nil	Nil

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Overview**

- a. India is one of the fastest growing alcobev markets. The various factors contributing to the growth in alcobev industry include improvement in standards of living, increased globalization with increasing number of Indians making foreign trips for jobs, holidays or education, higher exposure to different lifestyles and a growing culture of social drinking.
- b. The Government is implementing the ethanol program in a big way. This will increase the consumption of alcohol, thus helping boost the revenue of distilleries. GST implementation has resulted in removal of various licenses issued by State Excise for procurement of denatured spirit. Thus, with less of licensing, industries that were using alternative solvents instead of alcohol will switch back to alcohol. This will increase the usage of alcohol in pharma, cosmetics & perfumeries and chemical industries.
- c. Good rainfall last year and rainfall expected this year will increase the sugarcane production and help in decreasing the price of molasses and bagasse our major raw materials.

### **SWOT**

- Strength- Increased focus of Government on ethanol blending in fuel and delicensing of Denatured Alcohol and stability in potable alcohol after the Hon. Supreme Court clarified the order of highway ban thus resulting in most of the liquor vends opening within the city limits and many panchayats.
- Weakness – Stricter pollution norms and increase in minimum wages will drive the cost of production upwards.
- Opportunities – The de-licensing of industries using denatured spirit will give us opportunities to develop new customers in pharma, cosmetics & perfumeries and chemical industries.
- Threats- Competition in the sector.

### **Outlook**

India is currently one of the most attractive destinations for the alcobev industry in the world, as our economy is fastest growing economy. The industry look forward minimum interference of government authorities.

We have already given advances for procurement of molasses so that we have assured supply of raw material in case there is any shortage of raw material as many sugar factories will setup distilleries.

### **Risks and concerns**

This industry has severe monitoring and regulation of the government and applicability of central laws as well as state government laws. ban of liquor consumption in some states. This increases the risk for the business of the company.

### **Internal Financial Control**

The Company has engaged the services of an independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorized, recorded and reported. Exercises for safeguarding assets and protection against unauthorized use are undertaken from time to time.

### **Human Resource**

During the year the Company maintained cordial relationship with its employees. The Human Resource is important asset of the Company. The training and developments needs of the employees have been addressed on continuous basis with time to time internal programmes.

**Annexure VI**

**INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19:			
	Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
	Mr. Amardeepsingh Sethi	Chairman & Whole time Director	10.28	-
	Mr. Dharampal Kalani	Managing Director	10.28	-
	Mr. Kanaiyalal Kalani	Non-Executive Director	-	-
	Mrs. Jagjitkaur Sethi	Non-Executive Director	-	-
	Mr. Tanaji Yadav	Executive Director	2.57	-
	Mr. Karan Yadav	Executive Director	2.57	-
	Mr. Avinash Salunkhe	Independent Director	-	-
	Mr. Prakash Sawant	Independent Director	-	-
	Mr. Ashokchandra Dhish	Independent Director	-	-
	Mr. Uday Hemade	Chief Financial Officer	1.36	-
	Mr. Chetan Kumbhojkar	Company Secretary & Compliance Officer	0.69	-
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year			
	Mr. Uday Hemade – 6%			
3.	The percentage increase in the median remuneration of employees in the financial year.		5.20%	
4.	The number of permanent employees on the rolls of Company.		44	
5.	It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.			

## **Independent Auditor's Report**

**To the members of ,  
AURANGABAD DISTILLERY LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of AURANGABAD DISTILLERY LIMITED. ("the Company") which comprise the balance sheet as at 31st March, 2019, the statement of profit and loss and Cash flow Statement for the year then ended 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 sec 134(5) of the Company Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including the accounting Standards Specified under Section 133 of the act, read with rule 7 of the Companies(Accounts) rules 2014. This responsibility also includes maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the financial reporting framework that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on 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 thereunder. We conducted our audit 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st, March 2019 and 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 the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent available.
- 2 As required by Section 143(3) of the Act, we report that:
  - a. We have sought obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Company does not have any branch office and accordingly Section 143 (8) of the Act does not apply.
  - d. The balance sheet and statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - e. In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
  - f. In our opinion no financial transactions or matters have any adverse effect on the functioning of the
  - g. On the basis of the written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act, and
  - h. In our opinion no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'
  - j. With respect to the others matters to be included in the auditors 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:
    - 1] The Company does not have any pending litigations which would impact its financial position.
    - 2] The company did not have any long term contracts including derivative contracts for which there were any material foreseeable Losses.
    - 3] Since, there are no amounts liable to be transferred to the Investor Education and Protection Fund by the Company, the clause 11 (c) of Chapter X of the Companies (Audit and Auditors) Rules 2014 is not applicable.

