

# **SEVEN HILLS BEVERAGES LIMITED**

## **AUDIT REPORT**

**F.Y. 2019-2020**

**A.Y. 2020-2021**

### **Auditors**

**Ketan K. Kabra & Associates,  
Chartered Accountants, Jalgaon.**

## **Independent Auditor's Report**

To The Members of  
**Seven Hills Beverages Limited**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **Seven Hills Beverages Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, and 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 Section 134(5) of the Companies Act, 2013 ("the Act") 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 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 financial statements 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

#### **OPINION**

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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2020**;
- b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the 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 sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have 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 appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. 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;
- e. on the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in Annexure - B.
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- (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; as such the question of commenting on any material foreseeable losses thereon does not arise.
- (iii) There has not been an occasion in case of the Company during the period under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ketan K. Kabra & Associates,  
Chartered Accountants  
(FRN: 134758W)





CA Ketan K. Kabra  
Proprietor  
Membership No: 148056

Place: Jalgaon  
Date: July 30, 2020  
UDIN : 20148056AAAADQ8264

## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **Seven Hills Beverages Limited** ('the Company') on Financial Statements for the year ended **31st March, 2020**. We report that:

- 1) In respect of fixed assets:
  - (a) The Company is maintaining proper record to show full particulars including, quantitative details and situation of all fixed assets on the basis of available information.
  - (b) We are informed that 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 period and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the tile deeds of immovable properties are held in the name of the Company.
- 2) In respect of its inventories: As explained to us, the inventories have been physically verified by the Management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such verification.
- 3) According to the information and explanation given to us, the Company has not granted any loans to the companies, firms, Limited Liability Partnerships or other parties covered in register maintained under section 189 of the companies act, 2013. Accordingly, reporting under clause (a), (b) and (c) of paragraph 3(iii) of the order is not applicable.
- 4) According to the information and explanation given to us, the Company, the Company has not granted any loan to the Director (KMP) of the Company.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made during the period. The Company has not given any guarantee or provided any securities during the period.

- 5) According to the information and explanation given to us, the Company has not accepted any deposits from the public and accordingly, clause 3(v) of the Order is not applicable.



6) As informed to us, the Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013.

7) (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, employee's state insurance, income tax, service tax, sales tax, tax deducted at source, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they becomes payable other than enlisted below :

Particulars	Amount (in Rs.)
Employee state insurance corporation	7,094/-
Employees Provident Fund	26,034/-
<b>Total</b>	<b>33,128/-</b>

(b) According to the information and explanations given to us and the record of the company examined by us, there were no statutory dues which have not been deposited on account of any dispute pending.

8) According to the records of the company examined by us and information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or bank as at the balance sheet date. And Company does not have any loans or borrowings from government or debenture holders during the period.

9) The Company did not raise any money by way of initial public offer or future public offer (including debt instruments) during the period. The Company has raised funds through term loans and the same are utilized for the purpose for which they are raised.

10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with 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 explanations given to us and 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 during the period. Accordingly, clause 3(xiv) of the Order is not applicable.
- 15) According to the information and explanations given to us and 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 him. Accordingly, clause 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. Accordingly, clause 3(xvi) of the Order is not applicable.

For Ketan K. Kabra & Associates,  
Chartered Accountants  
(FRN: 134758W)





CA Ketan K. Kabra  
Proprietor  
Membership No: 148056

Place: Jalgaon  
Date: July 30, 2020  
UDIN : 20148056AAAADQ8264

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Seven Hills Beverages Limited on the financial statement for the year ended 31 March, 2020

**Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of Act**

1. We have audited the internal financial controls over financial reporting of Seven Hills Beverages Limited ('the Company') as of 31 March, 2020 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

### **Management's responsibility for internal financial controls**

2. 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 Act.

### **Auditors' responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit an internal financial controls and both issued by the ICAI. 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.
4. 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 statement, whether due to fraud or error.
5. 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 controls over financial reporting

6. 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 statement 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

7. 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 change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. 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 31 March, 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.

For Ketan K. Kabra & Associates,  
Chartered Accountants  
(FRN: 134758W)



CA Ketan K. Kabra  
Proprietor  
Membership No: 148056

Place: Jalgaon  
Date: July 30, 2020  
UDIN : 20148056AAAADQ8264

SEVEN HILLS BEVERAGES LIMITED  
Balance Sheet as at March 31, 2020

Particulars	Note No	As at 31 March 2020	As at 31 March 2019
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	3,73,00,000	3,73,00,000
(b) Reserves and Surplus	4	59,61,778	74,16,186
(2) Share application money pending allotment		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	52,42,648	79,22,105
(b) Deferred Tax Liabilities (Net)	6	26,19,710	16,54,324
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	7	2,06,627	1,72,679
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	8	1,50,84,697	1,07,73,091
(b) Trade Payables	9	1,79,78,864	1,78,16,457
(c) Other Current Liabilities	10	73,32,750	83,82,922
(d) Short-Term Provisions	11	4,91,071	6,04,700
		<b>9,22,18,145</b>	<b>9,20,42,463</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Gross Block		8,69,27,511	8,53,55,107
(ii) Depreciation		4,06,63,128	3,43,80,316
(iii) Net Block		4,62,64,383	5,09,74,791
(b) Non-Current Investments	13	2,01,70,448	1,91,85,368
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans and Advances		-	-
(e) Other Non-Current Assets	14	6,80,000	10,20,000
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	15	25,05,400	20,90,000
(c) Trade Receivables	16	21,23,318	55,08,303
(d) Cash and Cash Equivalents	17	12,73,690	76,14,455
(e) Short-Term Loans and Advances	18	1,68,47,070	15,64,942
(f) Other Current Assets	19	23,53,836	40,84,604
<b>Total</b>		<b>9,22,18,145</b>	<b>9,20,42,463</b>
Significant Accounting Policies	1 & 2		
Notes to Accounts			

