

Regd. Office: 901, Hubtown Solaris, N. S. Phadke Marg, Andheri (E), Mumbai - 400 069, INDIA
Tel: +91 22 61280606 / 607 | **Fax:** + 91 22 26846064 | **CIN No.:** U15122MH2011PTC222280
www.artisanspirits.in | email: customercare@artisanspirits.in

NOTICE OF 9TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth Annual General Meeting of the members of **ARTISAN SPIRITS PRIVATE LIMITED** (CIN No.: U15122MH2011PTC222280) will be held on **MONDAY, 28TH SEPTEMBER, 2020 at 4:30 P.M. (IST)** at the registered office of the Company at **901, HUBTOWN SOLARIS, N.S. PHADKE MARG, ANDHERI (E), MUMBAI - 400069** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2. **Appointment of Mr. Chetan Desai as a Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary resolution:**

“RESOLVED THAT pursuant to provisions of section 152,160 and all other applicable provisions of The Companies Act, 2013(‘The Act’) and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)or re-enactment thereof for the time being in force, Mr. Chetan Desai (DIN: 03595319) who was appointed as an Additional Director of the Company with effect from 31st January, 2020 by the Board of Directors pursuant to Section 161 (1) of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Chetan Desai (DIN: 03595319) be paid sitting fees of INR 100,000 Only (Rupees One Lakh Only) per board meeting attended by him.”

3. **Appointment of Mr. Bittu Varghese Nellissery as a Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary resolution:**

“RESOLVED THAT pursuant to provisions of section 152,160 and all other applicable provisions of The Companies Act, 2013(‘The Act’) and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)or re-enactment thereof for the time being in force, Mr. Bittu Varghese Nellissery (DIN: 08708247) who had been appointed as an Additional Director of the Company with effect from 31st January, 2020 by the Board of Directors pursuant to Section 161 (1) of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

4. **Appointment of Mr. Neeraj Sharma as a Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary resolution:**

“RESOLVED THAT pursuant to provisions of section 152,160 and all other applicable provisions of The Companies Act, 2013(‘The Act’) and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)or re-enactment thereof for the time being in force, Mr. Neeraj Sharma (DIN: 08881532) who had been appointed as an Additional Director of the Company with effect from 17th September, 2020 by the Board of Directors pursuant to Section 161 (1) of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.

3. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 9th Annual General Meeting.
4. Corporate Members are requested to send duly certified copy of Board Resolution/Power of Attorney authorizing their representative to attend and vote at the General Meeting.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. Shareholders seeking information with regard to Accounts are requested to write to the Company in advance so as to enable the management to keep the information ready.
7. The route map for reaching at the venue with prominent landmark is provided at the end of the Notice.

**By Order of the Board of Directors
For Artisan Spirits Private Limited**

SAVIA BERTHA GOMES Digitally signed by
SAVIA BERTHA GOMES
Date: 2020.09.17
23:00:56 +05'30'

Savia Gomes
Company Secretary
Membership No. A54611

Registered Office:

901, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
(CIN No.: U15122MH2011PTC222280)

Date: 17th September, 2020

Place: Mumbai

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

Item No. 2

The Board of Directors appointed Mr. Chetan Desai (DIN: 03595319) as an Additional Director of the Company with effect from 31st January, 2020.

Pursuant to Section 161 (1) of the Companies Act, 2013, Mr. Chetan Desai holds office as an Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Board of Directors are confident that his wide knowledge and experience in the field of accounting, auditing, Companies Act and related areas, corporate governance, compliance, he will be a great value to the Company and accordingly the Board proposed sitting fees of INR 1,00,000 only (Rupees One Lakh Only) per meeting attended by him and hence recommends this ordinary resolution for your approval.

None of the Directors except Mr. Chetan Desai, in his capacity of being a Director, is in any way concerned or interested in the resolution.

Item No. 3

The Board of Directors appointed Mr. Bittu Varghese Nellissery (DIN: 08708247) as an Additional Director of the Company with effect from 31st January, 2020.

Pursuant to Section 161 (1) of the Companies Act, 2013, Mr. Bittu Varghese Nellissery holds office as an Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Board of Directors are confident that his knowledge and experience will be a great value to the Company and hence recommends the ordinary resolution for your approval.

None of the Directors except Mr. Bittu Varghese Nellissery, in his capacity of being a Director, is in any way concerned or interested in the resolution.

Item No. 4

The Board of Directors appointed Mr. Neeraj Sharma (DIN: 08881532) as an Additional Director of the Company with effect from 17th September, 2020.

Pursuant to Section 161 (1) of the Companies Act, 2013, Mr. Neeraj Sharma holds office as an Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Board of Directors are confident that his knowledge and experience will be a great value to the Company and hence recommends the ordinary resolution for your approval.

None of the Directors except Mr. Neeraj Sharma, in his capacity of being a Director, is in any way concerned or interested in the resolution.

By Order of the Board of Directors For Artisan Spirits Private Limited

SAVIA
BERTHA
GOMES

Digitally signed by
SAVIA BERTHA GOMES
Date: 2020.09.17
23:02:14 +05'30'

Savia Gomes
Company Secretary
Membership No. A54611

Registered Office:

901, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
(CIN No.: U15122MH2011PTC222280)

Date: 17th September, 2020

Place: Mumbai

Details of Director Seeking Appointment/Re-Appointment at the Annual General Meeting

Name	Mr. Chetan Desai	Mr. Bittu Varghese Nellissery	Mr. Neeraj Sharma
Directors Identification Number (DIN)	03595319	08708247	08881532
Age	69 years	41 years	47 years
Qualification	Chartered Accountant	Chartered Accountant	B.Tech. (Dairy Technology), PGDM (MBA) – IIM, Ahmedabad
Experience	43 years	Over 17 years	Over 20 years
Terms & Conditions of appointment/re-appointment	-	-	-
Details of Remuneration	-	-	-
Date of first Appointment on the Board of the Company	31 st January, 2020	31 st January, 2020	17 th September, 2020
Shareholding in the Company	Nil	Nil	Nil
Relation with other Directors, Manager or KMP	-	-	-
No. of Meetings of Board attended during the year	1 meeting held on 31 st January, 2020	1 meeting held on 31 st January, 2020	-
Other Directorship, Membership/ Chairmanship of committees of other Boards	Name of the Companies	Particulars	N. A.
	Delta Corp Limited	Director and Audit Committee Member	
	Crystal Crop Protection Limited	Independent Director, Audit Committee Chairman and Nomination and Remuneration Committee Member	

	Mercator Limited	Independent Director Audit Committee Member Risk Management Committee Member Nomination and Remuneration Committee Member		
	Ohmy Loan Private Limited	Director		
	Ohmy Technologies Private Limited	Director		
	Reliance Health Insurance Limited	Independent Director – Audit Committee Chairman, Nomination and Remuneration Committee Member and Risk and Asset Liability Management Committee		
	UTI Retirement Solutions Limited	Independent Director Audit Committee Chariman Risk Management Committee Chairman		
	WIP (India) Private Limited	Independent Director		
	Name of the Companies	Particulars		
	Reliance	Independent		

	Securities Limited	Director & Audit Committee Member, Nomination and Remuneration Committee Member, Corporate Social Responsibility Member and Risk Committee Member	N.A	N.A.
	Sula Vineyards Private Limited	Director – Audit Committee Member		
	Reliance Financial Limited	Independent Director		

Form No. MGT-11

Proxy form

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

CIN: U15122MH2011PTC222280
Name of the company: Artisan Spirits Private Limited
Registered office: 901, Hubtown Solaris, N. S. Phadke Marg, Andheri (E), Mumbai – 400069

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail Id:

Signature: _____, or failing him

3. Name:

Address:

E-mail Id:

Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Ninth Annual General Meeting** of the company, to be held on the **Monday, 28th September, 2020 at 4:30 p.m.** at 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 400069 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors and the Auditors thereon.
2. Appointment of Mr. Chetan Desai as a Director of the Company.
3. Appointment of Mr. Bittu Varghese Nellissery as a Director of the Company.
4. Appointment of Mr. Neeraj Sharma as a Director of the Company.

Signed this ____ day of _____ 2020.