**For Natesh & Associates**

Chartered Accountants  
FRN 106957W

Ramamurthi Natesh  
Proprietor  
M. No. 036481  
Place : Walchandnagar  
Date : 30th May, 2019

**Annexure "A" to the Auditor's Report**

The Annexure referred to in our Independent Auditors Report to the members of the company on the financial Statements for the year ended 31st March, 2019, we report that :

**1. In respect of its Fixed Assets :**

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification of fixed assets at reasonable intervals which in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanation given to us and on the basis of our examination of records of the company, the title deeds of immovable properties are held in the name of company.

**2. In respect of its Inventories :**

- a) The inventory has been physically verified by the management during the year at reasonable interval. In respect of inventory lying with third parties, these substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion the procedure of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification.
3. As per information given to us, the company has not granted any loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the Act) Accordingly para 3(iii) of the Order is not applicable.
  4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and investments made.
  5. In our opinion and according to information and explanations given to us, the company has not accepted deposits from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order is not applicable
  6. As per paragraph 3(vi) of the order the maintenance of cost records under Section 148(1) of the Companies Act, 2013 are prescribed by the Central Government vide Rule 3 of the Companies (Cost Records and Audit) Rules 2014, the company has properly maintained the cost records.
  7. a) According to information and explanations given to us and the records of the company examined by us in our opinion the company is regular in depositing the undisputed statutory dues including Income Tax, Profession Tax dues, Provident Fund, Sales Tax, Service Tax, Duty of Customs, Duty of excise, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities. According to information given to us there are no arrears of outstanding statutory dues as applicable with the appropriate authorities.
  - b) According to information and explanations given to us and the records of the company examined by us, there are no dues of service tax, custom duty, Goods and service Tax and cess which have not been deposited on account of any dispute.
  8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank, Government during the year.
  9. In our opinion and according to the information and explanations given to us, the company has not raised any money by the way of initial public offer.
  10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material instance of fraud on or by the company noticed or reported during the year.

11. According to the information and explanation given to us, the company has paid/provided managerial remuneration in accordance with requisite approvals mandated by provisions of section 197 read with Schedule V of the companies act, 2013.
12. According to the information and explanation given to us, the company is not a nidhi company . Accordingly para 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us, based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us, based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the company.
15. According to the information and explanation given to us, based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly para 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Natesh & Associates**

Chartered Accountants  
FRN 106957W

Ramamurthi Natesh  
Proprietor  
M. No. 036481  
Place : Walchandnagar  
Date : 30th May, 2019



**Annexure "B" to the Independent Auditor's Report:**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Aurangabad Distillery Ltd. ('the Company') as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Natesh & Associates**

Chartered Accountants  
FRN 106957W

Ramamurthi Natesh  
Proprietor  
M. No. 036481  
Place : Walchandnagar  
Date : 30th May, 2019

**AURANGABAD DISTILLERY LIMITED**  
**BALANCE SHEET AS AT 31st March, 2019**

(Amount in ₹)

PARTICULARS	Note No	As At March 31, 2019	As At March 31, 2018
<b>I EQUITIES AND LIABILITIES</b>			
<b>1 SHARE HOLDER'S FUND</b>			
Share Capital	1	82,000,000	82,000,000
Reserves & Surplus	2	249,926,912	185,147,963
		331,926,912	267,147,963
<b>2 NON CURRENT LIABILITIES</b>			
Long Term Borrowings	3	130,555,339	47,037,565
Deferred Tax Liability	4	65,588,024	44,075,665
		196,143,363	91,113,230
<b>3 CURRENT LIABILITIES</b>			
Short Term Borrowings	5	119,227,762	72,955,189
Trade Payables	6	5,088,488	9,073,613
Other Current Liabilities	7	207,799,284	62,432,055
Short Term provisions	8	27,381,499	20,662,990
		359,497,034	165,123,847
<b>Total (₹)</b>		<b>887,567,308</b>	<b>523,385,040</b>
<b>II ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
Fixed Assets	9		
i) Tangible Assets		525,762,698	273,595,855
ii) Capital Work in Progress		2,724,452	1,440,448
Non Current Investments	10	28,300	28,300
Long Term Loans and Advances	11	755,000	11,551,000
Other Non Current Assets	12	1,905,762	2,841,216
		531,176,212	289,456,819
<b>2 CURRENT ASSETS</b>			
a) Inventories	13	131,935,629	79,668,821
b) Trade Receivables	14	9,906,617	9,050,423
c) Cash & Cash equivalents	15	13,919,764	2,394,027
d) Short term Loans & Advances	16	200,373,694	142,669,273
e) Other Current Assets	17	255,392	145,677
		356,391,096	233,928,221
<b>Total (₹)</b>		<b>887,567,308</b>	<b>523,385,040</b>

The accompanying notes 1 to 25 are an integral part of these Financial Statements.

