

ARTISAN SPIRITS PRIVATE LIMITED

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: cs@artisanspirits.in

NOTICE OF 12TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of **ARTISAN SPIRITS PRIVATE LIMITED** (CIN No.: U15122MH2011PTC222280) will be held on **MONDAY, MAY 29, 2023 at 2:30 P.M. (IST)** at the registered office of the Company at **901, SOLARIS ONE, 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, 2023 together with the Report of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2. **APPOINTMENT OF MR. MONIT DHAVALA WHOLE TIME DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Sections 179, 203 and Section 196 of the Companies Act, 2013 read with Rule 8, 9 and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions including the statutory modifications and/or re-enactments thereof consent of the Member be and is here by accorded to appoint Mr. Monit Dhavale (DIN: 09355541) as the Whole Time Director of the Company and change the category of appointment from Non-Executive Director to Whole Time Director of the Company with immediate effect and shall hold office for a period of 5 years without remuneration.

RESOLVED FURTHER any of the Directors or Company Secretary be and are hereby authorized jointly or severally to sign and file requisite e-Form DIR 12 with the Registrar of Companies, Mumbai, Ministry of Corporate Affairs and to do all such acts, deeds, matters and things and to execute such documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

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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.**
- 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.
- 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 12th Annual General Meeting.
- 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.
- Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- Shareholders seeking information regarding Accounts are requested to write to the Company in advance so as to enable the management to keep the information ready.
- 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


Kinjal Govani
Company Secretary
Membership No. A50009



Registered Office:

901, Solaris One,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
(CIN No.: U15122MH2011PTC222280)
Date: May 29, 2023
Place: Mumbai

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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. Monit Dhavale (DIN: 09355541), as the Whole Time Director of the Company with effect from May 29, 2023.

Pursuant to Sections 179, 203 and Section 196 of the Companies Act, 2013 read with Rule 8, 9 and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions including the statutory modifications and/or re-enactments thereof, Mr. Monit Dhavale (DIN: 09355541) be appointed as the Whole Time Director of the Company and change the category of appointment from Non-Executive Director to Whole Time Director of the Company with immediate effect and shall hold office for a period of 5 years without remuneration.

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

None of the Directors except Mr. Monit Dhavale, in his capacity of being a Whole Time- Director, is in any way concerned or interested in the resolution.

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


Kinjal Govani
Company Secretary
Membership No. A50009



Registered Office:

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

Date: May 29, 2023

Place: Mumbai

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ANNEXURE TO THE NOTICE

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

Name	Mr. Monit Dhavale
Directors Identification Number (DIN)	09355541
Age	
Qualification	He holds a bachelor's degree of technology in home science (hotel management and catering technology) from Nagpur University and master of personnel management from Savitribhai Phule Pune University (earlier known as University of Pune). He has also successfully completed a course in bar and beverage management from the Educational Institute of the American Hotel and Lodging Association and was also awarded the WSET Level 1 Award in Wines (QCF) by the Wines and Spirit Education Trust Limited.
Experience	He has previously worked with the Mahatma Gandhi Vidyamandir's Institute of Hotel Management and Catering Technology in various capacities.
Terms & Conditions of appointment/re-appointment	Nil
Date of first Appointment on the Board of the Company	October 11, 2021
Shareholding in the Company	-
Relation with other Directors, Manager or KMP	-
No. of Meetings of Board attended during the year	6
Skills and capabilities required for the role and the manner in which meets such requirements	He has also successfully completed a course in bar and beverage management from the Educational Institute of the American Hotel and Lodging Association and was also awarded the WSET Level 1 Award in Wines (QCF) by the Wines and Spirit Education Trust Limited. He is the Senior Vice President – Hospitality Business of our Company. He has been working with our Company since April 27, 2009 in various capacities
Other Directorship, Membership/ Chairmanship of committees of other Boards	-

ARTISAN SPIRITS PRIVATE LIMITED

Directors' Report

To,
The Members,

The Directors present the 12th Annual Report and the Audited Accounts of Artisan Spirits Private Limited for the financial year ended March 31, 2023.

1. Financial Highlights

(INR in millions)

Particulars	2022-23	2021-22
Gross Income	458.34	436.59
Profit Before Interest and Depreciation (EBITDA)	18.04	65.84
Finance Charges	39.21	36.53
Provision for Depreciation	20.91	12.32
Net Profit Before Tax	(42.08)	16.99
Provision for Tax	-	-
Other Comprehensive Income/(Loss)	0.89	(0.83)
Total Comprehensive Income/(Loss)	(41.19)	16.16
Balance of Loss brought forward	(279.32)	(295.48)
Balance not available for appropriation	-	-
Balance available for appropriation	-	-
Dividend paid on Equity Shares	-	-
Transfer to General Reserve	-	-
Deficit carried to Balance Sheet	(320.51)	(279.32)

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

2. Review of Operations

The Company's revenue grown by 4.98% from INR 436.59 million in FY22 to INR 458.34 million in FY23. However, EBIDTA has decline by 72.60% from INR 65.84 million in FY22 to INR 18.04 million in FY23 while the Profit Before Tax decreased by 347.68% from INR 16.99 million in FY22 to INR 42.08 million in FY23.

3. State of Affairs

Artisan Spirits Private Limited continues on its journey to consolidate its business under 3 key verticals; Own Brands, Third party, Brand distribution business and hospitality.

The Company acquired York Winery in July 2021. In the current year, we have asked on making the brand portfolio under York better as well as establishing strong route to market. These initiations should start delivering from next financial year.

The Company has strategically reduced its portfolio of third party brands which are not profitable and continues to focus on brands like Le Grand which one art performing in the market.

The hospitality business currently restricted in York Winery has shown good reaction from visitors to the resorts as well as restaurant. We plan to increase the resort operations and induct the entire Beyond operations under Artisan Spirits Private Limited from next year. All these measures will lead to strong business and profitability in ASPL in the years to come.

4. Share Capital

Authorised Share Capital

The Authorized Share Capital of the Company is Rs. 36,00,00,000/- (Thirty Six Crores) comprising of 3,60,00,000 (Three Crore and Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The paid-up Share Capital of the Company is Rs. 35,35,00,000 (Thirty-Five Crores and Thirty Five Lakhs) consisting of 3,53,50,000 (Three Crore Fifty Three Lakhs Fifty Thousand only) Equity Shares Rs. 10/- (Rupees Ten only) each.

5. Dividend

The Directors have not recommended any dividend for the year 2022-23 to conserve profits for future operations of the business.

6. Transfer of Reserves

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

7. Directors and Key Managerial Personnel

During the year under review, following are the changes in Directors of the Company:

1. Mr. Bittu Varghese (DIN: 08708247) was appointed as Whole-time director and CFO of the Company with effect from 07 November, 2022.
2. Mr. Bittu Varghese has tendered his resignation and shall be relieved for the duties of Whole-time director and CFO with effect from closing hours of June 09, 2023.