**Affix Revenue
Stamp**

Signature of shareholder

Signature of Proxy holder(s)

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

Attendance Slip

(To be presented at the entrance)

**9th ANNUAL GENERAL MEETING ON MONDAY, 28TH SEPTEMBER, 2020 at 4:30 P.M.
at 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 400069**

Folio No./Client Id No. _____ DP ID No _____

Name of the Member _____

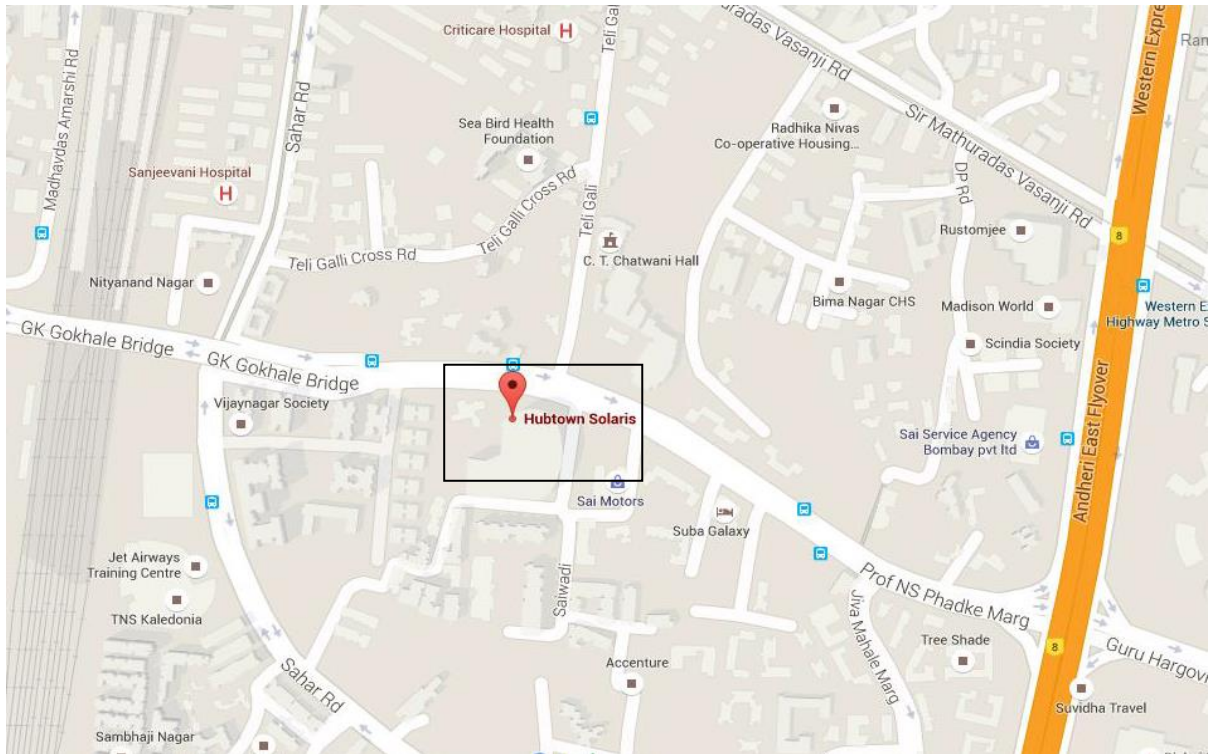
Signature _____

Name of the Proxyholder _____

Signature _____

1. **Only Member/Proxy holder can attend the Meeting.**
2. **Member/Proxy holder should bring his/her copy of the Annual report for reference at the Meeting.**

Route Map



Prominent Landmark – Near East West Flyover

ARTISAN SPIRITS PRIVATE LIMITED

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting the 9th Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 2020.

1. SUMMARISED FINANCIAL HIGHLIGHTS

	(Rs.in Lakhs)	
Particulars	2019-20	2018-19
Gross Income	2158.51	2561.59
Other Comprehensive Income/(Loss)	(0.26)	0.02
Profit Before Interest and Depreciation (EBITDA)	(284.05)	(812.25)
Finance Charges	179.78	183.13
Provision for Depreciation	29.94	31.80
Net Profit Before Tax	(493.77)	(1027.18)
Provision for Tax	-	-
Total Comprehensive Income/(Loss)	(493.77)	(1027.18)
Balance of Profit brought forward	(2727.49)	(1700.31)
Balance available for appropriation	(3221.26)	(2727.49)
Dividend paid on Equity Shares	-	-
Tax on Dividend paid	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	(3221.26)	(2727.49)

Your directors are hopeful for the bright future of the Company in the years to come.

2. REVIEW OF OPERATIONS

The Company's revenue declined by 15.7% from INR 2561.59 lakhs in FY19 to INR 2158.51 lakhs in FY20. However, EBIDTA has improved by 65.0% from INR (812.25) lakhs in FY19 to INR (284.05) lakhs in FY20 and the Profit Before Tax improved by 52% from INR (1027.18) lakhs in FY19 to INR (493.77) lakhs in FY20.

3. STATE OF AFFAIRS

There has been no change in the business of the Company during the financial year ended 31st March, 2020.

4. DIVIDEND

The Directors have not recommended any dividend for the year 2019-20 in the light of loss incurred by the Company.

5. TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the reserves.

6. DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 and the rules made thereunder.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your company has not given any loans or guarantees or made any investments covered under the provisions of section 186 of the Companies Act, 2013.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Chaitanya Rathi was appointed as an Additional Director of the Company on 28rd May, 2019. At the AGM held on 27th September, 2019, his designation was changed to Director of the Company. Mr. Rajeev Samant and Mr. Deepak Shahdadpuri resigned as Directors of the Company with effect from 18th September, 2019 and 4th December, 2019 respectively. Further, Mr. Arjun Anand and Mr. Deepak Bhatnagar resigned on 31st January, 2020 and Mr. Chetan Desai and Mr. Bittu Varghese Nellissery joined the Board as Additional Directors effective from 31st January, 2020.

Mr. Neeraj Sharma has been appointed as an Additional Director with effect from 17th September, 2020 and his appointment will be regularized at the AGM to be held on 28th September, 2020.

9. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met 4 times during the financial year from 1st April, 2019 to 31st March, 2020. The dates on which the meetings were held are 28th May, 2019, 18th September, 2019, 4th December, 2019 and 31st January, 2020. The maximum interval between two meetings did not exceed 120 days.

The attendance record of the directors at the meeting was as follows:

Sr. No	Name of the Director	Date of Board Meeting			
		28.05.2019	18.09.2019	04.12.2019	31.01.2020
1.	Mr. Arjun Anand	✓	✓	✓	✓
2.	Mr. Bittu Varghese Nellissery	N.A.	N.A.	N.A.	✓
3.	Mr. Chaitanya Rathi	✓	✓	✓	✓
4.	Mr. Chetan Desai	N.A.	N.A.	N.A.	✓
5.	Mr. Deepak Bhatnagar	✓	✓	-	-
6.	Mr. Deepak Shahdadpuri	✓	-	✓	N.A.
7.	Mr. Rajeev Samant	✓	✓	N.A.	N.A.

10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3)(c) and 134(5) of the Companies Act, 2013, Directors of your Company confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the same period;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) proper internal financial controls laid down by the Directors have been followed by the company and that such internal financial controls are adequate and are operating effectively.
- (f) proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and are operating effectively.

11. AUDITORS

M/s. Walker Chandiook & Co. LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), were appointed as Statutory Auditors of the Company at the 6th AGM till the conclusion of the 11th AGM to be held in the year 2022 subject to ratification of their appointment at every AGM.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

M/s. Walker Chandiook & Co. LLP, have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactments(s) thereof for the time being in force).

The Auditors' Report for the financial year ended 31st March, 2020 on the financial statements of the Company is a part of this Annual Report. The Auditors' Report for the financial year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark.

12. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2020 in Form MGT - 9 in accordance with Section 92 (3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.artisanspirits.in and is set out in **Annexure-I** to this Report.

13.DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

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

14.MATERIAL CHANGES AND COMMITMENTS

The World Health Organization declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The Company's business operations have been significantly impacted. The business has been picking up ever since the lockdown restrictions have been lifted.

15.RISK MANAGEMENT POLICY

The Company takes responsibility to proactively identify and address risks and opportunities and is committed to managing the risks faced by the organization and to ensure achievement of its strategic, operational, reporting and compliance objectives. During the year, no major risks were noticed which may threaten the existence of the Company.

16.INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has an effective internal control system which is commensurate with its size and nature of business. The systems in place ensure all transactions are authorized, recorded and reported correctly.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015.

17.REPLY TO AUDIT QUALIFICATION

There are no observation or qualifications contained in the Auditor's Report.

18.RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year were in the ordinary course of business and on arm's length basis. The particulars of contracts entered with related parties during the year in Form AOC-2 is enclosed herewith as "**Annexure-II**".

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

20. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company strongly believes in creating and maintaining healthy work environment and has zero tolerance to sexual harassment. Internal Complaint Committee/Compliant Redressal Committee has been constituted as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures fair redressal of any complaint raised in a time bound manner. During the year under review, no cases of sexual harassment were reported.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy

Your Company understands the importance of conserving energy and all possible efforts have been made to minimize its consumption.

