

# ***NORTHERN SPIRITS LIMITED***

REG. OFF: 5A, WOODBURN PARK ROAD, WOODBURN CENTRAL, UNIT 603 6<sup>TH</sup> FLOOR  
KOLKATA-700020

CIN: L15500WB2012PLC185821

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To,  
**The Listing Operations Department,  
BSE Limited,  
Phirozee Jeejeebhoy Towers,  
Floor 25<sup>th</sup>, Dalal Street  
Mumbai-400001**

Date: 31/08/2020

BSE Scrip Code: 542628  
Symbol: NSL

Respected Sir/Madam,

**Sub: Disclosure of Outcome of the Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

This is to inform you that pursuant to regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that Board Meeting of the Company held on today which commenced at 11:30 A.M and concluded at 13:00 P.M to discuss inter-alia :-

1. Consider & taken note of Reconciliation of Share Capital Audit Report for the quarter ended 30<sup>th</sup> June, 2020.
2. Consider & taken note of Investors complaints for the quarter ended 30<sup>th</sup> June, 2020.
3. Approve the Appointment of M/s. Shreni Shares Pvt Ltd as the new Market Maker of the Company instead of the previous M/s. Airan Finstocks Pvt Ltd.
4. Considered & approved the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020.

Kindly take the same on your record and oblige.

Thanking you,

**For Northern Spirits Limited**  
Northern Spirits Ltd.

*Nikita Sureka*  
Company Secretary

**Nikita Sureka**  
**Company Secretary**

**Enclsd: As above**



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NORTHERN SPIRITS LIMITED**

**Report on the Audit of the Standalone Financial Statements**



**Opinion**

We have audited the accompanying standalone financial statements of **NORTHERN SPIRITS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, and profit/loss, and its cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified in section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.



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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

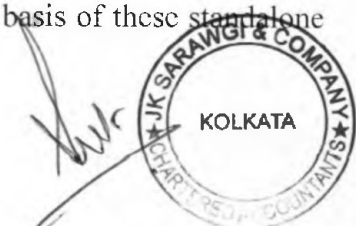
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments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

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

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

## **Auditor's Responsibility for the Audit of the Standalone Financial Statement**

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





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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 147 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair representation.

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

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

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

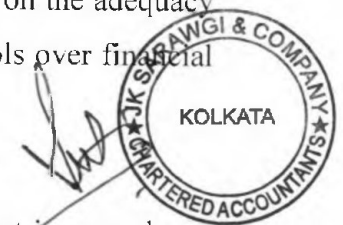
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or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





## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.





h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company's (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For J K Sarawgi & Company**

Chartered Accountants

FRN No.: 0068266


FCA Jeet Agarwal

Partner

Membership No.: 064038

UDIN - 20064038AAAAAM7536

Place: Kolkata

Dated: 31/08/2020



Re: NORTHERN SPIRITS LIMITED

**JK Sarawgi & Company**  
Chartered Accountants

www.jksco.in

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2020, we report that:

• **Fixed Assets**

- i. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii. The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

• **Inventories**

- i. The Inventories have been physically verified by the management at reasonable intervals during the year.
- ii. The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- iii. The Company has maintained proper records of inventories and no discrepancies were noticed on physical verification as compared with the book records.

• **Loans Given By Company**

- i. The company has not granted any fresh secured or unsecured loan to related parties during the period under review under Section 189 of the Act.
- ii. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable.







- **Loan To Directors and Investment By The Company**

No loan has been issued by the company to either of the directors' and has not given any guarantee for loans taken by others from Bank or Financial Institution, to which provisions of Section 185 and 186 of the Act apply.

- **Deposits**

The company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act during the period under review.

- **Cost Records**

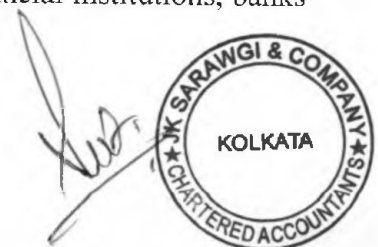
Maintenance of cost records is not prescribed by the Central Government under Section 148(i) of the Act.

- **Statutory Dues**

- i. According to the information given to us and on the basis of examination of records of the Company, the company is generally regular in depositing the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Income Tax and other material statutory dues with the appropriate authorities. There is no default of the company with respect to the same.
- ii. There are no undisputed amounts payable as at 31st March, 2020 for a period of more than six months from the date they become payable.
- iii. There were no undisputed amounts payable in respect to Income Tax, etc. as on 31<sup>st</sup> March, 2020.

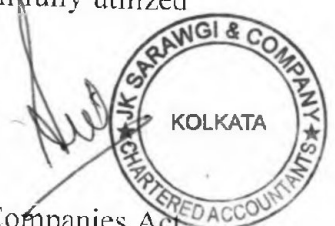
- **Repayment of Loans**

The company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.





- **Utilisation of Funds**  
No funds have been raised by the Company by way of initial public offer or further public offer during the year under review. The company has not taken any term loan during the year as per the information given to us.
- **Reporting of Fraud**  
During the course of audit no fraud has been committed or reported by the company or any of its employees during the year.
- **Approval of Managerial Remuneration**  
There was no managerial remuneration paid during the year and as such the provisions of Clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- **Nidhi Company**  
The company does not qualify as a Nidhi Company as per Section 406 of the Companies Act 2013. Hence, clause 3(xi) of the order is not applicable.
- **Related Party Transactions**  
The company have not entered into any transaction with related parties which are in compliance with Section 177 and Section 188 of the Companies Act, 2013 and as such provisions of Clause 3(xiii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- **Private Placement of Preferential Issues**  
The company has made private placement of shares during the year under review and the requirements of Section 42 of the Companies Act, 2013 have been complied with and the amount which were raised have been fully utilized for the purpose for which funds were raised.
- **Non-Cash Transactions**  
The company has followed the limits and conditions as per the Companies Act 2013 in respect of non-cash transactions with directors or their relatives. Hence, reporting under clause (xv) of the Order is not applicable.