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

For Ketan K Kabra and Associates  
Chartered Accountants

For and on Behalf of Board of Directors of  
Seven Hills Beverages Limited

CA. Ketan K Kabra  
Proprietor  
Membership No. : 148056  
Firm Reg. No.: 134758W  
Place: Jalgaon  
Date : July 30, 2020  
UDIN : 20148056AAAADQ8264



Mr. Sandeep Palwe  
Director  
DIN: 06393282

Mr. Nayan Palwe  
Director  
DIN: 06393325

SEVEN HILLS BEVERAGES LIMITED  
Profit & Loss Statement for the period ended on March 31, 2020

Particulars	Note No	As at 31 March 2020	As at 31 March 2019
		Rs.	Rs.
Revenue from operations	20	9,02,45,351	10,75,58,946
Other Income	21	4,95,414	5,23,410
<b>Total Revenue</b>		<b>9,07,40,765</b>	<b>10,80,82,356</b>
<b>Expenses:</b>			
Cost of Materials Consumed	22	6,58,79,406	8,05,76,056
Changes in Inventories of finished goods	23	(4,15,400)	25,66,650
Employee Benefit Expenses	24	41,31,157	32,84,519
Direct Expenses	25	91,62,758	75,48,630
Finance Cost	26	26,93,443	30,30,464
Depreciation and Amortization Expenses	12	33,19,094	53,45,936
Other Administrative Expenses	27	34,95,611	36,88,936
<b>Total Expenses</b>		<b>8,82,66,069</b>	<b>10,60,41,192</b>
Profit before exceptional and extraordinary items and tax		<b>24,74,696</b>	<b>20,41,164</b>
Exceptional Items		-	-
Profit before extraordinary items and tax		<b>24,74,696</b>	<b>20,41,164</b>
Extraordinary Items		-	-
Profit / (Loss) before tax (PBT)		<b>24,74,696</b>	<b>20,41,164</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		9,65,386	11,20,610
Profit(Loss) from the period from continuing operations		<b>15,09,310</b>	<b>9,20,554</b>
Profit/(Loss) from discontinuing operations		-	-
Profit/(Loss) after tax (PAT)		<b>15,09,310</b>	<b>9,20,554</b>
Earning per equity share:			
(1) Basic		0.40	0.25
(2) Diluted		0.40	0.25

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

For Ketan K Kabra and Associates  
Chartered Accountants

For and on Behalf of Board of Directors of  
Seven Hills Beverages Limited

CA. Ketan K Kabra  
Proprietor

Membership No. : 148056

Firm Reg. No.: 134758W

Date : July 30, 2020

UDIN : 20148056AAAADQ8264



Mr. Sandeep Palwe  
Director  
DIN: 06393282

Mr. Nayan Palwe  
Director  
DIN: 06393325

## SEVEN HILLS BEVERAGES LIMITED

Cash Flow Statement for the year ended on March 31, 2020


Sn	Particulars	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		24,74,696		20,41,164
	Net Profit Before Tax				
	(+/-) Adjustments for:				
	Depreciation	33,19,094		53,45,936	
	Finance Cost	26,93,443		30,30,464	
	Interest Received	(18,609)		(1,34,700)	
			59,93,928		82,41,701
	Operating Profit before Working Capital Changes		84,68,624		1,02,82,865
	Adjustments for:				
	(Increase) / Decrease in Inventories	(4,15,400)		25,66,650	
	(Increase) / Decrease in Trade Receivables	33,84,985		30,04,497	
	(Increase) / Decrease in Short Term Loans & Advances	(1,52,82,128)		2,58,658	
	(Increase) / Decrease in Other Current Assets	17,30,768		(17,97,369)	
	Increase / (Decrease) in Trade Payables	1,62,407		52,02,877	
	Increase / (Decrease) in Long-Term Provisions	33,948		(31,526)	
	Increase / (Decrease) in Short-Term Provisions	(1,13,629)		4,30,320	
	Increase / (Decrease) in Other Non - Current Asset	3,40,000		3,40,000	
	(Increase) / Decrease in Other Current Liabilities	(10,50,172)		20,65,931	
			(1,12,09,220)		1,20,40,037
	Cash generated from operations		(27,40,596)		2,23,22,901
	Direct Taxes paid		-		-
	Net Cash flow from Operating activities		(27,40,596)		2,23,22,901
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Interest on FDR	18,609		1,34,700	
	(Increase) / Decrease in Fixed Assets	(15,72,404)		(74,76,717)	
	(Increase) / Decrease in Non-current Investment	(9,85,080)		(15,45,368)	
	Net Cash flow from Investing activities		(25,38,875)		(88,87,385)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Finance Cost	(26,93,443)		(30,30,464)	
	Increase / (Decrease) in Long-Term Borrowings	(26,79,457)		(5,91,299)	
	Increase / (Decrease) in Short-Term Borrowings	43,11,605		(54,82,672)	
	Securities Premium Received	-		-	
	Net Cash flow from financing activities		(10,61,295)		(91,04,436)
<b>D</b>	Net increase in cash & Cash Equivalents (A+B+C)		(63,40,766)		43,31,080
<b>E</b>	Cash and Cash equivalents as at 01.04.2019		76,14,455		32,83,375
<b>F</b>	Cash and Cash equivalents as at 31.03.2020		12,73,689		76,14,455