B. Technology absorption, adoption and innovation

Company has made all possible efforts to absorb the technology to its fullest capacity. No major adaptations and innovations carried out in the technology are being used.

C. Foreign earnings and Outgo

	(in Lakhs)	
Foreign Exchange	Year ended 31.03.2020 (INR)	Year ended 31.03.2019 (INR)
(i) Earnings	581.33	894.47
(ii) Outgo	1,157.55	1082.58

22. CORPORATE SOCIAL RESPONSIBILITY

The provision of Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to your Company.

23. COST RECORDS AND COST AUDIT

Maintenance of Cost Records and requirements of Cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable to our Company.

24. SECRETARIAL STANDARDS

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

25. ACKNOWLEDGEMENTS

Your Directors would like to express deep gratitude to all its employees, suppliers, distributors, vendors, customers, bankers, financial institution and Government authorities for their support and co-operation.

For and on behalf of the Board of Directors

CHAITANYA
KAMAL
RATHI

Digitally signed by
CHAITANYA KAMAL
RATHI
Date: 2020.09.17
19:22:09 +05'30'

Chaitanya Rathi
Director
DIN: 07705302

CHETAN
RAMESHCHA
NDRA DESAI

Digitally signed by
CHETAN
RAMESHCHANDRA
DESAI
Date: 2020.09.17
20:06:30 +05'30'

Chetan Desai
Director
DIN: 03595319

Place: Mumbai

Date: 17th September, 2020

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2020

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U15122MH2011PTC222280
ii	Registration Date	22.09.2011
iii	Name of the Company	Artisan Spirits Pvt. Ltd.
iv	Category/Sub-category of the Company	Company having share capital
v	Address of the Registered office & contact details	901, Hubtwon Solaris, N.S. Phadke Marg, Mumbai-400 069 Tel No. : 022 61280606
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N/A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Trading in BIO products	46308	94.51%
2	Domestic Sales of Spirit	11011	0.98%
3	Other Income	-	4.51%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Sula Vineyards Pvt. Ltd. 901, Hubtwon Solaris, N.S. Phadke Marg, Mumbai- 400 069	U15549MH2003PTC139352	Holding Company	100%	2(46)

(2) Non Institutions										
a) Bodies corporates										
i) Indian	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals*	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	0	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	29350000	29350000	100%	0	29350000	29350000	100%	0%	0%

*Individual holding 1 share in the capacity of nominee shareholder of Sula

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Sula Vineyards Private Limited	29349999	100.00%	0%	29349999	100.00%	0%	0.00%
2	Mr. Deepak Bhatnagar (Nominee shareholder of Sula)	1	0%	0%	0	0.00%	0%	0.00%
3	Mr. Bittu Varghese Nellissery (Nominee shareholder of Sula)	0	0%	0%	1	0.00%	0%	0.00%
	Total	29350000	100%	0	29350000	100%	0%	0.00%

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

SI. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	29350000	100%		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	*			
	At the end of the year	29350000	100%		

*Details of increase/decrease in Promoters Share holding during the year specifying the reasons

SI No.	Shareholders Name	Shareholding		Increase/Decrease in Share holding	Date	Reason	Cumulative Share holding during the end of the year	
		No. of shares at the beginning /end of the year	% of total shares of the company				No. of shares	% of total shares of the company
Null movement during the year								

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	N.A			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	None of the Directors or KMP hold shares in company			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

V INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	500.00	2,040.33	0	2540.33
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2.95	353.41	-	356.36
			0	
Total (i+ii+iii)	502.95	2393.74	0	2896.69
Change in Indebtedness during the financial year				
Additions	0	4,107.26	0	4107.26
Reduction	502.95	3,265.45	0	3768.40
Net Change	(502.95)	841.81	0.0	338.86
Indebtedness at the end of the financial year				
i) Principal Amount	0	2,757.29	0	0.00
ii) Interest due but not paid	0		1	1.00
iii) Interest accrued but not due		487.26	2	2.00
Total (i+ii+iii)	0.00	3235.55	3	3.00

* Addition and reduction includes Interest

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	N.A.	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

(` in lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors								Total Amount
1	Independent Directors	N.A.								
	(a) Fee for attending board committee meetings									
	(b) Commission									
	(c) Others, please specify									
	Total (1)									
2	Other Non Executive Directors	Rajeev Samant	Arjun Anand	Deepak Bhatnagar	Deepak Shahdadpuri	Chaitanya Rathi	Bittu Varghese Nellissery	Chetan Desai		
	(a) Fee for attending board committee meetings	-	-	-	-	-	-	1	1	
	(b) Commission	-	-	-	-	-	-	-	-	
	(c) Others, please specify.	-	-	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	1	1	
	Total (B)=(1+2)	-	-	-	-	-	-	1	1	
	Total Managerial Remuneration	-	-	-	-	-	-	1	1	
	Overall Ceiling as per the Act.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(` in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				TOTAL
		CEO	Company Secretary	CFO		
1	Gross Salary	-	Savia Gomes	-		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	6.6	-	6.6	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	-	0	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0	-	0	
2	Stock Option	-	0	-	0	
3	Sweat Equity	-	0	-	0	
4	Commission	-	0	-	0	
	as % of profit	-	0	-	0	
	others, specify	-	0	-	0	
5	Others, please specify	-	0	-	0	
		-		-		
	Total	-	6.60	-	6.6	

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

ANNEXURE - II

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under four proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis – **N.A.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Sula Vineyards Private Limited (Holding Company)	By Agreement	Ongoing / Periodical	Loan taken/ Interest expenses/ Purchase of traded goods/ Sale of products/ Sale of property, plant and equipment/ Rent Expense	20.03.2015 31.05.2016 12.09.2017 01.02.2019 28.05.2019 18.09.2019	Nil
2.	Progressive Alcobev Distributors Private Limited (Fellow subsidiary)	By Agreement	Ongoing	Sale of Products	01.02.2019 28.05.2019	Nil
3.	Chetan Desai	-	-	Director Sitting Fees	31.01.2020	Nil

Form shall be signed by the people who have signed the Board's Report.

For and on behalf of the Board of Directors

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Date: 2020.09.17
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Chetan Desai
Director
DIN: 03595319

CHAITANYA
KAMAL RATHI
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CHAITANYA
KAMAL RATHI
Date: 2020.09.17
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Chaitanya Rathi
Director
DIN: 07705302

Place: Mumbai
Date: 17th September, 2020

Walker Chandiook & Co LLP

11th floor, Tower II,
One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

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Independent Auditor's Report

To the Members of Artisan Spirits Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Artisan Spirits Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Artisan Spirits Private Limited Independent Auditor's Report on the Audit of the Financial Statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Artisan Spirits Private Limited Independent Auditor's Report on the Audit of the Financial Statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 17 September 2020 as per Annexure II expressed an unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 28 (ii) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020.;

Artisan Spirits Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

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Date: 2020.09.17
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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAC3574

Place: Mumbai
Date: 17 September 2020

Artisan Spirits Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure I to the Independent Auditor's Report of even date to the members of Artisan Spirits Private Limited, on the financial statements as at and for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

Artisan Spirits Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure I (Contd)

- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKC3574

Place: Mumbai
Date: 17 September 2020

**Artisan Spirits Private Limited
Independent Auditor's Report on the Audit of the Financial Statements**

Annexure II to the Independent Auditor's Report of even date to the members of Artisan Spirits Private Limited, on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Artisan Spirits Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Artisan Spirits Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure II (Contd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKC3574

Place: Mumbai
Date: 17 September 2020

AUDITED
BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED
31 MARCH 2020

ARTISAN SPIRITS PRIVATE LIMITED

Artisan Spirits Private Limited
Balance Sheet as at 31 March 2020

	Note No.	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	111.33	313.96
Financial assets			
Loans	4	25.31	32.53
Other financial assets	5	8.55	-
Income tax assets	6	12.59	15.23
Other non-current assets	7	93.58	95.19
Total non-current assets		251.36	456.91
Current assets			
Inventories	8	509.00	530.09
Financial assets			
Trade receivables	9	1,738.76	1,641.70
Cash and cash equivalents	10	133.50	54.87
Bank balances other than cash and cash equivalents	11	93.09	81.32
Loans	4	5.40	0.15
Other financial assets	5	5.48	3.93
Other current assets	7	331.42	648.06
Total current assets		2,816.65	2,960.12
TOTAL ASSETS		3,068.01	3,417.03
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,935.00	2,935.00
Other equity		(3,221.26)	(2,727.49)
Total equity		(286.26)	207.51
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	2,757.29	2,040.33
Other financial liabilities	14	478.26	353.41
Provisions	15	-	1.31
Total non-current liabilities		3,235.55	2,395.05
Current liabilities			
Financial liabilities			
Borrowings	13	-	500.00
Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		3.99	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		80.14	262.95
Other financial liabilities	14	12.04	21.45
Other current liabilities	17	22.55	29.57
Provisions	15	-	0.50
Total current liabilities		118.72	814.47
TOTAL EQUITY AND LIABILITIES		3,068.01	3,417.03