8. Director(s) Disclosure

Based on the declarations and confirmations received from the Directors, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

9. Meetings of the Board

The Board of Directors duly met 6 times during the financial year from 1st April 2022 to 31st March 2022. The dates on which the meetings were held are April 06, 2022, May 18, 2022, June 30, 2022, August 23, 2022, November 07, 2022 and February 08, 2023.

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 profit 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), have been appointed as Statutory Auditors of the Company at the 6th AGM held on 25th September, 2017 for a 2nd term of 5 years from conclusion of 11th AGM till the conclusion of the 16th AGM of the Company to be held in the year 2027 subject to ratification of their appointment by Members at every AGM till the 16th AGM at such remuneration as may be decided by the Board of Directors of the Company. Pursuant to the amendments of Section 139 of the Companies Act, 2013 by the Companies Amendment Act, 2017 notified on 7th May, 2018, the requirement of ratification of their appointment by the Members has been withdrawn.

M/s. Walker Chandiok & 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).

12. Extract of Annual Return

The extract of annual return in Form MGT-7 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 and available on the Company's website at <https://sulavineyards.com/investor-relations.php>.

13. Subsidiaries/ Joint Venture/ Associate Companies:

The Company has no subsidiaries, associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

14. Material changes and commitments if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

Other than as disclosed in the financial statements, the directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company, the results of those operations and the state of affairs of the Company in subsequent years.

15. Risk management

Risk Management is considered as one of the important aspects of our corporate strategy. Risk Management Policy has been adopted in pursuance to Section 134 of the Companies Act, 2013 which promotes a proactive approach in reporting, evaluating and resolving risks associated with the business. Periodic assessment of risks assists the Board of Directors in overseeing the Company's risk management processes and controls.

During the year, no major risks were noticed, which may threaten the existence of the Company.

16. Particulars of Deposits

The Company has not accepted any deposit (under Rule 2[c] of the Companies [Acceptance of Deposits] Rules, 2014) within the meaning of Sections 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

17. Loans, Guarantees and investments

Pursuant to Section 186 of the Companies Act, 2013 disclosure on particulars relating to Loans, Advances, Guarantees and Investments are provided as part of the financial statements.

18. Details of adequacy of internal financial controls

The Company has an effective internal control and risk mitigation environment which ensures that the business and operations are managed efficiently and effectively, assets are safeguarded, regulatory requirements are complied with and that all transactions are authorized, recorded and reported correctly.

The Company remains committed to improve the effectiveness of internal control systems for business processes regarding its operations, financial reporting and compliance with applicable laws and regulations.

19. Explanation to Remarks: In the Statutory Auditors' Report

The statutory audit report for the year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditors.

20. Maintenance of Cost Records

The provisions pertaining to maintenance of Cost Records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013, are not applicable to the Company.

21. Contracts or arrangements with related parties

During the year under review, all related party transactions entered into by the Company, were approved by the Board and were at arm's length and in the ordinary course of business. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. Also, there were no material related party contracts entered into by the Company during the year under review.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022-23 and hence does not form part of this report.

22. Details of significant and material orders passed by the regulators or courts

There have been no significant and material orders passed by the Regulators, Courts or

Tribunals which would impact the going concern status and Company's operations in future.

23. Prevention of Sexual Harassment of Woman at Workplace

Your Company is committed to providing a safe, healthy and conducive environment for all persons associated with us. Internal Complainant Committee/ Complainant Redressal Committee has been constituted at various locations pursuant to the provisions of the Prevention of Sexual Harassment of Women at Workplace which shall ensure complete confidentiality and fair enquiry process of the complaints received. During the year under review, no cases of sexual harassment were reported.

24. Conservation of energy, technology absorption and 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 millions)

Foreign Exchange	Year ended 31.03.2023	Year ended 31.03.2022
(i) Earnings	9.03	23.28
(ii) Outgo	82.19	178.33

25. Secretarial Standards

The Secretarial Standards SS-1 and SS-2 issued and notified by the Institute of Company Secretaries of India has been complied with by the Company during the financial year under review.

26. Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members

26. Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors take this opportunity to wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers. The Directors would also like to thank the shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 02, 2023




Chaitanya Rathi
Director
DIN: 07705302


Bittu Varghese
Whole Time Director
DIN: 08708247

Walker ChandioK & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400 013
Maharashtra, India

T +91 22 6626 2699
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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 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including 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 ('the Act') in the manner so required and give a true and fair view in conformity, with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, 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 are 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.

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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors are 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 the Board of Directors either intend 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.



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

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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;
 - Conclude on the appropriateness of Board of Directors' 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 report, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.
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;



Artisan Spirits Private Limited
Independent Auditor's Report on the Audit of the 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 2023 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have 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 does not have any pending litigations which would impact its financial position as at 31 March 2023;
- 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 2023;
- 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 2023;
- iv.
- a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



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

- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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



Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 23109632BGXDZX3798

Place: Mumbai
Date: 2 May 2023

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

Annexure I referred to in Paragraph 12 of 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 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to the book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) As disclosed in note 15.5 to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 50 million by banks on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of accounts of the Company for the respective periods which were not subjected to audit/review, except for the following:

(₹ in million)

Name of the Bank [Nature of current assets offered as security]	Working capital sanctioned limit	Quarter-ended	Particulars	Amount disclosed as per return	Amount as per books of accounts	Difference	Remarks/ reason (if any)
SBM Bank (India) Limited [Entire Current Assets]	₹ 150 million	30 June 2022	Inventory	123.96	126.72	(2.76)	The difference is due to submissions being made basis provisional financial information prior to the Company's financial reporting closure process.
		31 March 2023	Inventory	98.66	96.83	1.83	
			Trade Receivables	97.38	99.45	(2.07)	



Annexure I referred to in Paragraph 12 of 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 2023

- (iii) (a) The Company has not provided any guarantee or security or granted advances in the nature of loans to any other entity during the year. However, the Company has granted loans to Other parties as per the details given below:

Particulars	₹ in million
Aggregate amount granted during the year - Others	1.88
Balance outstanding as at balance sheet date in respect of above cases - Others	1.57

- (b) The Company has not made any investments, provided any guarantee, given any security or granted advances in the nature of loans during the year. However, the Company has granted loans which in our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of loan are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loan to such other parties.
- (e) The Company has granted loans or advances in the nature of loan which had fallen due during the year but such loans or advances have not been renewed or extended nor has the Company granted fresh loans to settle the overdue amounts of existing loans or advances given to the same parties.
- (f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (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/services/business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. 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 became payable.



Annexure I referred to in Paragraph 12 of 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 2023

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(₹ in million)

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period which amount relates to the	Forum where dispute is pending
Sales Tax - Maharashtra	Maharashtra Value Added Tax	1.47	-	F.Y.18-19	Assistant Commissioner of Sales Tax - Maharashtra

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) & (f) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.



Annexure I referred to in Paragraph 12 of 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 2023

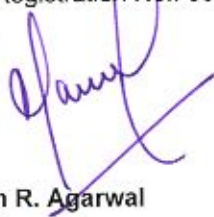
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under, Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses amounting to ₹ 4.46 million in the current financial year but had not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.