Particulars	As on	
	31-03-20	31-03-19
Cash in Hand	12,62,538	1,71,796
Cash at Bank	11,151	74,42,658
Cash & Cash equivalents as stated	12,73,689	76,14,455

The accompanying notes are an integral part of the financial statements

As per our Report of even date.

For Ketan K Kabra and Associates  
Chartered Accountants

  
 CA. Ketan K Kabra  
 Proprietor  
 Membership No. : 148056  
 Firm Reg. No.: 134758W  
 Place: Jalgaon  
 Date : July 30, 2020  
 UDIN : 20148056AAAADQ8264

For and on Behalf of Board of Directors of  
Seven Hills Beverages Limited

  
 Mr. Sandeep Palwe  
 Director  
 DIN: 06393282

  
 Mr. Nayan Palwe  
 Director  
 DIN: 06393325

**SEVEN HILLS BEVERAGES LIMITED**  
**CIN: U15500MH2009PLC296411**  
**FOR YEAR ENDED 31 MARCH 2020**

**NOTES TO ACCOUNTS**

**Note 1: GENERAL CORPORATE INFORMATION**

Seven Hills Beverages Limited (SHBL) is engaged in the business of manufacturing packaged drinking water for Bisleri International Pvt. Ltd. The Company operates as "Co-packers" for "Bisleri" wherein manufactures the bottles at the plant in order to avoid any possible contaminations and carry out the filling of purified water as well as final sealing and packaging. The water purification process is carried out in multiple stages to ensure that the water is free from all forms of bacteria and is in accordance with the process and standards of Bisleri International Pvt. Ltd and also BSI Manual namely IS 14543 : 2004 for Packaged Drinking Water. The Company incorporated on December 11, 2009 and have registered office at Nashik.

**Note 2: SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles applicable in India under the historical cost convention on the accrual basis. GAAP comprises of mandatory accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013.

Accounting policies have been consistently applied except where specifically stated in financial statement and notes to accounts of the non-conformity with the relevant Accounting Standard. The management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of change in value in the purchasing power of money.

**B. USE OF ESTIMATES**

The preparation of the financial statements in conformity with generally accepted accounting principles except where specifically stated in financial statement and notes to accounts of the non-conformity with the relevant Accounting Standard, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expense for the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates will be recognised prospectively in the current and future periods.



### C. PRIOR PERIOD ITEMS

Expenses relating to earlier period are debited to profit and loss account, if any. As per information and explanation and records kept by the company, the amount of such expenses and incomes are not fully quantifiable.

### D. CASH FLOW STATEMENT

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

### E. FIXED ASSETS

#### Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

### F. DEPRECIATION, AMORTISATION AND DEPLETION

#### Tangible Assets

Depreciation on Fixed Assets except Factory Buildings is provided as per the written Down Value Method (WDV) Method. Depreciation on Factory Buildings is provided as per the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

### G. IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



## H. INVESTMENTS

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non-Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

## I. REVENUE RECOGNITION

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and it is reasonable to expect ultimate collection.

Dividend income is recognized when the right to receive payment is established.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

## J. TAXATION

### 1. Income Tax Provisions -

Income Tax provision comprises current tax as per the Income Tax Act, 1961.

### 2. Deferred tax -

Deferred tax resulting from timing difference between book profit and tax profit is accounted for on the concept of prudence, at prevailing or substantially enacted rate of tax to the extent timing differences are expected to crystallise in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realised.

In case, Minimum Alternate Tax is higher than Tax as per Normal Provisions, Tax is recognized as Asset on Mercantile basis and MAT Credit is recognized only when future economic benefit arises in the form of the adjustment of the Income-Tax Liability.

## K. PROVISIONS AND CONTINGENT LIABILITIES

All known liabilities till finalization of accounts are provided for except as disclosed in notes to accounts are contingent liability. The company has recognized necessary provisions when there are present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources and a reliable estimate can be made of the amount of the obligation. Such provisions reflect best estimates based on available information.

However, a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## L. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit or loss after tax and prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



#### **M. BORROWING COST**

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets till the month in which the asset is ready to use, are capitalized.  
Other borrowing costs are recognised as expenses in the period in which these are incurred.

#### **N. SEGMENT REPORTING**

The Company is doing business in one segment only and therefore Segment Reporting is not applicable to the Company. The Company caters mainly the needs of the Indian Market hence separate geographical segmental information has not been given.