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**RAKESH
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AGARWAL**

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Rakesh R. Agarwal

Partner

Membership No. : 109632

For and on behalf of the Board of Directors of Artisan Spirits Private Limited

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ANDRA
DESAI**

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Date: 2020.09.17
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Chetan Desai

Director

DIN: 03595319

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Date: 2020.09.17 18:10:00 +05'30'

Bittu Varghese

Director

DIN : 08708247

**CHAITANYA
KAMAL
RATHI**

Digitally signed by
CHAITANYA KAMAL
RATHI
Date: 2020.09.17
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Chaitanya Rathi

Director

DIN : 07705302

**SAVIA
BERTHA
GOMES**

Digitally signed by
SAVIA BERTHA GOMES
Date: 2020.09.17
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Savia Gomes

Company Secretary

Membership No. A54611

Place: Mumbai

Date : 17 September 2020

Place: Mumbai

Date : 17 September 2020

Artisan Spirits Private Limited
Statement of Profit and Loss for the year ended 31 March 2020

	Note No.	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Income			
Revenue from operations	18	2,075.87	2,554.86
Other income	19	82.64	6.73
Total income		2,158.51	2,561.59
Expenses			
Cost of materials consumed	20	97.63	87.53
Purchase of stock-in-trade		1,431.97	1,814.34
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(99.72)	(268.02)
Excise duty on sales		323.75	354.57
Employee benefits expense	22	37.79	48.85
Finance costs	23	179.78	183.13
Depreciation expense	24	29.94	31.80
Other expenses	25	650.88	548.59
Total expenses		2,652.02	2,800.79
Loss before exceptional items and tax		(493.51)	(239.20)
Exceptional item	26	-	(788.00)
Loss before tax		(493.51)	(1,027.20)
Tax expense		-	-
Loss for the year (A)		(493.51)	(1,027.20)
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss			
- Gain / (loss) on remeasurement of defined benefit plans	29	(0.26)	0.02
- Income tax effect on above		-	-
Other comprehensive income / (loss) for the year, net of tax (B)		(0.26)	0.02
Total comprehensive loss for the year, net of tax (A+B)		(493.77)	(1,027.18)
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	27	(1.68)	(3.50)
Diluted (in ₹)		(1.68)	(3.50)

The accompanying notes form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N / N500013
RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.17 21:50:17 +05'30'
Rakesh R. Agarwal
Partner
Membership No. : 109632

For and on behalf of the Board of Directors of Artisan Spirits Private Limited

CHETAN RAMESHC HANDRA DESAI
Digitally signed by CHETAN RAMESHCAND RA DESAI
Date: 2020.09.17 20:03:47 +05'30'

Chetan Desai
Director
DIN : 03595319

CHAITANYA KAMAL RATHI
Digitally signed by CHAITANYA KAMAL RATHI
Date: 2020.09.17 19:27:01 +05'30'

Chaitanya Rathi
Director
DIN : 07705302

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Date: 2020.09.17 18:12:56 +05'30'

Bittu Varghese
Director
DIN : 08708247

SAVIA BERTHA GOMES
Digitally signed by SAVIA BERTHA GOMES
Date: 2020.09.17 20:11:11 +05'30'

Savia Gomes
Company Secretary
Membership No. A54611

Place: Mumbai
Date : 17 September 2020

Place: Mumbai
Date : 17 September 2020

Artisan Spirits Private Limited
Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(493.51)	(1,027.20)
Adjustments for		
Depreciation expense	29.94	31.80
Finance costs	179.78	183.13
Interest income	(8.79)	(6.73)
Sundry balances written off	15.76	-
Loss allowance on financial assets	50.02	-
Impairment Allowance on other assets	-	788.00
Unrealised exchange loss on foreign currency translations (net)	(41.94)	12.36
Loss on sale / write-off of property, plant and equipment (net)	162.50	2.38
	387.27	1,010.94
Operating loss before working capital changes	(106.24)	(16.26)
Adjustments for changes in working capital:		
Increase in trade receivables	(105.13)	(598.93)
Decrease in current / non-current financial and other assets	304.45	20.18
Decrease / (Increase) in inventories	21.08	(203.42)
Increase / (Decrease) in trade payables and other financial / other liabilities	(195.42)	187.55
	24.98	(594.62)
Cash used in operations	(81.26)	(610.88)
Net direct taxes refund received	2.64	2.36
Net cash used in operating activities (A)	(78.62)	(608.52)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	10.19	17.11
Net investments in bank deposits with original maturity of more than three months	(20.32)	(3.58)
Interest received	7.24	6.62
Net cash generated from / (used in) investing activities (B)	(2.89)	20.15
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) short-term borrowings (net)	(500.00)	50.00
Proceeds from long-term borrowings	3,982.41	3,239.57
Repayment of long-term borrowings	(3,265.45)	(2,626.72)
Finance cost paid	(56.82)	(42.34)
Net cash generated from financing activities (C)	160.14	620.51
Net increase in cash and cash equivalents (A+B+C)	78.63	32.14
Cash and cash equivalents at the beginning of the year	54.87	22.73
Cash and cash equivalents at the end of the year (Refer note 10)	133.50	54.87

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N / N500013

**RAKESH
RAMAWATAR
AGARWAL**

Rakesh R. Agarwal
Partner
Membership No. : 109632

Digitally signed by RAKESH
RAMAWATAR AGARWAL
Date: 2020.09.17 21:50:52
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For and on behalf of the Board of Directors of Artisan Spirits Private Limited

**CHETAN
RAMESHCHANDRA
NDR DESAI**

Chetan Desai
Director
DIN: 03595319

Digitally signed by
CHETAN
RAMESHCHANDRA
DESAI
Date: 2020.09.17
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**CHAITANYA
KAMAL
RATHI**

Chaitanya Rathi
Director
DIN : 07705302

Digitally signed by
CHAITANYA KAMAL
RATHI
Date: 2020.09.17
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**BITTU
VARGHESE
NELLISSERY**

Bittu Varghese
Director
DIN : 08708247

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BITTU VARGHESE
NELLISSERY
Date: 2020.09.17 18:14:39 +05'30'

**SAVIA
BERTHA
GOMES**

Savia Gomes
Company Secretary
Membership No. A54611

Digitally signed by
SAVIA BERTHA
GOMES
Date: 2020.09.17
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Place: Mumbai
Date : 17 September 2020

Place: Mumbai
Date : 17 September 2020

Artisan Spirits Private Limited
Statement of Changes in Equity as at and for the year ended 31 March 2020

a) Equity share capital

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 1 April 2018	29,350,000	2,935.00
Issued during the year	-	-
As at 31 March 2019	29,350,000	2,935.00
Issued during the year	-	-
As at 31 March 2020	29,350,000	2,935.00

b) Other equity

Particulars	₹ lakhs	
	Reserves and surplus Retained earnings	Total
As at 1 April 2018	(1,700.31)	(1,700.31)
Loss for the year	(1,027.20)	(1,027.20)
Other comprehensive income for the year	0.02	0.02
As at 31 March 2019	(2,727.49)	(2,727.49)
Loss for the year	(493.51)	(493.51)
Other comprehensive loss for the year	(0.26)	(0.26)
As at 31 March 2020	(3,221.26)	(3,221.26)

Nature and purpose of reserves

i. Retained earnings

Retained earnings represents the losses that the Company has incurred till date including gain / (loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

The accompanying notes form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. : 001076N / N500013

RAKESH RAMAWATAR Digitally signed by RAKESH RAMAWATAR AGARWAL
 AGARWAL Date: 2020.09.17 21:51:37 +05'30'

Rakesh R. Agarwal

Partner

Membership No. :109632

For and on behalf of the Board of Directors of Artisan Spirits Private Limited

CHETAN RAMESHCHANDRA DESAI Digitally signed by CHETAN RAMESHCHANDRA DESAI
 NDRA DESAI Date: 2020.09.17 20:04:58 +05'30'

Chetan Desai

Director

DIN: 03595319

CHAITANYA KAMAL RATHI Digitally signed by CHAITANYA KAMAL RATHI
 RATHI Date: 2020.09.17 19:28:07 +05'30'

Chaitanya Rathi

Director

DIN : 07705302

BITTU VARGHESE NELLISSERY Digitally signed by BITTU VARGHESE NELLISSERY
 NELLISSERY Date: 2020.09.17 18:15:59 +05'30'

Bittu Varghese

Director

DIN : 08708247

SAVIA BERTHA GOMES Digitally signed by SAVIA BERTHA GOMES
 GOMES Date: 2020.09.17 20:12:07 +05'30'

Savia Gomes

Company Secretary

Membership No. A54611

Place: Mumbai

Date : 17 September 2020

Place: Mumbai

Date : 17 September 2020

Note 1 Corporate Information

Artisan Spirits Private Limited (the "Company") is a private company domiciled and headquartered in Mumbai, India and was incorporated under the provisions of the erstwhile Companies Act, 1956. The Company having CIN U15122MH2011PTC222280 is engaged in the business of manufacture, purchase and sale of alcoholic beverages. The registered office of the Company is located at 901 Hubtown Solaris N.S. Phadke Marg, Andheri East, Mumbai-400069.