Annexure I referred to in Paragraph 12 of 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 2023

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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



Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 23109632BGXDZX3798

Place: Mumbai
Date: 2 May 2023

Annexure II

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 2023, 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 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 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.

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 2023, 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 Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 23109632BGXDZX3798

Place: Mumbai
Date: 2 May 2023

Artisan Spirits Private Limited
Balance Sheet as at 31 March 2023
(Amount in ₹ million, unless otherwise stated)

	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	130.41	127.18
Right-of-use assets	3A	3.50	1.29
Capital work-in-progress	3B	0.97	-
Goodwill	4	8.43	8.43
Other Intangible assets	4	48.22	55.49
Financial assets			
Loans	5	1.09	0.17
Other financial assets	6	17.24	6.24
Deferred tax assets (net)	7	-	-
Non-current tax assets	7	1.84	2.11
Other non-current assets	8	5.65	4.76
Total non-current assets		217.35	205.67
Current assets			
Inventories	9	96.83	115.53
Financial assets			
Trade receivables	10	99.45	188.02
Cash and cash equivalents	11	10.50	7.46
Bank balances other than cash and cash equivalents	12	37.47	40.71
Loans	5	0.65	0.08
Other financial assets	6	27.72	10.76
Other current assets	8	1.27	0.98
Total current assets		273.89	363.54
TOTAL ASSETS		491.24	569.21
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	353.50	353.50
Other equity	14	(320.51)	(279.32)
Total equity		32.99	74.18
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	371.72	381.76
Lease liabilities	16	1.95	0.52
Provisions	18	-	0.85
Total non-current liabilities		373.67	383.13
Current liabilities			
Financial liabilities			
Borrowings	15	29.33	40.26
Lease liabilities	16	1.71	0.81
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	19	0.04	0.83
- Total outstanding dues of creditors other than micro enterprises and small enterprises		38.74	38.33
Other financial liabilities	17	8.32	18.71
Provisions	18	0.52	0.53
Other current liabilities	20	5.92	12.43
Total current liabilities		84.58	111.90
TOTAL EQUITY AND LIABILITIES		491.24	569.21


The accompanying notes form an integral part of the financial statements



Artisan Spirits Private Limited
Balance Sheet as at 31 March 2023
(Amount in ₹ million, unless otherwise stated)

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

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



Rakesh R. Aggarwal
Partner
Membership No. : 109632



Place: Mumbai
Date: 2 May 2023

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


Chaitanya Rathi
Director
DIN : 07705302


Bittu Varghese
CFO and Whole time Director
DIN : 08708247


Kinjal Govani
Company Secretary
Membership No. A50009

Place: Mumbai
Date: 2 May 2023



Artisan Spirits Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(Amount in ₹ million, unless otherwise stated)

	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	21	456.79	433.25
Other income	22	1.55	3.34
Total income		458.34	436.59
Expenses			
Cost of materials consumed	23	19.36	60.47
Excise duty on sales		1.65	0.52
Purchase of stock-in-trade		271.70	236.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	18.76	(21.37)
Employee benefits expense	25	19.41	15.07
Other expenses			
- Selling, distribution and marketing expense	26	41.39	21.27
- Other expenses	27	68.03	58.28
Total expenses		440.30	370.75
Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)		18.04	65.84
Finance costs	28	39.21	36.53
Depreciation and amortisation expense	29	20.91	12.32
(Loss) /Profit before tax		(42.08)	16.99
Tax expense	7		
Current tax		-	-
Deferred income tax		-	-
Net (Loss)/ Profit for the year (A)		(42.08)	16.99
Other comprehensive income/ (loss) (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss (net of tax)			
- Gain/ (loss) on remeasurement of defined benefit plans	32	0.89	(0.83)
Other comprehensive income / (loss) for the year, net of tax (B)		0.89	(0.83)
Total comprehensive (loss) /income for the year, net of tax (A+B)		(41.19)	16.16
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	30	(1.19)	0.05
Diluted (in ₹)		(1.19)	0.05

The accompanying notes form an integral part of the financial statements



Artisan Spirits Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(Amount in ₹ million, unless otherwise stated)

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

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

Rakesh R. Agarwal
Partner
Membership No. : 109632



Place: Mumbai
Date: 2 May 2023

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

Chaitanya Rathi
Director
DIN : 07705302

Bittu Varghese
CFO and Whole time Director
DIN : 08708247

Kinjal Govani
Company Secretary
Membership No. A50009

Place: Mumbai
Date: 2 May 2023



Artisan Spirits Private Limited
Cash Flow Statement for the year ended 31 March 2023
(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss)/ Profit before tax	(42.08)	16.99
Adjustments for		
Depreciation and amortisation expense	20.91	12.32
Interest expense	37.31	32.05
Interest income	(1.25)	(3.11)
Loss allowance on financial assets	17.15	2.45
Allowance for non-moving/ obsolete Inventory	2.71	0.42
Provisions no longer required written back	(0.85)	(4.68)
Unrealised exchange gain on foreign currency translations (net)	(0.87)	(0.16)
	<u>75.11</u>	<u>39.29</u>
Operating profit before working capital changes	33.03	56.28
Adjustments for changes in working capital:		
Decrease in inventories	15.99	7.01
Decrease in trade receivables	67.35	30.58
(Increase) / Decrease in current/non-current financial and other assets	(32.97)	6.11
Increase in trade payables and other financial / other liabilities and provisions	(7.85)	(44.57)
	<u>42.52</u>	<u>(0.87)</u>
Cash generated from operations	75.55	55.41
Direct taxes refund received / (paid)	0.27	(0.72)
Net cash generated from operating activities (A)	75.82	54.69
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2 below)	(16.42)	(55.04)
Proceeds from sale of property, plant and equipment	0.01	-
Proceeds from bank deposits with original maturity of more than three months	2.88	19.72
Interest received	2.44	3.30
Consideration paid for acquisition of business (Refer note 42)	(2.10)	(161.65)
Net cash used in investing activities (B)	(13.19)	(193.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	144.74	621.61
Repayment of long-term borrowings	(154.78)	(474.24)
Repayment of short-term borrowings (net)	(10.93)	(10.36)
Proceeds from issue of equity share capital (including security premium)	-	60.00
Interest paid	(37.22)	(53.45)
Repayment of lease liabilities	(1.40)	(0.50)
Net cash (used) / generated from financing activities (C)	(59.59)	143.06
Net increase in cash and cash equivalents (A+B+C)	3.04	4.08
Cash and cash equivalents at the beginning of the year	7.46	3.25
Add: Cash and cash equivalents acquired in business combination (refer note 42)	-	0.13
Cash and cash equivalents at the end of the year (Refer note 11)	10.50	7.46

Notes:

- 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.
- Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and liability for capital goods.