**As per our report of even date**

**For Natesh & Associates**

Chartered Accountants

FRN 106957W

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

**Dharampal K. Kalani**

Managing Director

DIN:00041021

**Kanayalal K. Kalani**

Director

DIN:00282182

**Ramamurthi Natesh**

Proprietor

M. No. 036481

Place: Walchandnagar

Date: 30th May, 2019

**Chetan Kumbhojkar**

Company Secretary

**Uday Hemade**

Chief Financial Officer

**AURANGABAD DISTILLERY LIMITED**
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st March, 2019**

(Amount in ₹)

Particulars	Note No	Year ended March 31, 2019	Year Ended March 31, 2018
<b>I Revenue</b>			
Revenue from Operations	18	556,831,166	501,204,316
Other income	19	1,745,031	5,566,243
<b>Total Revenue</b>		<b>558,576,197</b>	<b>506,770,559</b>
<b>II Expenses</b>			
Cost of Material Consumed	20	320,701,914	327,630,845
Change in inventory of Finished Stock & Stock in Progress	21	(30,509,039)	(8,512,492)
Employee Benefit Expenses	22	18,869,352	15,192,974
Financial Expenses	23	17,558,251	21,396,363
Depreciation & Amortisation Expenses	24	22,025,382	21,095,615
Other Expenses	25	127,450,395	89,912,362
<b>Total Expense</b>		<b>476,096,256</b>	<b>466,715,667</b>
<b>III Profit before Tax</b>		<b>82,479,941</b>	<b>40,054,892</b>
<b>IV Tax Expense</b>			
Current Tax		17,600,000	12,170,000
Earlier Year Tax		734,069	76,966
Deferred Tax		21,512,359	1,378,166
Mat Credit Entitlements		(22,145,437)	(3,629,431)
		<b>17,700,991</b>	<b>9,995,701</b>
<b>V Profit After Tax For the Year</b>		<b>64,778,950</b>	<b>30,059,191</b>
<b>VI Earnings per Equity Share of Face Value of ₹ 10/- Each</b>			
Basic		7.90	3.67
Diluted		7.90	3.67

The accompanying notes 1 to 25 are an integral part of these Financial Statements.

**As per our report of even date**
**For Natesh & Associates**

Chartered Accountants

FRN 106957W

**Ramamurthi Natesh**

Proprietor

M. No. 036481

Place: Walchandnagar

Date: 30th May, 2019

**For and on behalf of the Board of Directors**
**Dharampal K. Kalani**

Managing Director

DIN:00041021

**Chetan Kumbhojkar**

Company Secretary

**Kanayalal K. Kalani**

Director

DIN:00282182

**Uday Hemade**

Chief Financial Officer

**AURANGABAD DISTILLERY LIMITED**
**Cash Flow Statement for the Year Ended 31st March, 2019**

(Amount in ₹)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit After Tax as per Profit & Loss Account	64,778,950	30,059,191
Adjusted For:		
Derpreciation Expense	21,089,928	20,160,161
Miscellaneous Expenditure	935,454	935,454
Interest Income	(893,125)	(5,521,024)
Interest Paid	16,487,428	20,258,074
Loss on Sale of Fixed Assets	-	-
Deferred Tax	21,512,359	1,378,166
	59,132,044	37,210,831
Operating Profit Before Working Capital Changes	123,910,993	67,270,022
Adjusted For:		
(Increase)/Decrease in Trade & Other Receivables	(856,194)	(8,715,825)
(Increase)/Decrease in Inventories	(52,266,808)	83,916,871
(Increase)/Decrease in Other Current Assets	(109,715)	(145,677)
Increase/(Decrease) in Trade Payables	(3,985,125)	6,656,327
Increase/(Decrease) in Other Current Liabilities and Provisions	152,085,738	25,165,498
	94,867,897	106,877,194
<b>Net Cash Flow From Operating Activities (A)</b>	<b>218,778,890</b>	<b>174,147,216</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(274,540,775)	(5,790,538)
Sale of Fixed Assets	-	-
Purchase of Investments	-	-
Interest Received	893,125	5,521,024
Movement in Loans & Advances	(46,908,421)	(6,186,174)
<b>Net Cash Flow From Investing Activities (B)</b>	<b>(320,556,071)</b>	<b>(6,455,688)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	83,517,774	(19,376,379)
Short Term Borrowings	46,272,573	(128,211,386)
Dividend Paid	-	-
Interest on Term Loans & Others Paid	(16,487,428)	(20,258,074)
Proceeds from Issue of Equity Shares/ Share Warrants (Including Premium)	-	-
<b>Net Cash Flow From Financing Activities (C)</b>	<b>113,302,919</b>	<b>(167,845,839)</b>