- **Registration under RBI Act**

The company is not liable to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **J K Sarawgi & Co.**

Chartered Accountants

FRN No.: 006836C

*Jeet Agarwal*



FCA Jeet Agarwal

Partner

Membership No.: 064038

UDIN- 20064038AAAAM7536

Place: Kolkata

Dated: 31/08/2020



(Referred to in paragraph 2(f) under 'Report on Other Legal and regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **NORTHERN SPIRITS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

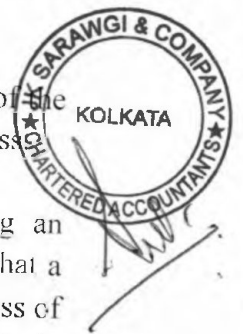
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's 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") issued by the Institute of Chartered Accountants of India (ICAI) and the standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





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

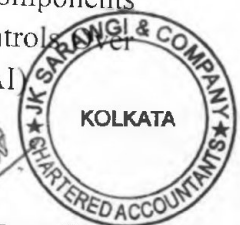
- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of 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 March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)





**JK Sarawgi & Company**  
Chartered Accountants

[www.jksco.in](http://www.jksco.in)

For J K Sarawgi & Co  
Chartered Accountants

FRN No.: 006836C

*Jeet Agarwal*



FCA Jeet Agarwal

Partner

Membership No.: 064038

UDIN- 20064038 AAAAAM7536

Place: Kolkata

Dated: 30/05/2019

Branches : Ahmedabad, Chennai, Jaipur, Kanpur, Mumbai

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1st Floor, Suite # 27A, Kolkata - 700001  
Ph. : +91 33 40047474, Cell : 9836614747  
E-mail : kolkata@jksco.in

# NORTHERN SPIRITS LIMITED

## Balance Sheet as at 31st March, 2020

(All amounts in INR)

	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment			
(b) Intangible assets	3(A)	10,32,90,008	10,56,65,873
(c) Deferred tax Assets	3(B)	-	6,902
(d) Other non-current assets	4	4,40,958	7,28,972
<b>Current assets</b>	5	19,19,456	91,51,092
(a) Inventories			
(b) Financial Assets	6	38,96,76,462	33,18,39,911
(i) Trade receivables			
(ii) Cash and cash equivalents	7	39,62,97,215	37,34,27,151
(iii) Other Bank Balances	8	7,81,537	37,49,458
(c) Other current assets	9	4,73,66,891	3,20,28,255
<b>TOTAL ASSETS</b>	5	<b>14,52,57,779</b>	<b>8,15,27,874</b>
		<b>1,08,50,30,305</b>	<b>93,81,25,489</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital			
(b) Other Equity	10	16,05,12,000	11,74,92,000
<b>Liabilities</b>		47,28,11,328	29,47,04,300
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables	11	42,98,59,078	44,69,33,062
(b) Other current liabilities		36,54,765	1,48,16,413
(c) Provisions	12	41,52,459	1,00,93,589
<b>TOTAL EQUITY AND LIABILITIES</b>	13	<b>1,40,40,675</b>	<b>5,40,86,125</b>
		<b>1,08,50,30,305</b>	<b>93,81,25,489</b>

The above balance sheet should be read in conjunction with accompanying notes  
The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For J.K.SARAWGI & CO.  
Chartered Accountants  
FRN: 006836C



*Jeet Agarwal*  
(JEET AGARWAL)  
Partner  
Membership number: 064038

Place: Kolkata  
Date: 31st August, 2020

For and on behalf of the Board of Directors

*Anuj Bakshi*  
Anuj Bakshi  
Executive Director

*Ankush Bakshi*  
Ankush Bakshi  
Managing Director

*Nikita Sureka*  
Nikita Sureka  
Company Secretary

*Amit Kumar*  
Amit Kumar  
Chief Financial Officer

UDIN- 20064038AAAAAM7536

# NORTHERN SPIRITS LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2020

			(All amounts in INR)	
	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019	
I		Revenue From Operations		
II		Other Income		
III	14	<b>Total Income (I+II)</b>	1,60,80,82,412	1,10,26,81,973
	15		18,90,937	29,10,729
			<b>1,60,99,73,349</b>	<b>1,10,55,92,702</b>
IV		<b>EXPENSES</b>		
		Purchases of Stock-in-Trade		
	16	Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates	1,32,61,16,789	1,02,40,67,305
	17	Employee benefits expense	(5,78,36,551)	(26,83,62,300)
	18	Finance costs		
	19	Depreciation and amortization expense	2,15,65,242	1,21,31,771
		Other expenses	23,82,767	32,24,784
	20	<b>Total expenses (IV)</b>	<b>23,38,43,983</b>	<b>13,31,81,472</b>
			<b>1,55,95,03,631</b>	<b>95,10,60,916</b>
V		<b>Profit before exceptional items and tax (III-IV)</b>	<b>5,04,69,718</b>	<b>15,45,31,786</b>
VI		Exceptional Items		
VII		<b>Profit before tax (V+VI)</b>	<b>5,04,69,718</b>	<b>15,45,31,786</b>
VIII		<b>Tax expense:</b>		
		Current Tax		
	21	Deferred Tax	1,40,40,675	5,45,21,526
	21		2,88,014	(5,83,507)
			<b>3,61,41,028</b>	<b>10,05,93,767</b>
IX		<b>Profit for the year (VII-VIII)</b>	<b>3,61,41,028</b>	<b>10,05,93,767</b>
		<b>Other Comprehensive Income</b>		
A		(i) Items that will not be reclassified to profit or loss:		
		(ii) Income tax relating to items that will not be reclassified to profit or loss		
B		(i) Items that will be reclassified to profit or loss:		
		(ii) Income tax relating to items that will be reclassified to profit or loss		
X		<b>Other Comprehensive Income [A (i-ii)+B (i-ii)]</b>		
XI		<b>Total Comprehensive Income for the year (IX+X)</b>		
XII		Earnings per equity share (Face Value ₹ 1.00 each):		
		Earning per equity share:(Before Bonus)	2	22
		Earning per equity share:(After Bonus)	2	10
		Gross Sales Value (net of rebates and discounts) (A)	1,75,42,32,410	1,18,59,47,096
		Taxes other than Excise Duty	15,93,28,382	8,99,05,736
		Gross Revenue from sale of products and services [C = (A-B)]	<b>1,59,49,04,028</b>	<b>1,09,60,41,360</b>
		Other Operating Revenues (D)	1,31,78,384	66,40,613
		Revenue From Operations [E = (C+D)]	<b>1,60,80,82,412</b>	<b>1,10,26,81,973</b>