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Artisan Spirits Private Limited
Cash Flow Statement for the year ended 31 March 2023
(Amount in ₹ million, unless otherwise stated)

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

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

Rakesh R. Agarwal
Partner
Membership No. : 109632



Place: Mumbai
Date: 2 May 2023

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

Chaitanya Rathi
Director
DIN : 07705302

Bittu Varghese
CFO and Whole time Director
DIN : 08708247

Kinjal Govani
Company Secretary
Membership No. A50009

Place: Mumbai
Date: 2 May 2023



Artisan Spirits Private Limited

Statement of Changes in Equity as at and for the year ended 31 March 2023

(Amount in ₹ million, unless otherwise stated)

a) Equity share capital

Particulars

Equity shares of ₹ 10 each issued, subscribed and paid up

As at 1 April 2021

Issued during the year

As at 31 March 2022

Issued during the year

As at 31 March 2023

Number

₹ million

29,350,000

293.50

6,000,000

60.00

35,350,000

353.50

-

-

35,350,000

353.50

b) Other equity

Particulars

Reserves and
surplus

Other reserve

Total

Retained
earnings

Cash flow hedge
reserve

As at 1 April 2021

(295.27)

(0.21)

(295.48)

Profit for the year

16.99

16.99

Other comprehensive income items reclassified to Statement of Profit and Loss

(0.21)

0.21

-

Other comprehensive loss for the year

(0.83)

(0.83)

As at 31 March 2022

(279.32)

(279.32)

Loss for the year

(42.08)

(42.08)

Other comprehensive gain for the year

0.89

0.89

As at 31 March 2023

(320.51)

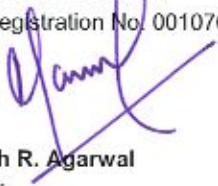
(320.51)

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

For Walker Chandlok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013



Rakesh R. Agarwal

Partner

Membership No. : 109632



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



Chaitanya Rathi

Director

DIN : 07705302



Bittu Varghese

CFO and Whole time Director

DIN : 08708247



Kinjal Govani

Company Secretary

Membership No. A50009

Place: Mumbai

Date: 2 May 2023

Place: Mumbai

Date: 2 May 2023



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 Solaris One, N.S. Phadke Marg, Andheri East, Mumbai-400069.

The financial statements of the Company for the year ended 31 March 2023 ("financial statements") were authorised for issue in accordance with resolution of Board of Directors on 2 May 2023.

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 prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time. The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are presented in ` million (` 000,000), 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) 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.

(b) 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.

(c) Contingencies

Contingent Liability may arise from the ordinary course of business in relation to claims against the Company. 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

(d) 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.



(e) Impairment of financial/ non-financial assets

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 33).

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. Goodwill and Other Intangible Assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Brands acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition value (which is regarded as their cost). Subsequent to initial recognition, these are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

Other Intangible assets are stated at cost, 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, less accumulated amortisation and accumulated impairment losses, if any. Other Intangible assets mainly comprise of implementation cost for software and other application software acquired and brand acquired through business combination

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.

Amortisation on Intangible Assets

Intangible assets are amortised on a straight line basis, from the date they are available for use, over their estimated useful lives that is a period of three to ten years.



Asset category	Useful life (in years)	Basis of determination of useful lives
Brand	5 – 10	Management estimate
Computer software	3 – 6	Assessed to be in line with Schedule II to the Act

ix. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

x. 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) Cash flow hedge

Foreign exchange forward contracts that hedge foreign currency risk associated with highly probable forecasted are classified as cash flow hedges and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss and is included in the 'Other income/expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

d) 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. 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.

xv. 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.



xvi. 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. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes and such amounts collected on behalf of third parties.

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 from sale of products is recognised at a point in time when control of the product transfers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of allowances, discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty.

(b) Revenue from sale of services

Revenue from sale of services represents revenue from hospitality services which mainly comprise of sale of room nights, food and beverages and allied services relating to the resort and winery. Revenue is recognized at a point in time when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable (net of allowances or discounts) excluding taxes or duties collected on behalf of the government.

(c) Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the Statement of Profit and Loss.

(d) 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.

xvii. Government Grants

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions are complied with. Government grants related to revenue under Wine Industry Promotion Subsidy linked with Value Added Tax, are recognised in the Statement of Profit and Loss in the period in which they become receivable. Where the grant or subsidy relates to an asset (i.e. Export Promotion Capital Goods scheme), it is presented in the balance sheet by setting up the grant as deferred income which is recognised as income in the statement of profit and loss linking to the fulfillment of the associated export obligations.

xviii. 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 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.

xix. 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.

Right-of-use assets and lease liabilities have been separately presented in the Balance Sheet. Further, lease payments have been classified as financing cash flows.

xx. 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.

xxi. 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. Trade receivables ageing has been presented based on the date of transaction. Further, in respect of trade receivables from Government Corporations, payment are received on lump-sum basis instead of an invoice-by-invoice settlement. Accordingly, the collections/ realisations from corporation trade receivables are accounted against the earliest outstanding invoice.

xxii. 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. Trade payables ageing has been presented based on the date of transaction.

xxiii. Business Combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired business are included in the balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Company's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Company's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve.

Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received

xxiv. 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).

xxv. 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.

xxvi. Earnings Before Interest, Tax, Depreciation and amortisation (EBIDTA)

Earnings Before Interest, Tax, Depreciation and amortization (EBIDTA) is computed by adding interest (finance cost), tax expenses and depreciation and amortization expense to net profit for the period/year.

xxvii. 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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group does not expect any significant impact of the amendment on its financial statements.



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 2023
(Amount in ₹ million, unless otherwise stated)

Note 3 Property, plant and equipment

Particulars	Freehold Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Oak Barrels	Total
Gross carrying value (at deemed cost)									
As at 1 April 2021	-	-	6.00	0.01	0.06	0.24	-	-	6.31
Acquisition on business combination (Refer Note 42)	-	46.65	20.93	0.68	0.33	1.13	0.04	1.86	74.65
Additions	16.40	6.44	31.43	0.96	-	1.16	0.14	0.80	57.33
Disposals	-	-	-	-	-	(0.20)	-	-	(0.20)
As at 31 March 2022	16.40	56.12	59.36	1.65	0.39	2.33	0.18	2.66	138.09
Additions	-	2.10	11.72	0.03	-	0.86	0.36	0.53	15.62
Disposals	-	-	-	-	-	(0.03)	-	-	(0.03)
As at 31 March 2023	16.40	58.22	70.08	1.68	0.39	3.16	0.56	3.19	153.66
Accumulated depreciation									
As at 1 April 2021	-	-	3.79	0.01	0.06	0.24	-	-	4.10
Depreciation charge	-	1.93	3.99	0.17	0.06	0.42	0.02	0.42	7.01
Accumulated depreciation on disposals	-	-	-	-	-	(0.20)	-	-	(0.20)
As at 31 March 2022	-	1.93	7.78	0.18	0.12	0.46	0.02	0.42	10.91
Depreciation charge	-	3.40	6.66	0.33	0.09	0.76	0.06	0.82	12.38
Accumulated depreciation on disposals	-	-	-	-	-	(0.02)	-	-	(0.02)
As at 31 March 2023	-	5.33	14.66	0.51	0.21	1.22	0.10	1.24	23.27
Net carrying value									
As at 31 March 2022	16.40	54.19	50.58	1.47	0.27	1.87	0.16	2.24	127.18
As at 31 March 2023	16.40	52.89	55.42	1.17	0.18	1.94	0.46	1.95	130.41

(i) Refer note 15 for information on property, plant and equipment pledged as security against borrowings of the Company.