**AURANGABAD DISTILLERY LIMITED****Cash Flow Statement for the Year Ended 31st March, 2019**

<b>PARTICULARS</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Net Change in Cash & Cash Equivalents (A+B+C)	11,525,738	(154,311)
Cash & Cash Equivalents at beginning of the year	2,394,026	2,548,338
Cash & Cash Equivalents at end of the year	13,919,764	2,394,027

Note:

1. Figures in brackets represent Cash Outflow.
2. Previous Year figures regrouped wherever necessary.

**As per our report of even date**

**For Natesh & Associates**

Chartered Accountants

FRN 106957W

**Ramamurthi Natesh**

Proprietor

M. NO. 036481

Place: Walchandnagar

Date: 30th May, 2019

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

**Dharampal K. Kalani**

Managing Director

DIN:00041021

**Kanayalal K. Kalani**

Director

DIN:00282182

**Chetan Kumbhojkar**

Company Secretary

**Uday Hemade**

Chief Financial Officer

# AURANGABAD DISTILLERY LIMITED

## Notes on Financial Statements for the Year Ended 31st March, 2019

### 1. SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Authorised Share Capital :</u></b>		
9,000,000 Equity Shares of Rs.10 each (Previous year 9000000 shares of Rs.10 each)	90,000,000	90,000,000
<b><u>Issued , Subscribed and Paid Up</u></b>		
8,200,000 Equity Shares of Rs.10 each (Previous year 8200000 shares of Rs.10 each)	82,000,000	82,000,000
<b>TOTAL</b>	<b>82,000,000</b>	<b>82,000,000</b>

#### 1.1 Reconciliation of shares outstanding at the beginning and at the end of the year

##### Equity Shares

At the beginning of the year	8,200,000	2,000,000
(+) Bonus Issue	Nil	4,000,000
(+) Issue during the year	Nil	2,200,000
Outstanding at the end of the year	8,200,000	8,200,000

#### 1.2 The details of shareholders holding more than 5% Equity Shares :

Name of Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% held	No. of Shares	% held
Amardeepsing T Sethi	597,000	7.28%	525,000	6.40%
Baljit R Sethi	525,000	6.40%	525,000	6.40%
Dharampal Kalani	1,062,000	12.95%	990,000	12.07%
Hiralal Kalani	990,000	12.07%	990,000	12.07%
Jagjit T Sethi	525,000	6.40%	525,000	6.40%
Kanayalal Kalani	1,020,000	12.44%	1,020,000	12.44%
Ramanjit H Sethi	525,000	6.40%	525,000	6.40%

# AURANGABAD DISTILLERY LIMITED

## Notes on Financial Statements for the Year Ended 31st March, 2019

### 2. RESERVE AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>a.Capital Reserve</b>		
As per Last Balance Sheet	-	-
Add: Current year Transfer	-	-
	-	-
<b>b.Securities Premium</b>		
As per Last Balance Sheet	55,000,000	55,000,000
Add : Received during the year	-	-
	55,000,000	55,000,000
<b>c.General Reserve</b>		
As per Last Balance Sheet	-	-
Add: Transfer from Profit and Loss Account	-	-
	-	-
<b>d.Profit &amp; Loss Account</b>		
As per Last Balance Sheet	130,147,962	100,088,772
Add :Profit for the year	64,778,950	30,059,191
Less: Appropriations/Adjustments		
Proposed Dividend	-	-
Dividend Tax	-	-
Transfer to General Reserve	-	-
Bonus Issue	-	-
	194,926,912	130,147,963
<b>TOTAL</b>	<b>249,926,912</b>	<b>185,147,963</b>