The above balance sheet should be read in conjunction with accompanying notes.  
The accompanying notes 1 to 33 are an integral part of the Financial Statements.

As per our report on even date

For J.K. SARAWGI & CO  
Chartered Accountants  
FRN: 006836C



(JEET AGARWAL)  
Partner  
Membership number: 064038

Place: Kolkata  
Date: 31st August, 2020

UDIN - 20064038AAAAAM7536

For and on behalf of the Board of Directors

*Anuj Bakshi*  
Anuj Bakshi  
Executive Director

*Ankush Bakshi*  
Ankush Bakshi  
Managing Director

*Nikita Sureka*  
Nikita Sureka  
Company Secretary

*Amit Kumar*  
Amit Kumar  
Chief Financial Officer



# NORTHERN SPIRITS LIMITED

## Cash Flow Statement for the year ended 31st March, 2020

(All amounts in INR)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	5,04,69,718	15,45,31,785
ADJUSTMENTS FOR: Depreciation and amortization expense	23,82,767	32,24,784
Interest paid	3,34,31,401	4,68,17,884
Interest Income	(18,90,937)	(29,10,729)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,43,92,949	20,16,63,725
ADJUSTMENTS FOR: Inventories	(5,78,36,552)	(26,83,62,300)
Trade receivables	(2,28,70,064)	(29,03,97,375)
Loans and advances	(4,22,13,097)	(8,22,29,722)
Tax Expenses of Earlier Years	-	(4,35,401)
Other Payables	(1,71,02,778)	(6,68,50,894)
CASH GENERATED FROM OPERATIONS	(5,56,29,541)	(50,66,11,968)
Income tax paid	(6,83,71,297)	-
Interest Income	18,90,937	29,10,729
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(12,21,09,902)</b>	<b>(50,37,01,239)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment, Intangibles etc.	-	(5,99,37,108)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>(5,99,37,108)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital	18,49,86,000	24,74,88,800
Repayment of non-current borrowings	-	-
Interest paid	(3,34,31,401)	(4,68,17,884)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>15,15,54,599</b>	<b>20,06,70,916</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,94,44,697</b>	<b>(36,29,67,431)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>(41,11,55,348)</b>	<b>(4,81,87,916)</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>(38,17,10,650)</b>	<b>(41,11,55,348)</b>

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows"

**2. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents as above	(38,17,10,650)	41,11,55,348
Cash credit facilities (Note 11)	(42,98,59,078)	(44,69,33,062)
Cash and cash equivalents (Note 08)	7,81,537	37,49,458
Other bank balances (Note 09)	4,73,66,891	3,20,28,255

The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For J.K.SARAWGI & CO.  
Chartered Accountants  
FRN: 006836C

*Jeet Agarwal*  
(JEET AGARWAL)  
Partner  
Membership number: 064038



Place: Kolkata  
Date: 31st August, 2020

**UDIN - 20064038AAAAAM7536**

For and on behalf of the Board of Directors

*Anu Bakshi*  
Anu Bakshi  
Executive Director

*Ankush Bakshi*  
Ankush Bakshi  
Managing Director

*Nikita Sureka*  
Nikita Sureka  
Company Secretary

*Amit Kumar*  
Amit Kumar  
Chief Financial Officer

Place: Kolkata  
Date: 31st August, 2020

# NORTHERN SPIRITS LIMITED

## Statement of changes in equity for the year ended 31st March, 2020

### A. Equity Share Capital

(All amounts In INR)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2019	1,20,50,000	10,54,42,000	11,74,92,000
For the year ended 31st March, 2020	11,74,92,000	4,30,20,000	16,05,12,000

### B. Other Equity

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Retained Earnings	
<b>Balance as at 31st March, 2019</b>	-	3,89,20,000	-	1,31,43,734	5,20,63,734
Profit for the year	-	20,07,92,800	-	10,05,93,766	30,13,86,566
Other Comprehensive Income (net of tax)	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	23,97,12,800	-	11,37,37,500	35,34,50,300
Issue of Bonus Shares	-	-5,87,46,000	-	-	-5,87,46,000
<b>Balance as at 31st March, 2020</b>	-	18,09,66,800	-	11,37,37,500	29,47,04,300
Profit for the year	-	14,19,66,000	-	3,61,41,028	17,81,07,028
Other Comprehensive Income (net of tax)	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	32,29,32,800	-	14,98,78,528	47,28,11,328
Issue of Bonus Shares	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	-	32,29,32,800	-	14,98,78,528	47,28,11,328

**Securities Premium Account:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013. During the year under review the Company has brought IPO of 4302000 Equity shares fac value of Rs 10/- each with a premium Rs 33/- each the total Premium amounting to Rs 141966000/-.

**Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The above statement of change in equity be read in conjunction with accompanying notes

The accompanying notes 1 to 33 are an integral part of the Financial Statements

As per our report on even date

For J.K.SARAWGI & CO.  
Chartered Accountants  
FRN: 006836C



Jeet Agarwal

(JEET AGARWAL)  
Partner  
Membership number: 064038

For and on behalf of the Board of Directors

Anuj Bakshi

Anuj Bakshi  
Executive Director

Ankush Bakshi

Ankush Bakshi  
Managing Director

Nikita Sureka

Nikita Sureka  
Company Secretary

Amit Kumar

Amit Kumar  
Chief Financial Officer

Place: Kolkata  
Date: 31st August, 2020

UDIN- 20064038 AAAAAM7536

# Notes to the Financial Statements

Particulars	Gross Block				Depreciation and Amortization			Net Book Value			
	As at 31st March, 2018	Additions	Withdrawals and adjustments	As at 31st March, 2019	For the year ended 31st March, 2019	On Withdrawals and adjustments	Upto 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019		
<b>3A. Property, plant and equipment</b>											
Fire Extinguisher	83,360	1,05,032	-	1,88,392	20,703	-	54,699	24,198	76,887	1,09,496	1,33,693
Air Conditioner	1,42,781	85,201	-	2,27,982	29,418	-	84,669	24,093	1,19,962	1,09,020	1,33,113
Furniture	19,13,682	5,29,164	-	24,43,046	8,60,378	3,81,968	12,42,346	3,10,861	15,35,207	8,68,039	12,00,700
Laptop	1,05,600	49,720	-	1,55,620	88,655	20,326	1,09,181	29,331	1,38,512	17,108	46,439
Intercom	15,865	16,402	-	32,267	4,680	4,993	9,673	4,090	13,763	16,504	22,594
Water Machine	16,400	8,150	-	24,550	1,768	-	9,166	2,785	11,951	12,589	15,384
Inventor	36,000	61,429	-	97,429	18,401	9,828	28,229	12,525	40,754	56,675	69,200
Computer	1,74,100	3,05,218	-	4,79,318	1,37,010	1,16,112	2,53,122	1,42,865	3,95,987	83,331	2,26,196
DVR	91,488	-	-	91,488	24,596	12,104	36,700	9,913	46,613	44,655	54,768
Bar Code Printer	93,844	1,18,810	-	2,12,654	36,488	29,468	65,957	26,552	92,509	1,20,145	1,46,697
Office at Woodburn Park	4,34,34,536	-	-	4,34,34,536	-	-	-	-	4,34,34,536	4,34,34,536	38,44,954
Office at Rajarhat	38,44,954	-	-	38,44,954	-	-	-	-	38,44,954	38,44,954	5,02,45,840
Land & Building	4,34,34,536	-	-	4,34,34,536	-	-	-	-	4,34,34,536	4,34,34,536	5,02,45,840
Manuf Eco Yen	4,42,526	-	-	4,42,526	87,300	-	3,07,549	42,153	3,49,702	92,824	1,34,977
Printer	36,960	66,300	-	1,03,260	54,177	-	64,109	24,728	88,837	14,423	39,151
Bio Metric Machine	10,000	-	-	10,000	769	1,671	2,440	1,368	3,808	6,192	7,560
Scanning Machine	37,275	-	-	37,275	11,304	4,701	16,005	3,850	19,855	17,420	21,270
CCTV	1,90,117	-	-	1,90,117	23,556	-	23,556	30,148	53,704	1,36,413	1,66,561
Coffee Machine	12,959	-	-	12,959	2,346	-	2,346	1,921	4,267	8,602	10,613
Generator	2,19,699	-	-	2,19,699	39,766	-	39,766	16,619	72,314	1,47,365	1,79,933
Delivery Van	69,666	-	-	69,666	27,376	-	27,376	5,166	43,998	25,668	42,287
Electric Filtrage	25,476	-	-	25,476	5,528	-	5,528	18,456	10,693	14,783	19,948
Mobile Phone	1,24,499	-	-	1,24,499	22,534	-	22,534	18,456	40,990	83,506	1,01,865
Water Purifier	12,282	-	-	12,282	2,223	-	2,223	1,821	4,044	8,238	10,059
Motor Car	70,89,642	-	-	70,89,642	22,14,095	-	22,14,095	15,22,033	37,36,728	33,52,914	48,75,547
Office Equipments	1,95,585	-	-	1,95,585	34,579	-	34,579	29,142	63,721	1,31,864	1,61,006
Television	96,747	-	-	96,747	17,130	-	17,130	14,411	31,541	65,206	79,817
Aqua Guard	24,830	-	-	24,830	4,494	-	4,494	3,681	8,175	16,655	20,336
Bar Code Scanner	2,35,040	-	-	2,35,040	21,027	-	21,027	38,736	59,763	1,75,277	2,14,013
CURRENCY COUNTING MACHINE	8,000	-	-	8,000	1,083	-	1,083	1,252	2,335	5,665	6,917
<b>TOTAL</b>	<b>5,04,79,831</b>	<b>5,98,95,608</b>	-	<b>11,03,75,659</b>	<b>15,19,400</b>	<b>31,90,386</b>	<b>47,09,786</b>	<b>23,75,865</b>	<b>70,85,651</b>	<b>10,32,90,008</b>	<b>10,56,65,873</b>
<b>3B. Intangible Assets (acquired)</b>											
Track and Traces Software	41,300	-	-	41,300	34,388	-	34,388	6,902	41,300	6,902	6,902
<b>TOTAL</b>	<b>41,300</b>	<b>41,300</b>	-	<b>41,300</b>	<b>34,388</b>	<b>34,388</b>	<b>34,388</b>	<b>6,902</b>	<b>41,300</b>	<b>6,902</b>	<b>6,902</b>

**NOTES :**

Land and Building include gross amounts of INR 5,02,45,840 in respect of which the title deed is yet to be registered in the name of the Company. Property plant and equipment pledged as security Refer to note 11 for information on property given as mortgaged to the existing Bankers of the company.