(ii) Refer note 31(B) for disclosure of contractual commitment for acquisition of Property, plant and equipment

(iii) The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.

Note 3A Right-of-use assets

Particulars	Land	Building	Total
Gross Carrying Value			
As at 1 April 2021	-	-	-
Additions	-	1.74	1.74
Disposals	-	-	-
As at 31 March 2022	-	1.74	1.74
Additions	3.47	-	3.47
As at 31 March 2023	3.47	1.74	5.21
Accumulated depreciation			
As at 1 April 2021	-	-	-
Depreciation charge	-	0.45	0.45
Adjustment	-	-	-
As at 31 March 2022	-	0.45	0.45
Depreciation charge	0.67	0.59	1.26
As at 31 March 2023	0.67	1.04	1.71
Net carrying value			
As at 31 March 2022	-	1.29	1.29
As at 31 March 2023	2.80	0.70	3.50

Note: Refer note 41 for the disclosures under Ind AS 116 - Leases.



Note 3B Capital work-in-progress (CWIP)

Particulars	Projects in progress
As at 1 April 2021	-
Additions	40.16
Transferred to property, plant & equipment	(40.16)
As at 31 March 2022	-
Additions	16.06
Transferred to property, plant & equipment	(15.09)
As at 31 March 2023	0.97

Capital work-in-progress (CWIP) ageing schedule

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	0.97	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	0.97	-

Note: CWIP does not include any project temporarily suspended

Note 4 Intangible assets

Particulars	Brand (A)	Computer software (B)	Other intangible assets (C = A + B)	Goodwill (D)	Total intangible assets (E = C + D)
Gross carrying value					
As at 1 April 2021	-	-	-	-	-
Acquisition on business combination (Refer Note 42)	60.30	-	60.30	8.43	68.73
Additions	-	0.05	0.05	-	0.05
Disposals	-	-	-	-	-
As at 31 March 2022	60.30	0.05	60.35	8.43	68.78
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2023	60.30	0.05	60.35	8.43	68.78
Accumulated amortisation					
As at 1 April 2021	-	-	-	-	-
Amortisation charge	4.86	-	4.86	-	4.86
As at 31 March 2022	4.86	-	4.86	-	4.86
Amortisation charge	7.26	0.01	7.27	-	7.27
As at 31 March 2023	12.12	0.01	12.13	-	12.13
Net carrying value					
As at 31 March 2022	55.44	0.05	55.49	8.43	63.92
As at 31 March 2023	48.18	0.04	48.22	8.43	56.65

Note: Impairment testing for Brand / Goodwill

Brand / Goodwill is tested for impairment periodically in accordance with the Company's procedure for determining the recoverable amount of such assets. The recoverable amount of the assets/CGU is based on value in use. The value in use for Goodwill is determined based on discounted cash flow projections and the value of Brand is determined based on Royalty relief method.

Key assumptions used for value in use :

- Rate of royalty
- Discount rate
- Growth rate used to extrapolate cash flows
- Terminal growth rate



	As at 31 March 2023	As at 31 March 2022
Note 5 Loans		
Non-current		
Loans to employees	1.09	0.17
Total non-current loans	1.09	0.17
Current		
Loans to employees	0.65	0.08
Total current loans	0.65	0.08
Total loans	1.74	0.25
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable good - unsecured	1.74	0.25
Loans receivable which have significant increase in credit risk	-	-
Loans receivable credit impaired	-	-
Total	1.74	0.25
Note 6 Other financial assets		
Non-current		
Government grants receivable (Refer note 39)	11.18	1.14
Security deposits	5.83	4.82
Banks deposits with maturity of more than 12 months (pledged with excise authorities or earmarked against bank guarantees taken)	0.23	0.28
Total non-current financial assets	17.24	6.24
Current		
Government grants receivable (Refer note 39)	14.43	8.78
Security deposits	13.02	0.52
Interest accrued on bank deposits	0.27	1.46
Total current financial assets	27.72	10.76
Total other financial assets	44.96	17.00
Note: Refer note 15 for information on government grant receivable pledged as security against borrowings of the Company.		
Note 7 Income tax assets		
i. The following table provides the details of income tax assets as at 31 March 2023 and 31 March 2022:		
Income tax assets	1.84	2.11
Total income tax assets	1.84	2.11
ii. The gross movement in the current income tax assets is as follows:		
Income tax assets at the beginning	2.11	1.39
Income tax (refund) / paid [net]	(0.27)	0.72
Income tax assets at the end	1.84	2.11
ii. Income tax expense in the Statement of Profit and Loss comprises:		
	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	-	-
Deferred tax	-	-
Income tax expenses	-	-
iii. A reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the (Loss) / Profit before income taxes is as below:		
(Loss) / Profit before income tax	(42.08)	16.99
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense / (credit)	(10.59)	4.28
Effect of expenses not allowed for tax purpose	0.02	0.05
Effect of deferred tax assets not created on tax losses (Refer note 7.1 below)	10.57	(4.33)
Income tax expense charged to the Statement of Profit and Loss	-	-
iv. Components of deferred income tax assets and liabilities arising on account of temporary differences are:		
	As at 31 March 2023	As at 31 March 2022
(a) Deferred tax liabilities		
- Timing difference on tangible assets depreciation	6.09	3.22
	6.09	3.22
(b) Deferred tax assets (Refer note 7.1 below)		
- Business loss / unabsorbed depreciation	6.09	3.22
	6.09	3.22
Deferred tax assets (net)	-	-



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

	Deferred tax liabilities on timing difference on tangible assets depreciation	Deferred tax assets on business loss / unabsorbed depreciation	Total
	(A)	(B)	C=(A)+(B)
At 1 April 2021	-	-	-
(Charged) / credited			
- to profit or loss	3.22	(3.22)	-
- to other comprehensive income	-	-	-
At 31 March 2022	3.22	(3.22)	-
(Charged) / credited			
- to profit or loss	2.87	(2.87)	-
- to other comprehensive income	-	-	-
At 31 March 2023	6.09	(6.09)	-

Note: 7.1 In the absence of convincing evidence of future taxable profits against which unused tax losses (including unabsorbed depreciation) can be utilised, the Company has recognized deferred tax assets in respect of the temporary differences only to the extent of deferred tax liabilities.