### 3. LONG TERM BORROWINGS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>SECURED</b>		
<b>Term Loan from Banks</b>		
Term Loan facilities from ICICI Bank Ltd.	-	1,101,078
Term Loan facilities from HDFC Bank	130,555,339	45,936,487
<b>TOTAL</b>	<b>130,555,339</b>	<b>47,037,565</b>



## AURANGABAD DISTILLERY LIMITED

### Notes on Financial Statements for the Year Ended 31st March, 2019

#### 3.1 Term Loans from HDFC Bank Ltd are secured by way of:

Primary : Stock , Book Debts and Plant & Machinery

Collateral : Industrial property at Gat No. 45/2, 47/2 and 50/2, Walchandnagar, Taluka Indapur, Dist. Pune,  
Village Rangaon (Ranmodwadi) , Walchandnagar along with Personal Guarantee of Director

#### 4.DEFERRED TAX LIABILITY

(Amount in ₹ )

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability	65,588,024	44,075,665
<b>TOTAL</b>	<b>65,588,024</b>	<b>44,075,665</b>

#### 5.SHORT TERM BORROWINGS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>SECURED</b>		
<b>Working Capital Loans from :</b>		
HDFC Bank Ltd	119,227,762	72,955,189
<b>TOTAL</b>	<b>119,227,762</b>	<b>72,955,189</b>

#### 5.1 Working Capital limits from are secured by way of :

Primary : Stock , Book Debts and Plant & Machinery

Collateral : Industrial property at Gat No. 45/2, 47/2 and 50/2, Walchandnagar, Taluka Indapur, Dist. Pune,  
Village Rangaon (Ranmodwadi) , Walchandnagar along with Personal Guarantee of Director

**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019****6. TRADE PAYABLES**

(Amount in ₹ )

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Micro , Medium and Small Enterprises	-	-
Other Creditors	5,088,488	9,073,613
<b>TOTAL</b>	<b>5,088,488</b>	<b>9,073,613</b>

**7. OTHER CURRENT LIABILITIES**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Current Maturities of Long Term Debt	47,241,516	25,261,236
Expenses Payable	5,335,386	16,146,025
Creditors for Capital Expenditure	117,490,828	711,200
Creditors for Other Expenses	19,647,233	12,682,605
Advance from Customer	18,084,321	7,630,989
<b>TOTAL</b>	<b>207,799,284</b>	<b>62,432,055</b>

**8. SHORT TERM PROVISIONS**

<b>PARTICULARS</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Provision for Employee Benefits	9,781,499	8,492,990
Provision For Income Tax	17,600,000	12,170,000
<b>TOTAL</b>	<b>27,381,499</b>	<b>20,662,990</b>

# AURANGABAD DISTILLERY LIMITED

## Notes on Financial Statements for the Year Ended 31st March, 2019

### 9.FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK	
	Opening Balance	Addition	Deduction	Closing Balance	Depr. Rate %	up to 31.3.2018	for the year	As on 31.03.2019	As on 31.3.2018
Factory Building	25,314,555	4,814,291	-	30,128,846	3.17%	9,115,179	812,506	20,201,161	16,199,376
Office Building	3,785,516	-	-	3,785,516	1.58%	598,844	59,811	3,126,861	3,186,672
Temporary Sheds for Bagasse	1,137,451	-	-	1,137,451	31.67%	630,404	360,231	146,816	507,047
Plant & Machinery	377,407,065	268,382,480	-	645,789,545	4.75%	129,740,738	18,756,889	497,291,918	247,666,327
Vehicle	8,330,945	-	-	8,330,945	9.50%	3,437,618	791,440	4,101,887	4,893,327
Tractor	1,509,296	-	-	1,509,296	11.88%	709,927	179,304	620,065	799,369
Office Equipments	371,330	-	-	371,330	19.00%	269,567	70,553	31,210	101,763
Furniture & Fittings	472,950	-	-	472,950	9.50%	230,977	44,930	197,043	241,973
Computers	208,284	60,000	-	268,284	31.67%	208,283	14,265	45,736	1
TOTAL (₹)	418,537,392	273,256,771	-	691,794,163	-	144,941,537	21,089,928	525,762,698	273,595,855
Capital Work in Progress	1,440,448	226,172,202	224,888,198	2,724,452	-	-	-	2,724,452	1,440,448
GRAND TOTAL (₹)	419,977,840	499,428,973	224,888,198	694,518,615		144,941,537	21,089,928	528,487,150	275,036,303
Previous year (₹)	414,187,303	14,599,092	8,808,555	419,977,840		124,781,376	20,160,161	275,036,303	277,971,282