# Notes to the Financial Statements

## 4. Deferred tax Assets

Deferred tax assets

**TOTAL**

As at 31st March,  
2020

As at 31st March, 2019

4,40,958

4,28,972

4,40,958

7,28,972

### Movement in deferred tax assets balances

#### 2019-20

Deferred Tax assets in relation to:

On fiscal allowances on property, plant and equipment, etc

**Total deferred tax assets**

Opening Balance

Recognised  
in profit or loss

Recognised  
in OCI

Recognised  
directly in Equity

7,28,972

-2,88,014

7,28,972

-2,88,014

#### 2018-19

Deferred Tax assets in relation to:

On fiscal allowances on property, plant and equipment, etc

**Total deferred tax assets**

91,893

6,37,079

91,893

6,37,079

## 5. Other Assets

Capital Advances (Refer Note 3B)

Advances other than capital advances

Security Deposits

- With Statutory Authorities

- Others\*

Advances to Excise

Balance with Government Authorities

GST Credit

Vat Credit

Income Tax

MAT Asset Account

**TOTAL**

As at 31st March, 2020

Current

Non-Current

As at 31st March, 2019

Current

Non-Current

13,03,48,499

7,38,14,942

19,19,456

48,300

91,07,792

4,01,490

3,61,085

2,16,802

1,42,85,172

69,45,911

5,816

5,816

14,52,57,779

19,19,456

8,15,27,874

91,51,092

\* Includes Deposit for Godown, Other Deposits & Deposit Against Maintenance at Woodburn Park

## 6. Inventories

(At lower of cost and net realisable value)

Stock-in-trade (goods purchased for resale)

**TOTAL**

As at 31st March,  
2020

As at 31st March, 2019

38,96,76,462

33,18,39,911

38,96,76,462

33,18,39,911

## 7. Trade Receivables (Current)

Unsecured, considered good

**TOTAL**

As at 31st March,  
2020

As at 31st March, 2019

39,62,97,215

37,34,27,151

39,62,97,215

37,34,27,151

## 8. Cash and cash equivalents

Balances with Banks Current accounts

Cash on hand

**TOTAL**

As at 31st March,  
2020

As at 31st March, 2019

5,08,067

31,98,365

2,73,470

5,51,093

7,81,537

37,49,458

Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less

## 9. Other bank balances

Fixed Deposit balances

in deposit accounts\*

**TOTAL**

As at 31st March,  
2020

As at 31st March, 2019

4,73,66,891

3,20,28,255

4,73,66,891

3,20,28,255

\*Represents Fixed deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date



Handwritten signatures of the auditors, including 'Ajay Bhatia' and another signature.

# Notes to the Financial Statements

	As at 31st March, 2020 (No. of Shares)	As at 31st March, 2020	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2020
<b>10. Equity Share capital</b>				
<b>Authorised</b>				
Equity Shares of ₹ 10.00 each	19000000	19,00,00,000	19000000	19,00,00,000
<b>Issued and Subscribed</b>				
Equity Shares of ₹ 10.00 each, fully paid with voting rights	16051200	16,05,12,000	11749200	11,74,92,000
<b>A) Reconciliation of number of Equity Share outstanding</b>				
As at beginning of the year	11749200	11,74,92,000	1205000	1,20,50,000
Add: Issue of Shares	4302000	4,30,20,000	10544200	10,54,42,000
As at end of the year	16051200	16,05,12,000	11749200	11,74,92,000

## Terms/rights attached to equity share

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

## B) Shareholders Holding more than 5% of the Equity Shares In the Company

	As at 31st March, 2020 (No. of Shares)	As at 31st March, 2020	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2020
Anuj Bekshi	4809600	29.96	4809600	40.94
Ankush Bakshi	5809600	36.19	5809600	49.45
Hitesh Mohan Patel	1128000	7.02	500000	4.26

## C) Equity Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March

### Shares issued in 2019-20 pursuant to Initial Public Offer

Shares issued in 2019-20 pursuant to the Scheme of Takeover Between Northern Spirits Ltd and United Wines

As at 31st March, 2020  
(No. of Shares) 43,02,000

As at 31st March, 2019  
(No. of Shares) 46,69,600

## D) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

## 11. Current Borrowings

	Terms of re-payment	Interest Rate for(19-20)	As at 31st March, 2020	As at 31st March, 2019
<b>Secured</b>				
Loans from Banks				
Cash Credit Facilities*				
DBS Bank India Limited	Payable on demand	[(MCLR,		24,06,47,535
Canara Bank	Payable on demand	[(MCLR,	15,95,75,204	14,76,17,087
Punjab National Bank	Payable on demand	[(MCLR,	27,02,83,873	-
Karur Vysya Bank	Payable on demand	[(MCLR,		5,86,68,440
<b>TOTAL</b>			<b>42,98,59,078</b>	<b>44,69,33,062</b>

\*Cash credit facilities are secured by hypothecation of Property. The Company has hypothecated 3 Residential Apartments & 3 Commercial Property

## 12. Other liabilities

	As at 31st March, 2020	As at 31st March, 2019
<b>Current</b>		
Statutory Liabilities		
Advances received from customers	25,57,262	52,98,953
Others		40,05,618
--Liabilities For Expenses		
<b>TOTAL</b>	<b>15,95,197</b>	<b>7,89,018</b>
	<b>41,52,459</b>	<b>1,00,93,589</b>

## 13. Provisions

	As at 31st March, 2020	As at 31st March, 2019
Provision for Taxation	1,40,40,675	5,40,86,125
<b>TOTAL</b>	<b>1,40,40,675</b>	<b>5,40,86,125</b>



*(Handwritten signatures)*

## Notes to the Financial Statements

14. Revenue From Operations	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products	1,75,42,32,410	1,18,59,47,096
	1,75,42,32,410	1,18,59,47,096
Gross Revenue from sale of products and services* [including excise duty]	1,75,42,32,410	1,18,59,47,096
Less:- Excise Duty	-15,93,28,382	-8,99,05,736
Other Operating Revenues#	1,31,78,384	66,40,613
<b>TOTAL</b>	<b>1,60,80,82,412</b>	<b>1,10,26,81,973</b>

**\* Revenue from Contracts with Customers**

With effect from 1st April, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for sales of goods and services to a customer.