Loss Incurred in Assessment year	Loss Carried Forward		Carried Forward Valid Upto	
	Business Loss	Unabsorbed Depreciation	Business Loss	Unabsorbed Depreciation
2012-13	-	0.17	-	Indefinite
2013-14	-	7.97	-	Indefinite
2014-15	-	7.07	-	Indefinite
2015-16	-	6.25	-	Indefinite
2016-17	-	5.50	-	Indefinite
2017-18	-	4.97	-	Indefinite
2018-19	7.64	3.79	2026-27	Indefinite
2019-20	20.44	2.99	2027-28	Indefinite
2020-21	24.90	2.10	2028-29	Indefinite
2023-24	123.23	28.49	2031-32	Indefinite
				As at
				31 March 2023
				As at
				31 March 2022

Note 8 Other assets

Non - Current

Balances with government authorities	5.14	4.75
Prepaid gratuity (Refer note 32)	0.37	-
Prepaid expenses	0.14	0.01
Total other non-current assets	5.65	4.76

Current

Advance to suppliers	0.77	123.85
Less: impairment allowance (Refer note below)	-	(123.72)
	0.77	0.13
Prepaid expenses	0.50	0.85
Total other current assets	1.27	0.98

Note : During the year ended 31 March 2023, advance to suppliers amounting to ₹ 123.72 million in respect of which loss allowance was recognised in earlier years, has been written off.

	As at 31 March 2023	As at 31 March 2022
Note 9 Inventories		
Work-in-progress / Semi-finished goods	53.47	57.25
Finished goods	2.63	1.36
Stock-in-trade (including goods in transit ₹ 3.31 million (31 March 2022: ₹ 11.68 million))	32.89	49.00
Consumables, stores and spares	2.09	1.99
Packing materials	5.75	5.93
Total inventories	96.83	115.53

Note 9.1: Allowance for obsolete and non moving inventories amounting to ₹ 2.71 million (31 March 2022: ₹ 0.42 million) has been recognised as an expense in Statement of Profit and Loss

Note 9.2: Refer note 15 for details on inventory pledged as security against borrowings of the Company



As at
31 March 2023

As at
31 March 2022

Note 10 Trade receivables

Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	99.45	188.02
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	24.51	7.36
	<u>123.96</u>	<u>195.38</u>
Less: Loss allowance	(24.51)	(7.36)
Total Trade receivables	<u>99.45</u>	<u>188.02</u>

Note 10.1 Trade receivables are non-interest bearing and generally on terms 30-90 days.

Note 10.2 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 10.3 Trade receivable ageing schedule

As at 31 March 2023

	Outstanding for following periods from transaction date						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed trade receivables- Considered good	-	84.92	13.14	0.03	1.36	-	99.45
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	0.73	0.09	-	0.24	-	1.06
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	0.01	-	0.82	11.61	11.01	23.45
	-	<u>85.66</u>	<u>13.23</u>	<u>0.85</u>	<u>13.21</u>	<u>11.01</u>	<u>123.96</u>

Note: There are no unbilled dues for the reporting period

As at 31 March 2022

	Outstanding for following periods from transaction date						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed trade receivables- Considered good	-	129.24	1.46	46.57	8.05	2.70	188.02
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	1.62	0.01	0.54	0.09	0.03	2.29
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	0.39	4.68	5.07
	-	<u>130.86</u>	<u>1.47</u>	<u>47.11</u>	<u>8.53</u>	<u>7.41</u>	<u>195.38</u>

Note: There are no unbilled dues for the reporting period

Note 11 Cash and cash equivalents

Balances with banks in current accounts	10.46	7.41
Cash on hand	0.04	0.05
Total cash and cash equivalents	<u>10.50</u>	<u>7.46</u>

Note: 11.1 There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the respective reporting periods.

Note 12 Bank balances other than cash and cash equivalents

Bank deposits with maturity of more than 3 months but less than 12 months (held as margin money or security against borrowings, guarantee and other commitments)	37.47	40.71
Total bank balances other than cash and cash equivalents	<u>37.47</u>	<u>40.71</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 2023
(Amount in ₹ million, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Note 13 Equity share capital		
Authorised share capital		
36,000,000 Equity shares of ₹ 10 each (31 March 2022: 36,000,000)	360.00	360.00
Total authorised share capital	<u>360.00</u>	<u>360.00</u>

Note : Pursuant to the resolution passed by the Board of Directors of the Company at the meeting held on 30 July 2021, the Company has increased the Authorised share capital from ₹ 300 million comprising of 30,000,000 Equity Shares of ₹ 10 each to ₹ 360 million comprising of 36,000,000 Equity Shares of ₹ 10 each.

Issued, subscribed and fully paid-up equity share capital:		
35,350,000 Equity shares of ₹ 10 each (31 March 2022: 35,350,000)	353.50	353.50
Total issued, subscribed and paid-up equity share capital	<u>353.50</u>	<u>353.50</u>

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

	Number	₹ million
As at 1 April 2021	2,93,50,000	293.50
Issued during the year (Refer note below)	60,00,000	60.00
As at 31 March 2022	3,53,50,000	353.50
Issued during the year	-	-
As at 31 March 2023	<u>3,53,50,000</u>	<u>353.50</u>

Note: During the year ended 31 March 2022, Company has issued 6,000,000 equity shares of ₹ 10 each at face value for ₹ 60 million.

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 2023		As at 31 March 2022	
	No of shares	% Holding	No of shares	% Holding
Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - Holding Company	3,53,50,000	100.00%	3,53,50,000	100.00%

As per records of the Company, including its register of shareholders/members 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

e. Shareholding of promoters:

As 31 March 2023

Particulars	Name of the Promoter	No. of shares at the beginning of the year	% held	No. of shares at the end of the year	% held	% change during the year
Equity shares of ₹ 10 each fully paid	Sula Vineyards Limited	35,350,000	100.00%	35,350,000	100.00%	-

As 31 March 2022

Particulars	Name of the Promoter	No. of shares at the beginning of the year	% held	No. of shares at the end of the year	% held	% change during the year
Equity shares of ₹ 10 each fully paid	Sula Vineyards Limited	30,000,000	100.00%	35,350,000	100.00%	-



	As at 31 March 2023	As at 31 March 2022
Note 14 Other Equity		
Reserves and Surplus		
- Retained earnings	(320.51)	(279.32)
Total	(320.51)	(279.32)

Nature and purpose of reserves

i. Retained earnings

Retained earnings represents the net 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.

Note 15 Borrowings

I Non-current borrowings

Secured

Term loan from banks (Refer note 15.1) 102.07 117.32

Unsecured

Loan from holding company (Refer notes 15.2 and 34) 298.98 279.70

401.05 **397.02**

Less: Current maturity of long-term borrowings (29.33) (15.26)

Total non-current borrowings **371.72** **381.76**

II Current borrowings

Secured

Loans from bank

- Working capital demand loans (repayable on demand) (Refer note 15.3) - 25.00

- Current maturities of long-term borrowings 29.33 15.26

29.33 **40.26**

Total current borrowings **29.33** **40.26**

Total borrowings (I+II) **401.05** **422.02**

Note 15.1: Details of security and terms of repayment of non-current borrowings

As at 31 March 2023

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee Term loan	13 quarterly installments	₹ 0.59 million	8.95% to 9.20%	First pari passu on entire property, plant and equipment and current assets, including book debts both present and future.
Rupee Term loan	14 quarterly installments	₹ 6.74 million	8.95% to 9.20%	First pari passu on entire property, plant and equipment and current assets, including book debts both present and future.