(Amount in ₹ )

# AURANGABAD DISTILLERY LIMITED

## Details of Addition during the year ended on 31st March 2019

(Amount in ₹)

Description	Date of acquisition	Date of capitalisation	Capitalised amount	No. of Days	Rate	Depn 31-Mar-19
<b>Factory Building</b>						3.17%
Potash Plant Structure	07-Mar-19	07-Mar-19	4,814,291	24		10,035
TOTAL			<u>4,814,291</u>			<u>10,035</u>
<b>Plant and Machinery</b>						4.75%
MVR Plant	31-Dec-18	07-Mar-19	42,813,000	24		133,717
Receiver Tanks		17-Feb-19	2,619,976	42		14,320
SUB TOTAL			<u>45,432,976</u>			<u>133,717</u>
<b>Chemical Process Potash Recovery Plant Foundation</b>						4.75%
Civil Foundation (Pollution Controlling)		07-Mar-19	221,364,726	24		691,386
Electric Meter		07-Mar-19	1,584,778	24		4,950
SUB TOTAL			<u>222,949,504</u>			<u>696,335</u>
<b>Computer</b>						31.67%
Total Integrated CPU System with Rockwell Software	01-Jun-18	30-Jun-18	60,000	274		14,265
SUB TOTAL			<u>60,000</u>			<u>14,265</u>

**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019****10. NON CURRENT INVESTMENTS**

(Amount in ₹)

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Non Trade Investment</b>		
Unquoted (At Cost)		
-in The Saraswat Co-op Bank Ltd	26,300	26,300
- National Savings Certificate	2,000	2,000
<b>TOTAL</b>	<b>28,300</b>	<b>28,300</b>

**11. LONG TERM LOANS AND ADVANCES**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Advance For Capital Goods	755,000	11,551,000
<b>TOTAL</b>	<b>755,000</b>	<b>11,551,000</b>

**12. OTHER NON CURRENT ASSETS**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Miscellaneous Expenditure</b>		
Preliminary Expenditure not written off	1,905,762	2,841,216
<b>TOTAL</b>	<b>1,905,762</b>	<b>2,841,216</b>

**13. INVENTORIES**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Raw Materials	76,369,016	54,611,247
Work In Progress	3,493,099	3,365,973
Finished Goods	52,073,514	21,691,601
<b>TOTAL</b>	<b>131,935,629</b>	<b>79,668,821</b>

**14. TRADE RECEIVABLES**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(Unsecured & Considered Good)		
Over Six Months	-	-
Others	9,906,617	9,050,423
<b>TOTAL</b>	<b>9,906,617</b>	<b>9,050,423</b>

**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019****15.CASH & CASH EQUIVALENTS**

(Amount in ₹ )

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Balances with Banks	12,296,031	929,590
Cash Balances	642,568	764,437
Fixed Deposits with Banks	981,165	700,000
<b>TOTAL</b>	<b>13,919,764</b>	<b>2,394,027</b>

**16.SHORT TERM LOANS AND ADVANCES**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Balances with Statutory Authorities	83,831,997	44,939,964
Advance Income Tax	10,029,343	5,517,773
Advance to Staff	92,000	93,000
Prepaid Expenses	5,176,469	5,417,644
Deposits Given	6,877,066	2,621,723
Other Short Term Loans and Advances	94,366,819	84,079,169
<b>TOTAL</b>	<b>200,373,694</b>	<b>142,669,273</b>

**17.OTHER CURRENT ASSETS**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Interest Receivable	255,392	145,677
<b>TOTAL</b>	<b>255,392</b>	<b>145,677</b>

# AURANGABAD DISTILLERY LIMITED

## Notes on Financial Statements for the Year Ended 31st March, 2019

### 18.REVENUE FROM OPERATIONS

(Amount in ₹ )

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>Sale Of Finished Goods:</b>		
Details of Sale		
- Denatured Alcohol (SDS)	72,453,895	66,839,991
- Rectified spirit	482,236,697	426,146,000
- Carbon Dioxide	1,677,790	-
- Others	462,784	8,218,325
<b>TOTAL</b>	<b>556,831,166</b>	<b>501,204,316</b>

### 19.OTHER INCOME

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Interest Income	893,125	5,521,024
Other Operating Income	851,906	45,219
<b>TOTAL</b>	<b>1,745,031</b>	<b>5,566,243</b>