The financial statements ("financial statements") of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of Board of Directors on 17 September 2020.

Note 2.1 Significant Accounting Policies

i. Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii. Operating cycle and current, non-current classification

Based on the nature of services and the time between acquisition of assets for processing and their realisation 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. The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An Asset is Current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current.

A Liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

iii. Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, 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 results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

iv. Key accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgements

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies.

Estimates

(a) Estimation uncertainty related to the global health pandemic on COVID-19

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Company's operations were temporarily stopped from 24 March 2020. Operations have since resumed with adequate precautions being taken in accordance with Government guidelines and management is taking appropriate action, as necessary, to scale up operations in due compliance with the applicable laws.

The Company has considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effects of pandemic relating to COVID-19 on the financial statements. The Company has used the principle of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company believes it has taken into account all the possible impact of known events arising out of COVID-19 in the preparation of these financial statements. Company does not expect the eventual outcome of impact of global health pandemic to be materially different from those presently estimated and the Company will continue to closely monitor any changes to future economic conditions.

(b) Useful lives of various assets

The Company has estimated the useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the estimated useful lives and residual values of the assets at each reporting period. This reassessment may result in change in depreciation and amortisation expense in the future periods.

(c) Current Income Taxes

The tax jurisdictions for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(d) Contingencies

Contingent Liability may arise from the ordinary course of business in relation to claims against the Company, refer note 28. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events

(e) Accounting for Defined Benefit Plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(f) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

v. Fair Value Measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer note 30).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

vi. Property, Plant and Equipment (Tangible Assets)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised 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. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

vii. Capital work-in-progress

Capital work-in-progress representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

viii. Depreciation

Depreciation on Property, plant and equipment ('PPE') is calculated using the straight line method as per the estimated useful lives of assets as below:

Asset category	Useful life (in years)	Basis of determination of useful lives
Leasehold improvement	Over the lease period	-
Plant and equipment	15 – 25	Assessed to be in line with Schedule II to the Act
Furniture and fixtures	10	Assessed to be in line with Schedule II to the Act
Vehicles	8	Assessed to be in line with Schedule II to the Act
Office equipment	5	Assessed to be in line with Schedule II to the Act
Computers	3	Assessed to be in line with Schedule II to the Act
Oak barrels	15	Management estimate [^]

[^] Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of the useful lives.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation on additions is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Statement of profit and loss within Other income/ Other expenses.

ix. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- **Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

- **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL. In respect of equity investments (other than for investment in subsidiaries) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in Statement of Profit and Loss. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

(iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the

original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

(iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial Liabilities

• **Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

• **Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL:

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

• **De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting 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 recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

x. Employee Benefits

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

xi. Inventories

Inventories which comprise of raw materials, work-in-progress, finished goods, stock-in-trade, packing materials and stores and spares are carried at the lower of cost or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

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. Costs of purchased inventory are determined after deducting rebates and discounts. The cost is determined as follows:

- Raw Materials, Traded goods, Packing Materials and Consumables are valued using the weighted average method.
- Finished goods and work-in-progress are valued at the cost of raw materials along with fixed production overheads being allocated on the basis of normal capacity of production facilities.

Net realisable 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.

xii. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xiii. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating

result of the whole Company as one segment of "Manufacture, purchase and sale of alcoholic beverages". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xiv. Foreign currency transactions and balances

(a) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of Exchange Difference

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

xv. Revenue Recognition

Revenue from contracts with customers is recognised at a point in time when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India ("ICAI"), the Company has assumed that recovery of excise duty flows to the Company on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT), goods and services tax (GST) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

(a) Revenue from sale of products

Revenue is recognised when control of the product transfers, there is no unfulfilled obligation that could affect the customer's acceptance of the products and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(b) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective Interest Rate (EIR).

(c) Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

xvi. Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

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 realise the asset and settle the liability simultaneously.

xvii. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the period of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily

determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

xviii. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xix. Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xx. Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xxi. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxii. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

The Company recognises a provision in respect of an onerous contract when the expected benefits to be derived from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefits is probable.

xxiii. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to existing standards. There is no such notification which would have been applicable to the Company effective 1 April 2020.

Note 3 Property, plant and equipment

Particulars								(₹ lakhs)
	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Oak Barrels	Total
Gross carrying value (at deemed cost)								
As at 1 April 2018	8.27	367.90	2.57	10.30	11.06	0.03	50.01	450.14
Additions	-	-	-	-	-	-	-	-
Disposals	-	17.78	1.59	6.68	0.39	-	-	26.44
As at 31 March 2019	8.27	350.12	0.98	3.62	10.67	0.03	50.01	423.70
Additions	-	-	-	-	-	-	-	-
Disposals/ write-off	8.27	226.62	0.30	3.06	0.96	0.03	16.83	256.07
As at 31 March 2020	-	123.50	0.68	0.56	9.71	-	33.18	167.63
Accumulated depreciation								
As at 1 April 2018	7.89	52.01	0.81	5.18	10.36	-	8.64	84.89
Depreciation charge	-	26.12	0.25	0.95	0.16	-	4.32	31.80
Accumulated depreciation on disposals	-	2.67	0.57	3.34	0.37	-	-	6.95
As at 31 March 2019	7.89	75.46	0.49	2.79	10.15	-	12.96	109.74
Depreciation charge	-	24.99	0.12	0.43	0.10	-	4.30	29.94
Accumulated depreciation on disposals/ write-off	7.89	66.00	0.14	2.66	0.89	-	5.80	83.38
As at 31 March 2020	-	34.45	0.47	0.56	9.36	-	11.46	56.30
Net carrying value								
As at 31 March 2019	0.38	274.66	0.49	0.83	0.52	0.03	37.05	313.96
As at 31 March 2020	-	89.05	0.21	-	0.35	-	21.72	111.33

Note:

(i) Refer note 13.2 for information of Property, plant and equipment pledged as security against borrowings of the Company.

Artisan Spirits Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 4		
Loans		
Non-current		
Security deposits	25.31	31.46
Loans to employee	-	1.07
Total non-current loans	<u>25.31</u>	<u>32.53</u>
Current		
Security deposits	5.40	0.15
Total current loans	<u>5.40</u>	<u>0.15</u>
Total loans	<u>30.71</u>	<u>32.68</u>
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable good - unsecured	30.71	32.68
Loans receivable which have significant increase in credit risk	-	-
Loans receivable credit impaired	-	-
Total	<u>30.71</u>	<u>32.68</u>
Note 5		
Other financial assets		
Non-current		
Banks deposits with maturity of more than 12 months	8.55	-
Total non-current financial assets	<u>8.55</u>	<u>-</u>
Current		
Interest accrued on bank deposits	5.48	3.93
Total current financial assets	<u>5.48</u>	<u>3.93</u>
Total other financial assets	<u>14.03</u>	<u>3.93</u>

Note 6 **Income tax assets**

i. The following table provides the details of income tax assets as at 31 March 2020 and 31 March 2019

Non-current		
Income tax assets	12.59	15.23
Total Income tax assets	<u>12.59</u>	<u>15.23</u>

ii. The gross movement in the income tax assets for the years ended 31 March 2020 and 31 March 2019 is as follows:

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Income tax assets at the beginning	15.23	17.59
Income tax paid	9.55	8.09
Income tax refund received	(12.19)	(10.45)
Income tax assets at the end	<u>12.59</u>	<u>15.23</u>

iii. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

Loss before income tax	(493.51)	(239.20)
Applicable income tax rate	26.00%	26.00%
Computed expected tax expense	<u>(128.31)</u>	<u>(62.19)</u>
Effect of expenses not allowed for tax purpose	58.13	-
Losses for the year on which deferred tax is not created	70.19	62.19
Income tax expense charged to the Statement of Profit and Loss	<u>-</u>	<u>-</u>

As at 31 March 2020, in the absence of convincing evidence of sufficient taxable profits against which unused tax losses can be utilised, the Company has not created deferred tax assets on unused tax losses. As at 31 March 2019, the Company had recognised deferred tax asset only to the extent of deferred tax liability.