**# Consists Of Income From Promotership Margin**

The Company has no such Contract with the customer as it work on order basis.

15. Other Income	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest income	18,90,937	29,10,729
<b>TOTAL</b>	<b>18,90,937</b>	<b>29,10,728.68</b>

16. Purchase of Stock in Trade	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchase of Stock in Trade	1,32,61,16,789	1,02,40,67,305
<b>TOTAL</b>	<b>1,32,61,16,789</b>	<b>1,02,40,67,305</b>

17. Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-progress and Intermediates	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock		
Finished Goods	33,18,39,911	6,34,77,611
Closing Stock		
Finished Goods	38,96,76,462	33,18,39,911
<b>Net(Increase\ Decrease)</b>	<b>-5,78,36,551</b>	<b>-26,83,62,300</b>

18. Employee Benefits Expense	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary & Exgratia	2,10,56,242	1,17,73,027
Staff welfare expenses	2,01,875	1,33,525
Employer Contribution to PF, ESIC	3,07,125	2,25,219
<b>TOTAL</b>	<b>2,15,65,242</b>	<b>1,21,31,771</b>



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## Notes to the Financial Statements

19. Finance Costs	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Paid	3,22,16,324	4,46,94,531
Bank Charges	56,776	7,04,718
Loan Processing Fees	11,58,301	14,18,636
<b>TOTAL</b>	<b>3,34,31,401</b>	<b>4,68,17,884</b>

20. Other Expenses	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Freight Outward	39,73,103	32,74,968
Custom Duty	13,16,42,454	10,56,67,634
Labour Charges	7,15,652	74,250
Packing Expenses & Delivery Charges	2,15,467	90,128
Clearing & Forwarding	15,51,989	36,64,907
Loading & Unloading Expenses	12,21,453	3,24,578
Electric Expenses	2,07,215	3,76,023
Audit Fees	75,000	86,800
Consultancy Charges/Legal Expenses	65,21,800	9,30,400
Rent Paid*	72,52,800	53,98,998
Travelling Charges	5,41,418	1,59,221
Office Expenses	9,35,465	10,34,813
Insurance Charges	2,15,742	11,61,794
Miscellaneous Expenses	6,63,472	6,19,475
Printing & Stationery	1,21,752	-
Rates & Taxes	1,04,07,255	49,15,200
Telephone Expenses	1,38,482	2,63,521
Computer Software	1,44,406	1,98,338
Foreign Exchange Difference	1,14,652	1,16,355
Brokerage	62,000	-
Advertisement	1,09,300	-
Rebate & Discount	6,68,55,048	31,84,498
Lisiting Fees	-	2,78,771
Repairs & Maintenance	1,43,058	-
Roc Fees	-	13,60,800
Sitting fees	15,000	-
<b>TOTAL</b>	<b>23,38,43,983</b>	<b>13,31,81,472</b>

\* The company has paid lease rental of Rs.72,52,800/- during the year

21. Income Tax Expenses	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Amount recognised in profit or loss Current tax</b>		
Income tax for the year Current tax	1,40,40,675	5,40,86,125
Adjustments/ (credits) related to previous years - Net	-	4,35,401
<b>Total Current tax</b>	<b>1,40,40,675</b>	<b>5,45,21,526</b>
<b>B. Deferred tax</b>		
Deferred tax for the year	2,88,014	(5,83,507)
<b>Deferred Tax TOTAL</b>	<b>2,88,014</b>	<b>(5,83,507)</b>

22. Additional Notes to the Financial Statements	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings per share:		
Earnings per share has been computed as under:		
(a) Profit for the year ( ' in Crores)	3,61,41,028	10,05,93,767
(b) Weighted average number of Ordinary shares outstanding for the computing basic earnings per share	1,60,51,200.00	1,05,46,618.00
(c) Earnings per share on profit for the year (Face Value ` 1.00 per share)		
Earning per equity share	2	10
Earning per equity share	2	10



*Handwritten signatures and initials.*

# Notes to the Financial Statements

## 23. EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS- 19 "Employee Benefits":

### a. Defined Contribution Plans

#### Provident Fund:

Provident Fund covers substantially all permanent workmen. Contributions towards Provident Fund are made as a percentage of salary, as per regulations to a fund administered by government authority.

The obligation of the Company is limited to the extent of contributions made on a monthly basis.

During the year, the Company has recognised the following amounts in the Statement of Profit & Loss, which are included in contribution to provident fund in the employee benefit expense.

Particulars	For the year ended March 31,	For the year ended March 31,
	2020	2019
Provident Fund	2,71,155.00	1,85,601.00

### b. Defined Benefit Plans

#### Gratuity:

Currently the Company does not have any employee who is eligible for payment of gratuity.

## 24. FINANCIAL RISK MANAGEMENT

The Company's activities exposes it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, deposits with banks, trade receivables, loans and other financial assets measured at amortised cost.	Review of receivables	Diversification of bank deposits, monitoring of credit limits and assessment of recoverability of loan from subsidiaries
Liquidity Risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk- Interest Rate	Short term borrowings at floating liabilities	Sensitivity Analysis of Interest rates	Diversified portfolio of fixed and variable interest rate loans

## 25. OPERATING LEASES

The company's significant operating leasing arrangements are in respect of premises. These arrangements are usually renewable on mutually agreeable terms. The company has paid lease rental of Rs. 72,52,800/- during the year.