#### **O. LEASES**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of Profit and Loss on a straight-line basis.

#### **P. EMPLOYEE BENEFITS**

##### **Post Employment Benefits:**

Defined Contribution Plan: The Company contributes on a defined basis to Employee's Provident Fund and Employees State Insurance Schemes which are administered by the respective government authorities and has no further obligation beyond making its contribution which is expensed off in the year to which it pertains.

Defined Benefit Plan: The Company has a defined benefit plan for gratuity covering all of its employees in India. The present value of the obligation under such defined benefit plans is determined based on the independent actuarial valuation.

##### **Short Term Employment Benefits:**

All the employee benefits payable within twelve months of rendering services are classified as shortterm benefits. Such benefit includes salaries, wages, bonus etc. and the same are recognised in the period in which the employee renders the relevant services.





**SEVEN HILLS BEVERAGES LIMITED**

*Notes Forming Integral Part of the Balance Sheet as at March 31 2020*

**Note: 3 Share Capital**

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	<b>Authorized Capital</b> 62,00,000 (PY : 62,00,000) Equity Shares of Rs.10/- each	6,20,00,000	6,20,00,000
		6,20,00,000	6,20,00,000
2	<b>Issued, Subscribed &amp; Paid Up Capital</b> 37,30,000 (PY : 37,30,000) Equity Shares of Rs.10/- each, fully paid up.	3,73,00,000	3,73,00,000
	<b>Total</b>	<b>3,73,00,000</b>	<b>3,73,00,000</b>

**Footnote:**

(a) The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share and dividend in Indian rupees, if proposed by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the time of commencement of winding-up.

(c) The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(d) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	Shares at the beginning of the Year	37,30,000	37,30,000
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	<b>Total shares outstanding at the end of the Year</b>	<b>37,30,000</b>	<b>37,30,000</b>

(e) Details of Shareholder (s) holding more than 5% shares are as follows:

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Galactico Corporate Services Limited CY 37,21,500 Equity Shares	99.77%	99.77%



SEVEN HILLS BEVERAGES LIMITED

Notes Forming Integral Part of the Balance Sheet as at March 31 2020

Note: 4 Reserve and surplus

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	<b>General Reserve</b>	<b>(89,76,233)</b>	<b>(1,04,85,543)</b>
	Balance brought forward from previous year	(1,04,85,543)	(1,14,06,097)
	Less: Adjustments	-	-
	Add: Profit for the period	15,09,310	9,20,554
2	<b>Securities Premium</b>	<b>1,12,00,030</b>	<b>1,12,00,030</b>
	Opening Balance	- 1,12,00,030	1,12,00,030
	Add: Received by Rights Issue	-	-
3	<b>Revaluation Reserve</b>	<b>37,37,981</b>	<b>67,01,699</b>
	Opening Balance	67,01,699	72,53,005
	Add: Transfer to Revaluation Reserve	-	2,84,945
	Less: Transfer from Revaluation Reserve	-	8,36,251
	Less: Depreciation on revalued assets	29,63,718	-
	Less: Reversal on Revaluation Reserve	-	-
	<b>Total</b>	<b>59,61,778</b>	<b>74,16,186</b>

Note: 4.3 These Reserves are created on 31.03.2013 by revaluing Factory Building, Plant & Machinery and Land & Site to bring the realistic value of these assets as per Valuation Report.

Note: 5 Long term Borrowings

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	<b>Secured Loans</b>	<b>52,42,648</b>	<b>79,22,105</b>
	Term Loan (Refer Note 5.1)	52,42,648	79,22,105
	<b>Total</b>	<b>52,42,648</b>	<b>79,22,105</b>

Note 5.1:

Company has availed a term loan from HDFC Bank amounting to Rs. 1,20,00,000. The loan carries an interest rate of 8.1% per annum and repayable in 60 equal installment. Primary security given is at Industrial Property /GAT No 206, Pimpalner "Seven Hills Beverage Pvt Ltd".

Note: 6 Deferred Tax Liabilities (Net)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	Opening Balance	16,54,324	5,33,714
	Add: Deferred Tax Liabilities arising on account of temporary differences	9,65,386	11,20,610
	Closing Balance	26,19,710	16,54,324
	<b>Total</b>	<b>26,19,710</b>	<b>16,54,324</b>



## SEVEN HILLS BEVERAGES LIMITED

Notes Forming Integral Part of the Balance Sheet as at March 31 2020

## Note: 7 Long term Provisions

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Non-funded : Provision for Gratuity	2,06,627	1,72,679
	<b>Total</b>	<b>2,06,627</b>	<b>1,72,679</b>

## Note: 8 Short Term Borrowings

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	<u>From Banking and Financial Institution</u>	<b>1,50,84,697</b>	<b>1,07,73,091</b>
	Cash Credit (Refer Note 8.1)	1,50,84,697	1,07,73,091
	<b>Total</b>	<b>1,50,84,697</b>	<b>1,07,73,091</b>

**Note 8.1:**

Secured by Hypothecation of Stock of Raw Materials, WIP, Finished Goods and Packing Material etc. and entire the Book Debts of the Company.

## Note: 9 Trade Payables

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	Dues to Micro, Small and Medium Enterprises	-	-
	Others	1,79,78,864	1,78,16,457
	<b>Total</b>	<b>1,79,78,864</b>	<b>1,78,16,457</b>

**Note 9.1:**

(a) Trade payables include Rs. Nil (As at 31st March, 2020: Rs. Nil) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

(b) The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. As the Company has not received any intimation from its suppliers as on date regarding their status under the above said Act and hence disclosures if any relating to amounts unpaid as at year end together with the interest paid /payable as required under the said Act have not been given.