Artisan Spirits Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

iv. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(a) Deferred tax liabilities		
- Timing difference on tangible assets depreciation	-	35.54
- Others	-	-
	<u>-</u>	<u>35.54</u>
(b) Deferred tax assets		
- Expenses allowable on payment basis	-	0.32
- Business loss / unabsorbed depreciation	-	35.22
	<u>-</u>	<u>35.54</u>
Deferred tax liabilities (net)	<u>-</u>	<u>-</u>

v. Movement in components of deferred tax assets and deferred tax liabilities are as follows:

	Timing difference on tangible assets depreciation	Business loss / unabsorbed depreciation	Expense allowable on payment basis	Total
At 1 April 2018	35.59	36.17	(0.58)	-
(Charged) / credited				
- to profit or loss	(0.05)	(0.95)	0.90	-
- to other comprehensive income	-	-	-	-
At 31 March 2019	<u>35.54</u>	<u>35.22</u>	<u>0.32</u>	<u>-</u>
(Charged) / credited				
- to profit or loss	(35.54)	(35.22)	(0.32)	-
- to other comprehensive income	-	-	-	-
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: 6.1 There are unused tax losses (including unabsorbed depreciation) for which no deferred tax asset has been recognised as the Company believes that availability of taxable profit against which such temporary difference can be utilised, is not probable.

Loss Incurred in Assessment year	Loss Carried Forward		Carried Forward Valid Upto	
	Business Loss	Unabsorbed Depreciation	Business Loss	Unabsorbed Depreciation
2012-13	-	224,748	-	Indefinite
2013-14	-	7,972,484	-	Indefinite
2014-15	-	7,070,957	-	Indefinite
2015-16	18,690,649	6,480,039	2023-24	Indefinite
2016-17	4,480,894	5,764,776	2024-25	Indefinite
2017-18	8,820,456	5,395,732	2025-26	Indefinite
2018-19	11,392,379	3,930,334	2026-27	Indefinite
2019-20	20,442,216	2,987,330	2027-28	Indefinite
2020-21	25,030,610	2,078,989	2028-29	Indefinite
			As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs

Note 7 Other assets

Non-current

Balances with government authorities	91.07	91.07
Prepaid gratuity	2.28	2.95
Prepaid expenses	0.23	1.17
Total other non-current assets	<u>93.58</u>	<u>95.19</u>

Current

Advance to suppliers	1,528.63	1,901.07
Less: Provision for doubtful advances	(1,259.14)	(1,259.07)
	<u>269.49</u>	<u>642.00</u>
Balances with government authorities	60.30	-
Prepaid expenses	1.63	6.06
Total other current assets	<u>331.42</u>	<u>648.06</u>
Total other assets	<u>425.00</u>	<u>743.25</u>

Artisan Spirits Private Limited**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020**

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 8 Inventories		
Raw materials	57.00	98.60
Work-in-progress / Semi-finished goods	20.82	23.79
Finished goods	-	0.81
Stock-in-trade [including goods in transit Nil (31 March 2019: ₹ 146 lakhs)]	430.71	327.21
Consumables, stores and spares	0.47	23.96
Packing materials	-	55.72
Total inventories	<u>509.00</u>	<u>530.09</u>

Note 8.1: Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the management was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out subsequent to the year end. Management has also performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date.

Note 9 Trade receivables		
Trade receivables	1,738.76	1,641.70
Total trade receivables	<u>1,738.76</u>	<u>1,641.70</u>
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,738.76	1,641.70
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	50.02	-
Total	<u>1,788.78</u>	<u>1,641.70</u>
Loss allowance	(50.02)	-
Total Trade receivables	<u>1,738.76</u>	<u>1,641.70</u>

Note 9.1 Includes receivables from related party ₹ 59.28 lakhs (31 March 2019: ₹ 27.81 lakhs). [Refer note 31]

Note 9.2 Trade receivables are non-interest bearing and generally on terms 30-90 days.

Note 9.3 There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 10 Cash and cash equivalents		
Balances with banks in current accounts	133.50	54.84
Cash on hand	-	0.03
Total cash and cash equivalents	<u>133.50</u>	<u>54.87</u>

Note: 10.1 There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior

Note 11 Bank balances other than cash and cash equivalents		
Bank deposits with maturity of more than 3 months but less than 12 months (Earmarked against bank guarantee taken by the company for customs authorities)	93.09	81.32
Total bank balances other than cash and cash equivalents	<u>93.09</u>	<u>81.32</u>

Artisan Spirits Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 12 Equity share capital		
Authorised share capital		
30,000,000 Equity shares of ₹ 10 each (31 March 2019: 30,000,000 equity shares of ₹ 10 each)	3,000.00	3,000.00
Total authorised share capital	<u>3,000.00</u>	<u>3,000.00</u>
Issued, subscribed and paid-up equity share capital:		
29,350,000 Equity shares of ₹ 10 each fully paid up (31 March 2019: 29,350,000 equity shares of ₹ 10 each)	2,935.00	2,935.00
Total issued, subscribed and paid-up equity share capital	<u>2,935.00</u>	<u>2,935.00</u>

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	₹ lakhs
As at 1 April 2018	29,350,000	2,935.00
Issued during the year	-	-
As at 31 March 2019	29,350,000	2,935.00
Issued during the year	-	-
As at 31 March 2020	<u>29,350,000</u>	<u>2,935.00</u>

b. Terms / rights attached to equity shares:

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

c. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	% held	No. of shares	% held	No. of shares
Sula Vineyards Private Limited - Holding Company	100.00%	29,350,000	100.00%	29,350,000

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. Bonus shares / buy back / shares for consideration other than cash issued during past five years:

- (i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- (ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- (iii) Aggregate number and class of shares bought back - Nil

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 13 Borrowings		
I Non-current borrowings		
Unsecured		
Loan from holding company (Refer notes 13.1 and 31)	2,757.29	2,040.33
Total non-current borrowings	<u>2,757.29</u>	<u>2,040.33</u>
II Current borrowings		
Secured		
Loans from bank (Refer note 13.2 below)		
- Working capital demand loans (repayable on demand)	-	500.00
Total current borrowings	<u>-</u>	<u>500.00</u>
Total borrowings (I+II)	<u>2,757.29</u>	<u>2,540.33</u>

Note 13.1 Details of unsecured non-current borrowings

Loan from Sula Vineyards Private Limited carries interest of 8.15% p.a. (31 March 2019: 8.15% p.a.).

Note 13.2 Details of security and terms of repayment of current borrowings

Secured working capital loan carried interest rate ranging from 8.80% to 9.20% p.a. (31 March 2019: 8.15% p.a.) and was secured by all existing and future current assets and movable fixed assets of the Company. The loan has been fully repaid during current year.

Artisan Spirits Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020
Note 13.3 Net debt reconciliation

An analysis of net debts and the movement in net debts for the years ended 31 March 2020 and 31 March 2019 is as follows:

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(A) Cash and cash equivalents	133.50	54.87
(B) Current borrowings	-	500.00
(C) Non-current borrowings	2,757.29	2,040.33
(D) Interest payable	480.41	357.45
Net debts (E) = (A-B-C-D)	(3,104.20)	(2,842.91)

	Liabilities from financing activities			₹ lakhs	
	Other assets Cash and cash equivalents (A)	Non-current borrowings (B)	Current borrowings (C)	Interest payable (D)	Total (E)=(A-B-C-D)
Net debts as at 1 April 2019	54.87	2,040.33	500.00	357.45	(2,842.91)
Cash inflows / (outflows)	78.63	716.96	(500.00)	-	(138.33)
Interest expense	-	-	-	175.14	(175.14)
Interest paid	-	-	-	(52.18)	52.18
Net debts as at 31 March 2020	133.50	2,757.29	-	480.41	(3,104.20)
Net debts as at 1 April 2018	22.73	-	1,877.48	216.66	(2,071.41)
Cash inflows / (outflows)	32.14	612.85	50.00	-	(630.71)
Reclassification in Non-current borrowings	-	1,427.48	(1,427.48)	-	-
Interest expense	-	-	-	180.44	(180.44)
Interest paid	-	-	-	(39.65)	39.65
Net debts as at 31 March 2019	54.87	2,040.33	500.00	357.45	(2,842.91)

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 14 Other financial liabilities		
I Non-current		
Interest accrued but not due to related party (Refer note 31)	478.26	353.41
Total non-current financial liabilities	478.26	353.41
II Current		
Interest accrued and due	0.26	-
Interest accrued but not due	1.89	4.04
Others		
- Security deposit	5.75	15.75
- Due to employees	4.14	1.66
Total current financial liabilities	12.04	21.45
Total other financial liabilities	490.30	374.86
Other financial liabilities carried at amortised cost	490.30	374.86
Other financial liabilities carried at FVTPL	-	-
Note 15 Provisions		
Non-current		
Provision for employee benefits (Refer note 29)		
- Compensated absences	-	1.31
Total non-current provisions	-	1.31
Current		
Provision for employee benefits (Refer note 29)		
- Compensated absences	-	0.50
Total current provisions	-	0.50
Total provisions	-	1.81