## 26. CONTINGENT LIABILITIES

There are no contingent liabilities during the period under review.

## 27. CORPORATE SOCIAL RESPONSIBILITY

No CSR amount is required to be spent as per Section 135 of the Companies Act, 2013.

## 28. CAPITAL AND OTHER COMMITMENTS

There are no capital commitments during the period under review.

## 29. RELATED PARTY TRANSACTIONS

(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationships

Sl. No.	Name of the Related Party	Relationship
1	Ankush Bakshi	Key Managerial Personnel
2	Amit Kumar	
3	Anuj Bakshi	
4	Roshni Bakshi	
5	Kanika Bakshi	
6	Nikita Sureka	

(ii) Transactions during the year with related parties: Rs 34,80,000

30. The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures relating to amount unpaid as on 31st March, 2020 together with interest paid or payable under this Act have not been given.

31. The company does not have any derivative contracts as at 31st March 2020.

32. Previous Year's figures have been regrouped/reclassified to confirm to the current year's classification.

33. All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee.

As per our report on even date

For J.K.SARAWGI & CO.  
Chartered Accountants  
FRN: 006836C

(JEET AGARWAL)  
Partner  
Membership number: 064038



Place: Kolkata  
Date: 31/08/2020

For and on behalf of the Board of Directors

Anuj Bakshi  
Executive Director

Ankush Bakshi  
Managing Director

Nikita Sureka  
Company Secretary

Amit Kumar  
Chief Financial Officer



# NOTES TO FINANCIAL STATEMENTS

## Company overview

Northern Spirits Limited ("the Company" or "NSL") is a public company domiciled and headquartered in Kolkata, India. It is incorporated under the Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange Limited SME platform.

Northern Spirits chose New Delhi (NCR) as its business capital, the paradise that constantly brews promises for the liquor entrepreneurs. NCR cherishes the pride of a trendsetting alcohol consumption pattern that has inspired Northern Spirits to select New Delhi as the starting point. And the best thing is that it has been enjoying a business growth of 40% YOY for last 4 years.

The Promoters of Northern Spirits have a commendable experience of more than 35 years that includes: A strong start in Punjab since 1975 and then in Maharashtra through 'Wine Enterprises' since 1991. In the year 2002-03 the entrepreneurial Journey of our promoters, commenced in the state of West Bengal, through its Group concern 'United Wines' whose Proprietor is Mr. Anuj Bakshi. This background lays the foundation for Northern Spirits Ltd to be a Pan-Indian operator along with key indicators which instill confidence within its channel partners. NSL is adorned with experienced office, Commendable sales persons and experts and efficient professional managers.

United Wines a sole proprietorship firm (proprietor Mr. Anuj Bakshi ) started its operations as Distributor of Alcoholic Beverages in 2002 and was focusing mainly on IMFL brands in Eastern region and whereas Northern Spirits Ltd started its operations in 2012 as Importer & Distributor of fine Alcoholic Beverages and focused on imports of leading international brands such as William Grants (Glenfiddich Single Malt, Grants Whisky, Monkey Shoulder Whisky, Balvenie Single Malt, Hendricks Gin), Bacardi Global (Grey Goose Vodka, Bombay Sapphire Gin, Dewar's Whisky, Martini Vermouth), Shepherd Neame Beer, Amigos Beer, Carlo Rossi California Wines, Tomich Australian Wines, Cooper's Australian Beer, West Cork Irish Whiskey, Two Tree Gin, Reddot Wheat Beer, Aqua Riva Mexican Tequila & Organika Russian Vodka and are distributing the same in Northern Region – Delhi, North East, West Bengal.

As a strategic move, the management decided to integrate the two different businesses in a single entity for better corporate governance and Compliance. Accordingly, On 1st April 2018 United Wines was merged with Northern Spirits Limited. The highlights of Integrations are:

- Corporate structuring of operations resulting in increased efficiency and transparency,
- Resource optimization,
- Improved productivity with synergy benefits,
- Bank exposure only in one entity - Northern Spirits Ltd, leading to ease in servicing the loan.

NSL has crafted the International Brand Space for itself with all the necessary resources in place and has ventured into the biggest and the toughest market of New Delhi. All the major global brands have their head offices in NCR and this has been a drive for NSL to be a Pan-Indian player. With a well-organized professional team, NSL has grabbed all the opportunities that NCR has to offer. Attention to efficiency and good performance has opened up big opportunities to distribute brands across high consumption states and union territories of:

- Chandigarh
- Uttar Pradesh
- Himachal Pradesh
- Punjab
- Rajasthan



# NOTES TO FINANCIAL STATEMENTS

## Note 1 - Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1.1 Basis of preparation of financial statements

i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

These financial statements have been prepared on a historical cost basis, except where fair value measurement is required by the relevant Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

iii) New and amended standards adopted by the company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing April 1, 2018:

- Amendment to Ind AS 12, Income Taxes
- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 1, Presentation of Financial Statements
- Ind AS 7, Statement of Cash Flows
- Ind AS 33, Earnings per Share
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38, Intangible Assets
- Ind AS 32, Financial Instruments: Presentation
- Ind AS 115, Revenue from Contracts with Customers



The amendments listed above did not have any impact on the amounts recognized in prior period and current period, and are not expected to significantly affect the future periods.

### 1.2 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

#### Operating lease

An operating lease is a lease other than a finance lease. Lease in which a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. The rental payments under operating lease are recognized as expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to

## NOTES TO FINANCIAL STATEMENTS

compensate for the expected inflationary cost increases.

### 1.3 Foreign Currency Transaction

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently, monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognized in profit or loss. Differences arising on settlement of monetary items are also recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. The Company has not availed the exemption available in IND AS 101, to continue capitalization of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date.