## SEVEN HILLS BEVERAGES LIMITED

Notes Forming Integral Part of the Balance Sheet as at March 31 2020

Note: 10 Other Current Liabilities

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Other Payable	43,00,000	43,00,000
2	<b>Statutory Dues</b>		
	Goods and Services Tax	83,168	(1,78,249)
	TDS	72,092	28,432
	Professional Tax	84,125	54,650
	Provident Fund	50,562	-
	ESIC	10,808	-
3	<b>Current Maturities of Long Term Debts</b>		
	Vehicle Loan	2,62,803	15,86,795
	Term Loan (Principle payable in Current year)	24,69,192	25,91,293
	<b>Total</b>	<b>73,32,750</b>	<b>83,82,922</b>

Note: 11 Short Term Provisions

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Provision for Income Tax	-	3,00,666
2	<b>Provision For Employees Benefit</b>		
	Salaries and Wages	4,00,671	1,91,334
3	Audit Fees	90,400	72,700
4	Sitting Fees Payable	-	40,000
	<b>Total</b>	<b>4,91,071</b>	<b>6,04,700</b>



SEVEN HILLS BEVERAGES LIMITED  
Notes Forming Integral Part of the Balance Sheet as at March 31, 2020

Note 12 : Fixed Assets

Sr. No.	Particulars	Gross Block				Depreciation				Net Block		
		Value at the beginning	Additions during the year	Deductions during the year	Value at the end	Value at the beginning	Charge for the year	Transfer to Reserves	Depreciation write back	Value at the end	WDV as on 31.03.20	WDV as on 31.03.19
I	<b>Tangible Assets</b>											
1	Factory Building	2,07,54,282	4,83,432	-	2,12,37,714	17,29,303	6,55,513	1,86,300		25,71,117	1,86,66,597	1,90,24,979
2	Factory Land	80,05,898	-	-	80,05,898	-	-			-	80,05,898	80,05,898
3	Plant and Machinery	4,33,06,882	10,64,209	21,000	4,43,50,091	2,83,64,420	26,33,630	27,77,418	12,07,835	3,25,67,633	1,17,82,458	1,49,42,462
4	Plant and Machinery - Power Generation	1,01,70,000	-	-	1,01,70,000	29,59,777	14,41,630		7,54,584	36,46,823	65,23,177	72,10,223
5	Computers & softwares	44,008	-	-	44,008	33,284	-			33,284	10,724	10,724
6	Furniture and fixtures	7,59,532	45,763	-	8,05,295	4,30,600	97,648			5,28,248	2,77,047	3,28,932
7	Vehicles	23,14,505	-	-	23,14,505	8,62,932	4,53,092			13,16,024	9,98,481	14,51,573
	<b>TOTAL</b>	<b>8,53,55,107</b>	<b>15,93,404</b>	<b>21,000</b>	<b>8,69,27,511</b>	<b>3,43,80,316</b>	<b>52,81,513</b>	<b>29,63,718</b>	<b>19,62,419</b>	<b>4,06,63,128</b>	<b>4,62,64,383</b>	<b>5,09,74,791</b>
II	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
III	<b>Capital work in progress</b>											
1	Building Under Construction	-	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
IV	<b>Intangible Assets Under Development</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL (A) + (B)</b>	<b>8,53,55,107</b>		<b>21,000</b>	<b>8,69,27,511</b>	<b>3,43,80,316</b>	<b>52,81,513</b>		<b>19,62,419</b>	<b>4,06,63,128</b>	<b>4,62,64,383</b>	<b>5,09,74,791</b>
	<b>(Previous Year)</b>	<b>7,78,78,390</b>		<b>-</b>	<b>8,53,55,107</b>	<b>2,84,83,074</b>	<b>75,21,780</b>		<b>21,75,844</b>	<b>3,43,80,316</b>	<b>5,09,74,791</b>	<b>4,93,95,309</b>



## SEVEN HILLS BEVERAGES LIMITED

Notes Forming Integral Part of the Balance Sheet as at March 31, 2020

## Note: 13 Non Current Investment

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	Investments (at Cost)		
	<b>Trade</b>		
1	Investment in Palwe Pest Control Private Limited - 1,03,000 (PY: 20,000) shares of Rs. 10/- each fully paid up	1,75,80,000	1,75,80,000
2	Corpus Fund	7,50,000	7,50,000
3	Investment in Regulated Chits Fund	18,40,448	8,55,368
	<b>Total</b>	<b>2,01,70,448</b>	<b>1,91,85,368</b>

## Note: 14 Other Non Current Asset

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Preliminary Expenses	6,80,000	10,20,000
	<b>Total</b>	<b>6,80,000</b>	<b>10,20,000</b>

## Note: 15 Inventories

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Closing Stock	25,05,400	20,90,000
	<b>Total</b>	<b>25,05,400</b>	<b>20,90,000</b>