Artisan Spirits Private Limited**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020**

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 16 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	3.99	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	80.14	262.95
Total trade payables	84.13	262.95
Note 16.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.		
Note 16.2 : Dues to micro, small and medium enterprises to the extent information available with the Company is given below:		
(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
- Principal amount due to micro and small enterprises	3.99	-
- Interest due	0.26	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.26	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.26	-
Note 17 Other current liabilities		
Statutory dues payable	22.55	29.57
Total other liabilities	22.55	29.57

Artisan Spirits Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 18 Revenue from operations		
(a) Sale of products (including excise duty)	2,061.26	2,473.86
(b) Other operating revenues	14.61	81.00
Total revenue from operations	<u>2,075.87</u>	<u>2,554.86</u>

Note 18.1: Includes sale of products to related parties of ₹ 235.91 lakhs (31 March 2019: ₹ 159.11 lakhs) (Refer note 31)

Note 18.2: Information of disaggregated revenue as per Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115')

(A) Based on nature of product or service

(a) Sale of products		
- Manufactured goods	21.25	159.86
- Traded goods	2,040.01	2,314.00
	<u>2,061.26</u>	<u>2,473.86</u>
(b) Other operating revenues		
- Others	14.61	81.00
Total revenue from operations	<u>2,075.87</u>	<u>2,554.86</u>

(B) Based on timing of revenue recognition

Products transferred at a point of time	2,075.87	2,554.86
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The amounts receivable from customers become due after expiry of credit period which on an average ranges between 30-90 days. There is no financing component in any transaction with the customers. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. All contracts entered by the company are fixed-price contracts. Further, the Company's entire business falls under one operational segment of manufacture, purchase and sale of alcoholic beverages (Refer note 36).

Reconciliation of revenue from operation with contract price as required by Ind AS 115

Contract price	2,143.33	2,725.70
Less: Items offset against revenue from customers	<u>(82.07)</u>	<u>(170.84)</u>
	<u>2,061.26</u>	<u>2,554.86</u>

Note 18.3: The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

Revenue from top customer	939.79	891.93
Revenue from top five customers	2,039.11	2,275.51

For the year ended 31 March 2020, two (31 March 2019: three) customers, individually accounted for more than 10% of the total revenue.

Note 19 Other income

(a) Interest income		
- on financial assets carried at amortised cost	0.32	0.30
- on bank deposits	7.31	5.60
- on income tax refund	1.16	0.78
- on loans to employees	-	0.05
	<u>8.79</u>	<u>6.73</u>
(c) Exchange gain (net)	50.92	-
(b) Miscellaneous income	22.93	-
Total other income	<u>82.64</u>	<u>6.73</u>

Artisan Spirits Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 20 Cost of materials consumed		
Stock at beginning of the year		
- Raw materials	98.60	106.74
- Packing materials	55.72	74.63
Add: Purchases		
- Raw materials	0.22	54.38
- Packing materials	0.09	6.10
	<u>154.63</u>	<u>241.85</u>
Less: Stock at the end of the year		
- Raw materials	57.00	98.60
- Packing materials	-	55.72
Cost of materials consumed [^]		
- Raw materials	41.82	62.52
- Packing materials	55.81	25.01
Total cost of materials consumed	<u>97.63</u>	<u>87.53</u>
[^] includes stock written-off raw material and packing material amounting to of ₹ 32.50 lakhs and ₹ 31.26 lakhs, respectively.		
Note 21 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
- Finished goods	0.81	47.38
- Work in progress	23.79	37.73
- Stock-in-trade	327.21	29.52
Total (I)	<u>351.81</u>	<u>114.63</u>
Closing stock		
- Finished goods	-	0.81
- Work in progress	20.82	23.79
- Stock-in-trade	430.71	327.21
Total (II)	<u>451.53</u>	<u>351.81</u>
Decrease in excise duty on finished goods	-	(30.84)
Total (III)	<u>-</u>	<u>(30.84)</u>
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (I-II+III)	<u>(99.72)</u>	<u>(268.02)</u>
Note 22 Employee benefits expense		
Salaries, wages and bonus	36.49	47.09
Contribution to provident and other fund (Refer note 29)	0.76	0.99
Gratuity (Refer note 29)	0.41	0.65
Staff welfare	0.13	0.12
Total employee benefits expense	<u>37.79</u>	<u>48.85</u>
Note 23 Finance costs		
Interest on:		
- loans from bank	35.25	25.92
- loan from holding company (Refer note 31)	138.73	153.32
- others	1.16	1.20
Other borrowing costs	4.64	2.69
Total finance costs	<u>179.78</u>	<u>183.13</u>
Note 24 Depreciation expense		
Depreciation on tangible assets (Refer note 3)	29.94	31.80
Total depreciation	<u>29.94</u>	<u>31.80</u>

Artisan Spirits Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 25 Other expenses		
Consumables, chemicals, stores and spares consumed	1.81	68.54
Repairs and maintenance - others	3.27	1.05
Rates and taxes	10.26	48.50
Insurance	0.82	1.20
Travelling and conveyance	0.22	3.01
Rent	136.27	197.87
Payments to auditor:		
- audit fees	5.90	4.72
- tax audit fees	1.18	1.18
- certification fees	0.41	-
- reimbursement of expenses	0.17	0.14
Legal and professional fees	3.54	12.26
Director sitting fees (Refer note 31)	1.00	-
Sales promotion expenses	210.77	107.78
Commission	5.54	18.13
Freight and handling charges	35.10	23.89
Sundry balances written off (net)	15.76	-
Loss allowance on financial assets (Refer note 9)	50.02	-
Exchange loss (net)	-	24.78
Loss on sale / write-off of property, plant and equipment (net)	162.50	2.38
Printing, stationary, postage and telephone expenses	0.21	0.67
Miscellaneous	6.13	32.49
Total other expenses	650.88	548.59

Note 26 Exceptional items

Impairment allowance on other assets (Refer note 7)	-	788.00
Total exceptional items	-	788.00

Note 27 Earnings per share (EPS)
Basic and diluted EPS

A. Loss computation for basic earnings per share of ₹ 10 each		
Net loss as per the Statement of Profit and Loss available for equity shareholders (₹ lakhs)	(493.51)	(1,027.20)
B. Weighted average number of equity shares for EPS computation (Nos.)	29,350,000	29,350,000
C. EPS - Basic (₹)	(1.68)	(3.50)
- Diluted EPS (₹)	(1.68)	(3.50)

Note 28 Contingent liabilities and commitments

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(i) Bank guarantees issued by banks to customs authorities	63.00	27.66
(ii) Provident Fund		

Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Note:

The Company does not expect any outflow of economic resources in respect of the above

Note 29: Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

I Defined benefit obligations - Gratuity (funded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	4.14	4.34
Current service cost	0.69	0.93
Past Service cost	(0.03)	-
Interest cost	0.32	0.33
Remeasurments - Net actuarial loss	(0.92)	(0.39)
Benefits paid	-	(1.07)
Present value of the obligation as at the end of the year	4.20	4.14
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the period	8.57	8.94
Interest income	0.66	0.69
Actual return on plan assets (excluding interest income)	(0.04)	0.01
Benefits paid	-	(1.07)
Fair value of the plan assets at the end of the year	9.19	8.57
c) Expenses recognised in the Statement of Profit and Loss		
Interest income (net)	(0.23)	(0.28)
Past Service Cost	(0.03)	-
Current service cost	0.69	0.93
Total	0.43	0.65
d) Remeasurement gains / (loss) recognised in OCI		
Remeasurement - Net actuarial gains on defined benefit obligations	(0.92)	(0.39)
Remeasurement - Net actuarial gains on planned assets	0.04	(0.01)
Adjustment to recognize the effect of asset ceiling	1.14	0.38
Total	0.26	(0.02)
e) Movement in asset ceiling		
Opening value of asset ceiling	1.47	1.01
Interest on opening balance of asset ceiling	0.11	0.08
Remeasurments due to changes in surplus / deficit	(1.14)	0.38
Closing value of asset ceiling	0.44	1.47
f) Actuarial assumptions		
Discount rate	31 March 2020 6.85%	31 March 2019 7.75%
Salary escalation rate	9.50%	9.50%
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate

The attrition rate is 0% for ages 21-30 years, 5% for ages 31-40 years, 0% for ages 41-61 years in year 31 March 2020 (31 March 2019 - 0% for ages 21-30 years, 2% for ages 31-40 years, 0% for ages 41-61 years)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Investment details of Plan Assets

Major Categories of Plan Assets:	31 March 2020	31 March 2019
Insurer managed funds	100%	100%

The Gratuity Scheme is invested in a New Group Gratuity Cash Accumulation Plan Policy offered by Life Insurance Corporation (LIC). The information on the allocation of the fund into major asset classes and expected return on each major asset are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

h) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
0.50% increase		
i. Discount rate	(0.11)	(0.45)
ii. Salary escalation rate	0.10	0.49
0.50% decrease		
i. Discount rate	0.10	0.50
ii. Salary escalation rate	(0.11)	(0.44)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	3.05	0.06
Between 2 and 5 years	0.19	0.31
Between 6 and 10 years	4.19	28.01
Total expected payments	7.43	28.38

II Defined Contribution Plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plans are as follows.