### 20.COST OF MATERIAL CONSUMED

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Opening stock of Raw Materials	54,611,247	147,040,610
Add : Purchases	342,459,683	235,201,482
	397,070,930	382,242,092
Less : Closing stock of Raw Material	76,369,016	54,611,247
<b>TOTAL</b>	<b>320,701,914</b>	<b>327,630,845</b>

### 21.CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>Opening Stock</b>		
Work in Progress	3,365,973	2,803,774
Finished goods	21,691,601	13,741,308
	25,057,574	16,545,082
<b>Closing Stock</b>		
Work in Progress	3,493,099	3,365,973
Finished goods	52,073,514	21,691,601
	55,566,613	25,057,574
<b>TOTAL</b>	<b>(30,509,039)</b>	<b>(8,512,492)</b>

**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019****22.EMPLOYEE BENEFIT EXPENSES**

(Amount in ₹ )

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Salary & Wages (Including Bonus)	17,576,713	13,909,629
Contribution to Provident and Other Funds	1,283,276	1,179,515
Staff Welfare Expenses	9,363	103,830
<b>TOTAL</b>	<b>18,869,352</b>	<b>15,192,974</b>

**23.FINANCE COST**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Bank Charges	970,823	1,138,289
Loan Processing Fees	100,000	
Interest on Working Capital	5,994,793	7,090,545
Interest - Term Loans	10,492,635	7,202,617
Interest - Others	-	5,964,912
<b>TOTAL</b>	<b>17,558,251</b>	<b>21,396,363</b>

**24.DEPRECIATION AND AMORTISATION EXPENSE**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Depreciation	21,089,928	20,160,161
Preliminary Expense Written Off	935,454	935,454
<b>TOTAL</b>	<b>22,025,382</b>	<b>21,095,615</b>



**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019****25.OTHER EXPENSES**

(Amount in ₹ )

<b>PARTICULARS</b>	<b>As At March 31, 2019</b>		<b>As At March 31, 2018</b>	
<b>Manufacturing Expenses</b>				
Power and Fuel	54,298,673		48,838,657	
Water Charges	10,113,556		5,752,102	
Pollution Control Expenses	312,655		86,200	
Freight Charges	21,613,459		16,806,630	
Repairs & Maintenance	17,675,676		1,808,420	
Other Manufacturing Expenses	9,698,320		7,593,839	
		113,712,339		80,885,848
<b>Administrative &amp; Other Expenses</b>				
Auditors Remuneration	168,595		70,500	
Insurance Expenses	470,347		530,849	
Office & General expenses	2,608,078		871,549	
Legal & Professional Fees	4,538,069		2,389,684	
Taxes and Duties	3,929,460		4,744,548	
Sales Promotion & Conference Expenses	1,780,769		72,491	
Travelling & Conveyance Expenses	242,738		346,893	
		13,738,056		9,026,514
<b>TOTAL</b>		<b>127,450,395</b>		<b>89,912,362</b>

**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019****1.Contingent Liabilities & Commitments :**

(₹ in Lakhs )

Particulars	2018-19	2017-18
<b>Commitments :</b>		
Estimated amounts of contracts remaining to be executed and not provided for	-	2,840
<b>Total</b>	-	2,840

**2.Deferred Tax**

The major components of Deferred Tax assets and Liabilities on account of timing differences are as follows:

Particulars	2018-19	2017-18
Depreciation Deferred Tax Liability created for the year	21,721,975	1,348,506
Deferred Tax Asset created during the year	464,315	316,155
Deferred Tax Asset Reversed	254,699	345,815
Closing Deferred tax Liability for the year	21,512,359	1,378,166

**3.Earning Per Share**

Particulars	2018-19	2017-18
Nominal value of equity shares	10	10
Profit after Tax	64,778,950	30,059,191
Weighted average number of equity shares	8,200,000	8,200,000
Basic and Diluted Earning per share	7.90	3.67

**4.Related Party Disclosure**

(i) List of Related Parties

S.No	Name of Related Party	Relationship
1	Brihan Karan Sugars Syndicate Pvt Ltd	Enterprises over which relative of Key Management are able to exercise significant influence
2	Karan Bottling Company Pvt Ltd	Enterprises over which relative of Key Management are able to exercise significant influence
3	Karan Agencies	Enterprises over which relative of Key Management are able to exercise significant influence
4	Master Blenders Pvt Ltd	Enterprises over which of Key Management are able to exercise significant influence
5	Nevitad Distilleries Pvt Ltd	Enterprises over which relative of Key Management are able to exercise significant influence
6	Dharampal Kalani	Key Managerial Personnel
8	Amardeepsingh Sethi	Key Managerial Personnel
9	Tanaji Yadav	Key Managerial Personnel
10	Karan Yadav	Key Managerial Personnel