As at 31 March 2022

Particulars	Number of installments	Amount per installment	Rate of Interest	Security
Rupee Term loan	16 quarterly installments	₹ 7.33 million	8.95%	First pari passu on entire property, plant and equipment and current assets, including book debts both present and future.

Note 15.2 Details of unsecured non-current borrowings

Loan from Holding Company carries interest ranging from 8.00% to 8.37% p.a. (31 March 2022: 7.80%) and is repayable by 31 March 2025

Note 15.3 Details of security and terms of repayment of current borrowings

Working capital demand loans of Company are repayable on demand. They carry interest rate ranging from 8.60% to 8.95% p.a. (31 March 2022: 8.60%) and are secured by first pari passu on Property, Plant and Equipment and current assets, including trade receivables both present and future.

Note 15.4 Net debt reconciliation

An analysis of net debt and the movement in net debt for the years ended 31 March 2023 and 31 March 2022 is as follows:

	As at 31 March 2023	As at 31 March 2022
(A) Non-current borrowings	371.72	381.76
(B) Current borrowings	29.33	40.26
(C) Interest payable	0.80	0.96
(D) Cash and cash equivalents	(10.50)	(7.40)
Net debt (E) = (A+B+C+D)	391.35	415.52



	Liabilities from financing activities			Other assets	Total
	Non-current borrowings (A)	Current borrowings (B)	Interest payable (C)	Cash and cash equivalents (D)	(E)=(A+B+C+D)
Balance as at 1 April 2021	234.39	50.62	22.45	(3.25)	304.21
Net increase in cash and cash equivalents	-	-	-	(4.08)	(4.08)
Addition due to business combination (refer note 42)	-	-	-	(0.13)	(0.13)
Proceeds from long-term borrowings	621.61	-	-	-	621.61
Repayment of long-term borrowings	(474.24)	-	-	-	(474.24)
Net repayment of short-term borrowings	-	(10.36)	-	-	(10.36)
Interest expense	-	-	31.96	-	31.96
Interest paid	-	-	(53.45)	-	(53.45)
Net debt as at 31 March 2022	381.76	40.26	0.96	(7.46)	415.52
Net increase in cash and cash equivalents	-	-	-	(3.04)	(3.04)
Proceeds from long-term borrowings	144.74	-	-	-	144.74
Repayment of long-term borrowings	(154.78)	-	-	-	(154.78)
Net repayment of short-term borrowings	-	(10.93)	-	-	(10.93)
Interest expense	-	-	37.06	-	37.06
Interest paid	-	-	(37.22)	-	(37.22)
Net debt as at 31 March 2023	371.72	29.33	0.80	(10.50)	391.35

Note 15.5: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix) (a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act.

Financial year ended 31 March 2023

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material variances
June 2022	SBM Bank	Inventories	126.72	123.96	(2.76)	The difference is due to submissions being made basis provisional financial information prior to the financial reporting closure process by the Company and/or by statutory auditors.
		Trade Receivables	164.87	164.87	0.00	

Financial year ended 31 March 2022

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material variances
December 2021	SBM Bank	Inventory	118.04	118.65	0.61	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
		Trade Receivables	199.71	211.04	11.33	
September 2021	SBM Bank	Inventories	106.54	103.52	(3.02)	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
		Trade Receivables	193.04	189.92	(3.12)	
June 2021	ICICI Bank	Inventories	71.08	57.63	(13.45)	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
		Trade Receivables	184.84	186.57	1.73	

Note: There are no defaults/discrepancies for periods/year September 2022, March 2022, December 2022 and March 2023.

Note	Lease liabilities	As at 31 March 2023	As at 31 March 2022
	Non-Current	1.95	0.52
	Current	1.71	0.81
	Total Lease liabilities	3.66	1.33

Note: Refer note 41 for Ind AS 116 Leases and the related disclosures.

Note 17 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Interest accrued and due	0.21	0.20
Interest accrued but not due	0.80	0.96
Others		
- Liability for capital goods	2.51	2.34
- Security deposit	2.10	3.76
- Due to employees	1.20	1.45
- Purchase consideration payable towards business combination (refer note 42)	1.50	10.00
Total other financial liabilities	8.32	18.71
Other financial liabilities carried at amortised cost	8.32	18.71
Other financial liabilities carried at FVTPL	-	-



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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 2023
(Amount in ₹ million, unless otherwise stated)

Note 18 Provisions

	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits (Refer note 32)		
- Gratuity	-	0.85
Total non-current provisions	-	0.85
Current		
Provision for employee benefits (Refer note 32)		
- Compensated absences	0.52	0.53
Total current provisions	0.52	0.53
Total provisions	0.52	1.38

Note 19 Trade payables

Total outstanding dues of micro enterprises and small enterprises (Refer note 19.2 below)	0.04	0.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	38.74	38.33
Total trade payables	38.78	39.16

Note 19.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 19.2 : Dues to micro, small and medium enterprises to the extent information available with the Company is given below:

	31 March 2023	31 March 2022
(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	0.04	0.83
- Interest due	0.00	0.07
(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.	0.01	0.04
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.01	0.11
(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	0.21	0.20

Note 19.3 : Trade payable ageing schedule

As at 31 March 2023

Particulars	Outstanding from following period from the transaction date						Total
	Not due	Unbilled Dues	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	-	0.04	-	-	-	0.04
(ii) Others	-	17.36	21.25	0.13	-	-	38.74
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	-	17.36	21.29	0.13	-	-	38.78

As at 31 March 2022

Particulars	Outstanding from following period from the transaction date						Total
	Not due	Unbilled Dues	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	-	0.67	0.11	0.05	-	0.83
(ii) Others	-	7.27	29.59	1.32	0.09	0.06	38.33
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	-	7.27	30.26	1.43	0.14	0.06	39.16

Note 20 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	5.92	12.43
Total other current liabilities	5.92	12.43



(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Note 21 Revenue from operations		
(a) Sale of products (including excise duty)	425.59	407.71
(b) Sale of services	14.76	10.92
(c) Other operating revenues	16.44	14.62
Total revenue from operations (a+b+c)	<u>456.79</u>	<u>433.25</u>

Note 21.1: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service

(a) Sale of products		
- Manufactured goods	63.25	47.67
- Traded goods	362.34	360.04
	<u>425.59</u>	<u>407.71</u>
(b) Sale of services	14.76	10.92
(c) Other operating revenues		
- Government grant	15.59	9.92
- Provisions no longer required written back	0.85	4.68
- Others	-	0.02
	<u>16.44</u>	<u>14.62</u>
Total revenue from operations (a+b+c)	<u>456.79</u>	<u>433.25</u>

(B) Based on timing of revenue recognition

Products transferred at a point of time	425.59	407.71
Services transferred at a point of time	14.76	10.92

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 38).