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	<u>0.76</u>	<u>0.99</u>
	<u>0.76</u>	<u>0.99</u>

- b) The expenses for compensated absences is recognized in the same manner as gratuity and provision reversal of ₹ 1.36 lakhs has been made as at 31 March 2020 (31 March 2019: ₹ 1.81 lakhs)

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
III Current/ non-current classification		
a) Gratuity		
Current	-	-
Non-current (prepaid gratuity)	<u>(2.28)</u>	<u>(2.95)</u>
	<u>(2.28)</u>	<u>(2.95)</u>
b) Compensated absences		
Current	-	0.50
Non-current	<u>-</u>	<u>1.31</u>
	<u>-</u>	<u>1.81</u>

Note 30 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Refer note	Amortised cost			₹ lakhs	
			Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:						
Loans	4	30.71	-	-	30.71	30.71
Trade receivables	9	1,738.76	-	-	1,738.76	1,738.76
Cash and cash equivalents	10	133.50	-	-	133.50	133.50
Bank balances other than cash and cash equivalents	11	93.09	-	-	93.09	93.09
Others financial assets	5	14.03	-	-	14.03	14.03
Liabilities:						
Borrowings	13	2,757.29	-	-	2,757.29	2,757.29
Trade payables	16	84.13	-	-	84.13	84.13
Other financial liabilities	14	490.30	-	-	490.30	490.30

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

Particulars	Refer note	Amortised cost			₹ lakhs	
			Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:						
Loans	4	32.68	-	-	32.68	32.68
Trade receivables	9	1,641.70	-	-	1,641.70	1,641.70
Cash and cash equivalents	10	54.87	-	-	54.87	54.87
Bank balances other than cash and cash equivalents	11	81.32	-	-	81.32	81.32
Others financial assets	5	3.93	-	-	3.93	3.93
Liabilities:						
Borrowings	13	2,540.33	-	-	2,540.33	2,540.33
Trade payables	16	262.95	-	-	262.95	262.95
Other financial liabilities	14	374.86	-	-	374.86	374.86

Note 31 Disclosure in accordance with Ind-AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

Name of the entity	Company's holding as at (%)	
	31 March 2020	31 March 2019
(a) Holding Company		
Sula Vineyards Private Limited	100.00	100.00
(b) Fellow Subsidiary company		
Progressive Alcobev Distributors Private Limited (w.e.f. 14 November 2018)		
(b) Key Management Personnel (KMP)		
Chaitanya Rathi		Director (appointed w.e.f. 28 May 2019)
Chetan Desai		Director (appointed w.e.f. 31 January 2020)
Bittu Varghese		Director (appointed w.e.f. 31 January 2020)
Rajeev S. Samant		Director (resigned w.e.f. 18 September 2019)
Deepak Shahdadpuri		Director (resigned w.e.f. 18 September 2019)
Deepak Bhatnagar		Director (resigned w.e.f. 31 January 2020)
Kenneth Pritchard		Director (resigned w.e.f. 01 February 2019)
Arjun Anand		Director (resigned w.e.f. 31 January 2020)
Nicholas Pringle		Director (resigned w.e.f. 3 August 2018)
Baquer Bengaliwala		Director (resigned w.e.f. 23 May 2018)

B. Nature of Transactions

Transactions with related parties:

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Sula Vineyards Private Limited		
- Interest expenses	138.73	153.32
- Rent expenses	1.29	-
- Purchase of traded goods	315.19	476.76
- Sale of products	188.79	139.25
- Sale of Property, plant and equipment	9.83	18.44
- Loan taken from	3,982.41	3,239.57
- Loan repaid to	3,265.45	2,626.72
Progressive Alcobev Distributors Private Limited		
- Sale of products	47.12	19.86
Chetan Desai		
- Director Sitting Fees	1.00	-
C. Outstanding balances:	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Progressive Alcobev Distributors Private Limited		
Trade receivable	59.28	27.81
Sula Vineyards Private Limited		
Loans payable	2,757.29	2,040.33
Interest accrued but not due	478.26	353.41

Note 32 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	As at 31 March 2020		As at 31 March 2019	
	0.5 %	0.5 %	0.5 %	0.5 %
	increase	decrease	increase	decrease
Impact on loss before tax	-	-	2.50	2.50

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b. Foreign currency risk

The Company does not have significant outstanding balances in foreign currency and consequently the Company's exposure to foreign exchange risk is less. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analysis foreign currency risk from financial instruments as at 31 March 2020:

Particulars	₹ lakhs
Assets	USD
Trade receivables	859.27
	<u>859.27</u>
Liabilities	
Trade payables	-
	<u>-</u>
Net assets	<u>859.27</u>

The following table analysis foreign currency risk from financial instruments as at 31 March 2019:

Particulars	₹ lakhs
Assets	USD
Trade receivables	545.80
	<u>545.80</u>
Liabilities	
Trade payables	72.77
	<u>72.77</u>
Net assets	<u>473.03</u>

Particulars	Impact on loss before tax for the year (₹ in lakhs)	
	31 March 2020	31 March 2019
Currencies		
USD	42.96	23.65
	(42.96)	(23.65)

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other financial assets.

a Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private parties. Trade receivables mainly include trade receivables from government corporation customers having strong credit worthiness. Further, the Company does not have a history of credit losses from government corporation and private parties, accordingly, provision for expected credit loss is not made in respect of trade receivables. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2020		As at 31 March 2019	
	₹ lakhs	%	₹ lakhs	%
Trade receivables				
- from government corporation	503.25	28.94%	632.71	38.54%
- from private parties	1,235.51	71.06%	1,008.99	61.46%
Total trade receivables (Refer note 9)	<u>1,738.76</u>	<u>100.00%</u>	<u>1,641.70</u>	<u>100.00%</u>

iii Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars					₹ lakhs
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2020					
Borrowings	-	-	2,757.29	-	2,757.29
Trade payables	-	84.13	-	-	84.13
Other financial liabilities	-	12.04	478.26	-	490.30
	-	96.17	3,235.55	-	3,331.72
As at 31 March 2019					
Borrowings	500.00	-	2,040.33	-	2,540.33
Trade payables	-	262.95	-	-	262.95
Other financial liabilities	-	21.45	353.41	-	374.86
	500.00	284.40	2,393.74	-	3,178.14

Note 33 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Total debts	2,757.29	2,540.33
Total equity	(286.26)	207.51
Total debts to equity ratio (Gearing ratio)	(9.63)	12.24

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Note 34 Unhedged foreign currency exposure

Particulars	As at 31 March 2020		As at 31 March 2019	
	Currencies	Foreign currency ₹ lakhs	Foreign currency ₹ lakhs	₹ lakhs
Trade receivables	USD	1,140,108.78	787,806.00	545.80
Trade payables	USD	-	105,037.20	72.77

Note 35 Segment reporting

The Company is engaged in the business of manufacture, purchase and sale of beverage alcohol (wines and spirits). The Executive Committee 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).

The following information discloses external revenues and non-current assets based on the physical location of the customers.

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	India	Outside India	India	Outside India
Revenue	1,253.39	822.49	1,563.06	991.80
Non-current assets	251.36	-	456.91	-

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration No. : 001076N / N500013

RAKESH RAMAWATAR AGARWAL
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Rakesh R. Agarwal
Partner
Membership No. : 109632

For and on behalf of the Board of Directors of Artisan Spirits Private Limited

CHETAN RAMESHCHANDRA DESAI
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Chetan Desai
Director
DIN: 03595319

CHAITANYA KAMAL RATHI
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Chaitanya Rathi
Director
DIN : 07705302

BITTU VARGHESE NELLISSERY
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Bittu Varghese
Director
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SAVIA BERTHA GOMES
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Savia Gomes
Company Secretary
Membership No. A54611

Place: Mumbai
Date : 17 September 2020

Place: Mumbai
Date : 17 September 2020