## Note: 16 Trade Receivables

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
(a)	Trade receivable outstanding for a period not exceeding six months from the date they were due for payment		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	20,25,465	55,08,303
	Doubtful	-	-
		20,25,465	55,08,303
	Less: Provision for doubtful receivable	-	-
		20,25,465	55,08,303
(b)	Other Trade receivables	97,853	-
	<b>Total</b>	<b>21,23,318</b>	<b>55,08,303</b>

## Note: 17 Cash &amp; Cash Equivalent

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Cash on Hand	12,62,538	1,71,799
	<b>Sub Total (A)</b>	<b>12,62,538</b>	<b>1,71,799</b>
2	<b>Balance With Banks</b>		
	In current account	11,151	54,36,625
	In Fixed Deposits	-	20,06,031
	<b>Sub Total (B)</b>	<b>11,151</b>	<b>74,42,656</b>
	<b>Total</b>	<b>12,73,689</b>	<b>76,14,455</b>



## SEVEN HILLS BEVERAGES LIMITED

Notes Forming Integral Part of the Balance Sheet as at March 31, 2020

## Note: 18 Short Term Loans &amp; Advances

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	(Unsecured, Considered good, unless specified otherwise)		
1	<b>Deposits</b>	<b>4,40,828</b>	<b>4,40,828</b>
	Electricity Deposit	4,15,828	4,15,828
	VAT Deposit	25,000	25,000
2	<b>Loans &amp; Advances</b>	<b>1,64,06,242</b>	<b>11,24,114</b>
	- Advances to Others	54,58,090	-
	- Advances to Related Parties	57,96,086	-
	- Advances to Employees	51,52,066	11,24,114
	<b>Total</b>	<b>1,68,47,070</b>	<b>15,64,942</b>

## Note: 19 Other Current Assets

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	<b>Balance with Government Authorities</b>		
1	Minimum Alternate Tax (MAT)	14,84,815	14,84,815
2	Income Tax Refund/TDS	41,924	6,56,580
	<b>Others</b>		
1	Machinery Subsidy Receivable	-	12,40,694
2	Advance Received from Suppliers	7,19,232	7,02,515
3	Prepaid Insurance	1,07,865	-
	<b>Total</b>	<b>23,53,836</b>	<b>40,84,604</b>



## SEVEN HILLS BEVERAGES LIMITED

Notes forming part of the Profit &amp; Loss Statement as at March 31, 2020

## Note: 20 Revenue from operations

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Sale of Products	8,94,43,677	10,42,81,078
2	Direct Income	8,01,674	32,77,868
	<b>Total</b>	<b>9,02,45,351</b>	<b>10,75,58,946</b>

## Note: 21 Other income

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Bank FDR Interest	18,609	1,34,700
2	Subsidy received for Machinery	49,433	3,31,549
3	Accrued Interest on MSEDCL Deposit	41,745	36,920
4	Interest received on Loan	3,47,877	-
5	Interest received on Income Tax refund	26,700	-
6	Income tax refund	11,050	-
7	Rounding Off	-	20,241
	<b>Total</b>	<b>4,95,414</b>	<b>5,23,410</b>

## Note: 22 Cost of Materials Consumed

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Purchase of Materials	6,58,79,406	8,05,76,056
	<b>Total</b>	<b>6,58,79,406</b>	<b>8,05,76,056</b>

## Note: 23 Change in Inventories

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	Opening Stock	20,90,000	46,56,650
	Less: Closing Stock	25,05,400	20,90,000
	<b>Total</b>	<b>(4,15,400)</b>	<b>25,66,650</b>

## Note: 24 Employee Benefit Expenses

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Salaries and Wages	39,09,745	27,34,275
2	Staff Welfare Expenses	1,60,042	5,50,244
3	Contribution to ESIC	10,808	-
4	Contribution to PF	50,562	-
	<b>Total</b>	<b>41,31,157</b>	<b>32,84,519</b>

## Note: 25 Direct Expenses

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Water Expenses	22,84,843	13,73,050
2	Electricity Expenses	53,61,990	48,11,818
3	Transport and Freights	1,51,851	97,340
4	Loading and Unloading Charges	10,63,814	11,59,918
5	Lab Expenses	3,00,260	1,06,504
	<b>Total</b>	<b>91,62,758</b>	<b>75,48,630</b>





## SEVEN HILLS BEVERAGES LIMITED

Notes forming part of the Profit &amp; Loss Statement as at March 31, 2020

## Note: 26 Finance Cost

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Bank charges	64,705	58,512
2	Interest paid to Banks	26,28,738	29,71,952
	<b>Total</b>	<b>26,93,443</b>	<b>30,30,464</b>

## Note: 27 Other Administrative Expenses

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Payment to Auditors as		
	a) Auditor	17,700	17,700
	b) For Taxation Matters	-	-
2	Courier & Postage Expenses	2,690	3,845
3	Government Duties & Taxes	6,74,805	12,25,854
4	Interest on Governments Dues	59,112	59,129
5	Office Expenses	3,96,798	3,87,455
6	Professional Fees & Charges	78,700	1,56,800
7	Preliminary Expenses	3,40,000	3,40,000
8	Repairs & Maintenance	18,34,084	13,45,385
9	Insurance Expenses	91,722	1,12,768
10	Sitting Fees	-	40,000
	<b>Total</b>	<b>34,95,611</b>	<b>36,88,936</b>