### 1.4 Property, plant and equipment and Intangible assets

#### Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any except that on adoption of Ind AS, the Company had measured Property, plant and equipment at deemed cost, using the net carrying value as per previous GAAP as at March 31, 2015. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All expenses in the nature of repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use at the balance sheet date, are disclosed as capital work-in-progress.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value method (WDV) as per the Companies Act 2013 as below:

Asset category	WDV Rates	Basis of determination of Written Down Value
Buildings		
- Buildings	4.87%	Assessed to be in line with Schedule II of the Act
Plant and Machinery		
- Others	18.10%	Assessed to be in line with Schedule II of the Act
Furniture and Fittings	25.89%	Assessed to be in line with Schedule II of the Act
Office Equipment		
- Computers	63.16%	Assessed to be in line with Schedule II of the Act
- Others	63.16%	Assessed to be in line with Schedule II of the Act
Vehicles	39.30%	Assessed to be in line with Schedule II of the Act


#### Intangible assets

On adoption of Ind AS, the Company has measured Intangible assets at deemed cost, using the net carrying value as per previous GAAP as at March 31, 2015.

#### Computer Software

Computer software acquired or developed is carried at cost less accumulated amortization and impairment losses, if any. Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of customised computer software applications are recognized as intangible assets under development or intangible assets

*Uday Bhatia* *Alex*



## NOTES TO FINANCIAL STATEMENTS

when ready for intended use, when the following criteria are met:

- a. It is technically feasible to complete the software so that it will be available for use,
- b. there is an ability to use or sell the software,
- c. it can be demonstrated that the software will generate probable future economic benefits,
- d. adequate technical, financial and other resources to complete the development and to use the software are available, and
- e. the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the customized computer software applications include employee costs and other directly attributable costs and are amortized from the point at which the software asset is available for use.

### Amortization method

The Company amortizes intangible assets using the written down value method over their estimated useful lives as follows:

- Computer software – 5years.

### 1.5 Financial Instruments

#### A) Financial Assets:

##### a) Recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value. Financial assets are subsequently classified and measured at amortized cost. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

##### i) Trade Receivables:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the Effective Interest Rate (EIR) method net of any Expected Credit Losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

##### ii) Loans

On initial recognition, Loans are measured at fair value. Since the objective is to hold these financial assets to collect contractual cash flows that are solely payments of principal and interest, these assets are subsequently measured at amortized cost using the EIR method less impairment, if any.

##### iii) Other financial assets:

On initial recognition, other financial assets are measured at fair value, and subsequently, measured at the amortized cost, less impairment if any. Loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

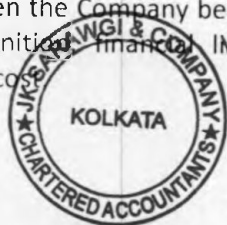
##### b) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### B) Financial Liabilities:

##### a) Recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value and subsequently measured at amortized cost.



## NOTES TO FINANCIAL STATEMENTS

### Trade and other payables

In case of trade and other payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period

### b) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

The Company did not have any financial instruments recognized at fair value through Profit and Loss/ fair value through Other Comprehensive Income anytime during the year or during the comparative year.

### c) offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 1.6 Inventories

Inventories which comprise finished goods and stock-in-trade are carried at the lower of cost or net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost of inventories, weighted average cost method is used. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow-moving items.

## 1.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances with banks that are readily convertible to known amounts of cash and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 1.8 Revenue recognition

Revenue comprises revenue from contracts with customers for sale of goods and income from promotership margin receivable. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognized as and when performance obligations are satisfied by transferring goods or services to the customer, as below:

### Revenue from sale of products:

Revenue is recognized on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.



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## NOTES TO FINANCIAL STATEMENTS

### Revenue from promotership margin:

Revenue is recognized on transfer of service in accordance with the terms of agreement.

### 1.9 Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is netted off from interest cost under the head "Interest Cost (Net)" in the statement of profit and loss.

### 1.10 Employee Benefits

Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

### 1.11 Income tax

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

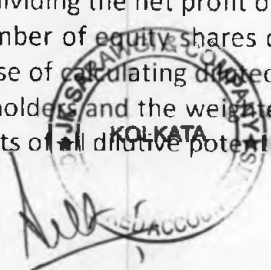
Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax on Minimum Alternative Tax ('MAT') credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of deferred tax relating to MAT credit entitlement to the extent there is no longer reasonable certainty that the Company will pay normal income-tax during the specified period.

### 1.12 Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period, as per Ind AS 33 on Earnings per share. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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## NOTES TO FINANCIAL STATEMENTS

### 1.13 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognized for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 1.14 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### 1.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

### 1.16 MSME Disclosures

The Company has no suppliers and customers covered under Micro, Small and Medium Enterprises Development Act, 2006. Management believe that on confirmation there will not be any material impact on statement of financial statements.

### 1.17 Related Party Disclosures

Key Management personnel

- Ankush Bakshi (Managing Director)
- Anuj Bakshi (Executive Director)



A handwritten signature in black ink, appearing to read "Anuj Bakshi".

## NOTES TO FINANCIAL STATEMENTS

- Roshni Bakshi (Executive Director)
- Kanika Bakshi(Executive Director)
- Amit Kumar (Chief Financial Officer)
- Nikita Sureka (Company Secretary)

### Non Executive/Independent Directors

- Jagjit Singh Kochar
- Sathvik Jain
- Rahul Gupta

### 1.18 Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

### 1.19 Segmental information

The Company is engaged in the business of purchase and sale of beverage alcohol (spirits and wines). The Management of the Company (being the Chief Operating Decision Maker) assesses performance and allocates resources for the business of the Company as a whole and hence the management considers company's business activities as a single operating segment (viz. Beverage alcohol). As such no segment disclosures have been made in the financial statements as at and for the year ended March 31, 2019.

### Note 2 – Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

- Estimation of provisions and contingent liabilities – Note 13

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