**AURANGABAD DISTILLERY LIMITED****Notes on Financial Statements for the Year Ended 31st March, 2019**

(ii) Transactions during the year with Related Parties :

Sr.No	Name of Party	Nature of Transaction	Amount in (₹)
1	Brihan Karan Sugars Syndicate Pvt Ltd	Sale of Rectified Spirits	249,668,486
2	Karan Bottling Company Pvt Ltd	Sale of Rectified Spirits	96,804,250
3	Karan Agencies	Sale of Rectified Spirits	59,687,352
4	Master Blenders Pvt Ltd	Sale of Rectified Spirits	34,118,496
5	Nevitad Distilleries Pvt Ltd	Sale of Rectified Spirits	26,038,113
6	Dharampal Kalani	Remuneration	1,900,000
7	Amardeepsingh Sethi	Remuneration	1,900,000
8	Tanaji Yadav	Remuneration	350,000
9	Karan Yadav	Remuneration	350,000

(iii) Balances as at 31.03.2019

Sr.No	Nature	Name of Party	Amount in (₹) Debit /(Credit)
1	Sale of Rectified Spirits	Brihan Karan Sugars Syndicate Pvt Ltd	(5,450,157)
2	Sale of Rectified Spirits	Karan Bottling Company Pvt Ltd	(2,854,350)
3	Sale of Rectified Spirits	Karan Agencies	(1,238,696)
4	Sale of Rectified Spirits	Master Blenders Pvt Ltd	6,805,634
5	Sale of Rectified Spirits	Nevitad Distilleries Pvt Ltd	(654,323)

**5.Auditor's Remuneration and Expenses**

Particulars	2018-19	2017-18
(i) Statutory and Tax Audit Fees	63,840	70,500
(ii) Consultation and Certification	-	-
(iii) Other Services and Expenses Reimbursed	-	-
	63,840	70,500

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

**For Natesh & Associates**

Chartered Accountants  
FRN 106957W

Ramamurthi Natesh  
Proprietor  
M. NO. 036481  
Place : Walchandnagar  
Date: 30th May, 2019

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

**Dharampal K. Kalani**  
Managing Director  
DIN:00041021

**Chetan Kumbhojkar**  
Company Secretary

**Kanayalal K. Kalani**  
Director  
DIN:00282182

**Uday Hemade**  
Chief Financial Officer

## **AURANGABAD DISTILLERY LIMITED**

### **Significant Accounting Policies and Notes**

#### **A. Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, on the basis of going concern assumption in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

#### **B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### **C. Fixed Assets**

Fixed Assets are stated at cost net recoverable taxes including any cost directly attributable for bringing the assets to its working condition for its intended use less accumulated depreciation.

Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress.

#### **D. Depreciation**

Depreciation has been charged on fixed assets on Straight-Line Method basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

#### **E. Investments**

Current Investments are carried at lower of cost and fair value. Non-Current Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

#### **F. Inventories**

Item of Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. The cost of work in progress and finished goods is determined on absorption cost price which comprises of cost of purchase, cost of conversion, and other manufacturing overheads incurred in bringing them to their respective present location and condition.

#### **G. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue on sale of goods is recognized on passing of title to customers, Sales are excluding of VAT, Excise duty and adjustment for rate difference.

#### **H .Employee Benefits**

##### *Defined Contribution Plan*

The company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The Provident fund plan is operated by the Regional Provident Fund Commissioner. Under the schemes, the company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

## **AURANGABAD DISTILLERY LIMITED**

### **Significant Accounting Policies and Notes**

#### *Defined Benefit Plan*

Company's liabilities towards gratuity, leave encashment of unavailed leave on retirement are determined on basis of valuations approved by management.

#### **I. Borrowing Costs**

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

#### **J. Earning Per Share**

Basic Earning per share is computed by dividing the net profit attributable to Equity Shareholders for the year , by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using weighted average number of equity shares outstanding at year-end.

#### **K. Provision for Current & Deferred Tax**

Provision for current tax is made after taking into account benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "Timing Difference" between taxable incomes & accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date.

#### **L. Provisions, Contingent Liabilities & Contingent Assets**

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