**Note : EMPLOYEE BENEFITS**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below:

**A) Defined Benefit Plan**

The Company's Defined Benefits Plan includes Gratuity. Accordingly related disclosure are as under :

Sr.No.	Particulars	Gratuity (Rs)
<b>I</b>	<b>Assumptions</b>	
(a)	Discount Rate	7.70%
(b)	Salary Escalation	7.00%
<b>II</b>	<b>Changes in present value of obligations</b>	
(a)	Present value of obligations as at the beginning of year	1,72,679
(b)	Interest cost	11,742
(c)	Current Service Cost	35,872
(d)	Benefits Paid	-
(e)	Actuarial (gain)/loss on obligations	(13,666)
(f)	Present value of obligations as at the end of year	2,06,627
<b>III</b>	<b>Changes in the fair value of plan assets</b>	
(a)	Fair value of plan assets at the beginning of year	-
(b)	Expected return on plan assets	-
(c)	Contributions	-
(d)	Benefits paid	-
(e)	Actuarial gain on Plan assets	-
(f)	Fair value of plan assets at the end of year	-
<b>IV</b>	<b>Fair value of plan assets</b>	
(a)	Fair value of plan assets at the beginning of year	-
(b)	Actual return on plan assets	-
(c)	Contributions	-
(d)	Benefits Paid	-
(e)	Fair value of plan assets at the end of year	-
(f)	Funded status	-
(g)	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	-
<b>V</b>	<b>Actuarial (Gain)/Loss recognized</b>	
(a)	Actuarial (gain)/loss for the year -Obligation	(13,666)
(b)	Actuarial (gain)/loss for the year - plan assets	-
(c)	Total (gain)/loss for the year	(13,666)
(d)	Actuarial gain recognized in the year	(13,666)
<b>VI</b>	<b>The amounts to be recognized in the balance sheet and statements of Profit and Loss</b>	
(a)	Present value of obligations as at the end of the year	2,06,627
(b)	Fair value of plan assets as at the end of the year	-
(c)	Funded status	-
(d)	Net (liability)/asset recognized in balance sheet	(2,06,627)
<b>VII</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>	
(a)	Current Service cost	35,872
(b)	Interest Cost	11,742
(c)	Expected return on plan assets	-
(d)	Net Actuarial gain recognised in the year	(13,666)
(e)	Expenses recognised in statement of Profit & Loss Account	33,948

**Note :** The above information have been given based on information provided by the Actuary in the actuarial valuation report



## NOTES TO ACCOUNTS

### 1. Contingent liability –

Particulars	For year ending 31.03.2020	For year ending 31.03.2019
Guarantee given on behalf of the company	NIL	NIL
Letter of credit / Bank Guarantee opened in favour of the company	NIL	NIL
Claims against company and not acknowledged by company as debt	NIL	NIL
Commitment – estimated amounts of contract remaining to be executed for capital expenditure (for land and building and plant & machinery)	NIL	NIL

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs. )	Period to which the amount relate	Forum where dispute is pending
1	Not Applicable		NIL		

### Other disclosures –

#### 2.1 Expenditure in foreign currency during the financial year on account of:

Particulars	For year ending 31.03.2020	For year ending 31.03.2019
Royalty/know-how	NIL	NIL
Professional and consultation fees	NIL	NIL
Interest	NIL	NIL
Others (traveling and membership fees)	NIL	NIL

#### 2.2 Earnings in foreign exchange

Particulars	For year ending 31.03.2020	For year ending 31.03.2019
Export of goods	NIL	NIL
Royalty/know-how/ Professional fees	NIL	NIL
Interest and dividend/Other Income	NIL	NIL

### 3. Directors remuneration –

Particulars	For year ending 31.03.2020	For year ending 31.03.2019
Salaries	NIL	NIL
Perquisites – valued as per IT Act	NIL	NIL
<b>Total</b>	NIL	NIL



**A. Disclosure pursuant to Accounting Standard (AS) 18 Related Party Disclosures :**

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel

For the year ended March 31,	
2020	2019
Sandeep Palwe	Sandeep Palwe
Nayan Palwe	NayanPalwe
Vipul Lathi	Vipul Lathi
Rajkumar Pardeshi	Rajkumar Pardeshi

(ii) Relatives of KMPs

For the year ended March 31,	
2020	2019
Charushila Lathi	Charushila Lathi

(iii) Parent/ Associates / Enterprises over which directors and / or their relatives has significant influence

For the year ended March 31,	
2020	2019
Galactico Corporate Services Limited	Galactico Corporate Services Limited
Instant Finserve Private Limited	Instant Finserve Private Limited
Palwe Pest Control Private Limited	Palwe Pest Control Private Limited
Constro Solutions Limited	

(iv) Particulars of Transactions with Related Parties

**Key Management Personnel**

Particulars	For the year ended March 31,	
	2020	2019
<b>Mr. Sandeep Palwe</b>		
1. Advance Against Property		
Opening Outstanding	11,24,114	-
Advance Against Property	49,27,952	11,24,114
Repayment of advance	9,00,000	-
Closing Outstanding	51,52,066	11,24,114

**Associate Companies / Entities**

Particulars	For the year ended March 31,	
	2020	2019
<b>Palwe Pest Control Private Ltd</b>		
1. Finance - Business Transactions		
Opening Outstanding	-	13,11,707
Advance received	-	32,72,000
Repayment of Advance received	-	45,83,707
Closing Balance	-	-



<b>2. Finance – Advance Given</b>				
Opening Outstanding		-	-	
Advance Given		63,13,462	-	
Repayment of Advance Given		40,17,376	-	
Closing Balance		22,96,086	-	
<b>Galactico Corporate Services Limited</b>				
<b>1. Finance - Business Transactions</b>				
Opening Outstanding		-	-	
Advance Given		60,00,000	-	
Repayment of Advance given		40,00,000	-	
Closing Balance		20,00,000	-	
<b>Instant Finserve Private Limited</b>				
<b>1. Finance - Business Transactions</b>				
Opening Outstanding		-	-	
Advance given		15,00,000	-	
Repayment of Advance given		-	-	
Closing Balance		15,00,000	-	

**B. Disclosure pursuant to Accounting Standard (AS) 20 Earnings Per Share :**

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Profit/(Loss) after tax attributable to Equity Shareholders (Rs.)	15,09,310	9,20,554
2	Extraordinary Items (Net of tax expense)	-	-
3	Profit/(Loss) after tax but before extraordinary items (net of tax) attributable to Equity Shareholders (Rs.)	15,09,310	9,20,554
4	Weighted average number of Equity shares outstanding during the year (Nos.)	37,30,000	37,30,000
5	Nominal Value of Equity Share (Rs.)	10	10
6	Earnings Per Share before extra ordinary items net of tax (Rs.)		
	-Basic	0.40	0.25
	-Diluted	0.40	0.25
7	Earnings Per Share after extra ordinary items net of tax (Rs.)		
	-Basic	0.40	0.25
	-Diluted	0.40	0.25



**C. Disclosure pursuant to Accounting Standard (AS) 22 Taxes on Income:**

The company has recognised Deferred Tax Liability, which results from the timing difference between Book Profit and Tax Profits for the period aggregating Rs.9,65,386/- in Profit and Loss Account for the current year, the details of which are as under:

Particulars	As on 31.03.2020	As on 31.03.2019
In respect of Depreciation	(9,65,386)	(11,20,610)
<b>Net (Deferred Tax Liability) / Asset</b>	<b>(26,19,710)</b>	<b>(16,54,324)</b>

**D. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006:**

The company has not maintained the records and details of its suppliers regarding their status as Micro, Small and Medium Enterprises as defined under "Micro, Small and Medium Enterprises Development Act, 2006 ". Since the details are not available in this regards it is not possible for us to give necessary disclosures required.

**4. Auditors remuneration includes –**

Particulars	For year ending 31.03.2020	For year ending 31.03.2019
For Statutory Audit	17,700	15,000
<b>Total</b>	<b>17,700</b>	<b>15,000</b>

5. In terms of AS -3 Cash Flow Statement is annexed separately.

6. Owing to the unprecedented and extraordinary situation arising due to the COVID -19 pandemic, the Government of India & the State Government of Maharashtra imposed a lockdown in various parts of the country and the State starting 22nd March 2020, which continued well into the first half of the year 2020-21. Material Impact of CoVID-19 pandemic on Seven Hills Beverages Limited is annexed below:

Ability to maintain operations including the factories/units /office spaces functioning and closed down	As per Government Directives, the factory was closed down from March 24, 2020.  Lockdown has adversely affected business, productivity and liquidity of business.
Schedule, if any, for restarting the operations	It is in consensus with Guidelines of Local Authorities regarding resuming working
Steps taken to ensure smooth functioning of operations	Sanitization of workspace has been carried out and measures relating to social distancing, use of masks, face shields, etc. is strictly adhered to.
Estimation of the future impact of CoVID-19 on its operations	Sanitization of workspace has been carried out and measures relating to social distancing, use of masks, face shields, and Sanitizers etc. is strictly adhered to.
Details of impact of COVID-19 on. listed entity's -	Though it is not quantifiable, but this pandemic is certainly going to adversely impact business causing reduction of turnover and profitability.
1) Capital and financial resources	Banking and Capital arrangements are not hampered as such.
2) Profitability & liquidity position	Adverse impact on both aspects



3) Ability to service debt and other financing arrangements	It will be delayed than usual payment cycle.
4) Assets	No impact on the assets
5) Other impacts	Some impacts are not quantifiable and still not ascertained.

The financial statements have been prepared on going concern basis as the management after evaluating both the business and liquidity risks arising out of the changed environment caused by COVID-19 Pandemic is of the firm opinion that it has not impaired in any manner the Company's ability to continue as a going concern.

7. Previous year's figures have been regrouped to make them comparable with the current period's figures.

**SIGNATORIES TO NOTES TO ACCOUNTS**

**For Ketan K. Kabra & Associates,**  
Chartered Accountants  
(Registration No. 134758W)

**CA Ketan K. Kabra**  
Proprietor  
Membership No.: 148056  
Firm Reg No.: 134758W  
Place: Jalgaon  
Date: July 30, 2020  
UDIN : 20148056AAAADQ8264



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

**Sandeep Palwe**  
Director  
DIN: 06393282

**Nayan Palwe**  
Director  
DIN: 06393325