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

Contract price	530.41	495.78
Add: Excise duty	1.65	0.52
Less: Items offset against revenue from contracts with customers as required under Ind AS 115	(106.47)	(88.59)
	<u>425.59</u>	<u>407.71</u>

Note 21.2: 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	71.71	85.84
Revenue from top five customers	159.18	223.25

For the year ended 31 March 2023 one(1), [31 March 2022: two (2)] customers, individually accounted for more than 10% of the total revenue amounting to ₹ 71.71 million (31 March 2022 ₹ 140.06 million)

Note 22 Other income

(a) Interest income		
- on financial assets carried at amortised cost	0.10	0.04
- on bank deposits	0.90	2.67
- on income tax refund	0.12	0.38
- on loans to employees	0.13	0.02
	<u>1.25</u>	<u>3.11</u>
(b) Exchange gain (net)	0.30	0.21
(c) Other operating income:		
- Insurance claim	-	0.02
Total other income	<u>1.55</u>	<u>3.34</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 2023

(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Note 23 Cost of materials consumed		
(a) Stock at beginning of the year		
- Raw materials	-	-
- Packing materials	5.93	-
	<u>5.93</u>	-
(b) Add: Purchases		
- Raw materials	11.55	52.01
- Packing materials	7.63	14.39
	<u>19.18</u>	<u>66.40</u>
(c) Less: Stock at the end of the year		
- Raw materials	-	-
- Packing materials	5.75	5.93
	<u>5.75</u>	<u>5.93</u>
(d) Cost of materials consumed (a+b-c)		
- Raw materials	11.55	52.01
- Packing materials	7.81	8.46
	<u>19.36</u>	<u>60.47</u>
Total cost of materials consumed	19.36	60.47
Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	1.36	-
- Work in progress	57.25	-
- Stock-in-trade	49.00	86.13
	<u>107.61</u>	<u>86.13</u>
(b) Closing stock		
- Finished goods	2.63	1.36
- Work in progress	53.47	57.25
- Stock-in-trade	32.89	49.00
	<u>88.99</u>	<u>107.61</u>
(c) Increase in excise duty on finished goods	0.14	0.11
	<u>18.76</u>	<u>(21.37)</u>
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	18.76	(21.37)
Note 25 Employee benefits expense		
Salaries, wages and bonus	17.82	13.75
Contribution to provident and other fund (Refer note 32)	0.62	0.61
Defined Benefit Plans (Refer note 32)	0.67	0.55
Staff welfare expenses	0.30	0.16
Total employee benefits expense	19.41	15.07
Note 26 Selling, distribution and marketing expenses		
Sales promotion expenses	31.22	18.63
Commission expenses	8.37	2.64
Marketing expenses	1.80	-
Total selling, distribution expenses and marketing expenses	41.39	21.27



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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 2023

(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Note 27 Other expenses		
Consumption of stores, spares and consumables	1.74	2.43
Power and fuel	1.83	1.87
Repairs and maintenance:		
- Building	0.50	1.19
- Plant and Machinery	1.11	2.37
- Others	1.54	1.22
Rates and taxes	13.94	15.16
Insurance	0.27	0.22
Security charges	1.62	1.07
Travelling and conveyance	0.42	0.29
Rent (Refer Note 34 and 41)	5.58	6.17
Payment to auditors:		
- for statutory audit	1.18	1.06
- for other services (certification)	0.04	0.04
-for reimbursement of expenses	0.02	0.01
Legal and professional fees	1.78	4.50
Restaurant expenses	10.24	8.03
Freight and handling charges	7.82	9.24
Loss allowance on financial and non-financial assets	17.15	2.45
Printing, stationary, postage and telephone expenses	0.43	0.29
Miscellaneous	0.82	0.67
Total other expenses	68.03	58.28
Note 28 Finance costs		
Interest on:		
- lease liability	0.25	0.09
- loans from bank	13.36	10.15
- cash credit facilities	-	1.17
- loan from holding company (Refer note 34)	22.73	20.51
- others	0.97	0.13
	37.31	32.05
Other borrowing costs	1.90	4.48
Total finance costs	39.21	36.53
Note 29 Depreciation expense		
Depreciation on tangible assets (Refer note 3)	12.38	7.01
Deprecitaion on Right of use assets (Refer note 3A)	1.26	0.45
Amortisation of intangible assets (Refer note 4)	7.27	4.86
Total depreciation and amortisation	20.91	12.32
Note 30 Earnings per share (EPS)		
Basic and diluted EPS		
A. (Loss) / Profit computation for earnings per share of ₹ 10 each :		
Net (loss) / profit as per the Statement of Profit and Loss available for equity shareholders (₹ million)	(42.08)	16.99
B. Weighted average number of equity shares	3,53,50,000	3,21,77,397
C. EPS - Basic EPS (₹)	(1.19)	0.05
- Diluted EPS (₹)	(1.19)	0.05



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Note 31 Contingent liabilities and commitments

As at	As at
31 March 2023	31 March 2022

A. Contingent liabilities

(i) Guarantees issued by banks on behalf of the Company

18.12	29.30
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(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:

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments

i) Capital commitment (net of advances)

0.06	0.74
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Note 32: 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.

	31 March 2023	31 March 2022
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	4.67	0.72
Current service cost	0.61	0.43
Interest cost	0.32	0.19
Remeasurements - Net actuarial (gain)/ loss	(0.99)	0.89
Benefits paid	-	(0.27)
Liability assumed on account of group transfer	-	2.71
Present value of the obligation as at the end of the year	4.61	4.67
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the year	3.82	1.17
Interest income	0.26	0.07
Remeasurement (loss)/ return on plan assets	(0.10)	0.02
Benefits paid	-	(0.27)
Employer contributions	1.00	2.83
Fair value of the plan assets at the end of the year	4.98	3.82
c) Expenses recognised in the Statement of Profit and Loss		
Interest expense (net)	0.06	0.12
Current service cost	0.61	0.43
Total	0.67	0.55
d) Remeasurement loss/(gain) recognised in OCI		
Remeasurement - Net actuarial (gain)/loss on defined benefit obligations	(0.99)	0.89
Remeasurement (loss)/gain on actuarial valuation	0.10	(0.06)
Total	(0.89)	0.83
e) Movement in asset ceiling		
Opening value of asset ceiling	-	0.03
Remeasurements due to changes in surplus / (deficit)	-	(0.03)
Closing value of asset ceiling	-	-

	As at 31 March 2023	As at 31 March 2022
f) Actuarial assumptions		
(i) Economic assumptions:		
Discount rate	7.45%	6.90%
Salary escalation rate	11.00%	12.00%
(ii) Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate
Attrition rate :		
- For ages 21-30 years	3.00% p.a.	3.00% p.a.
- For ages 31-40 years	5.00% p.a.	5.00% p.a.
- For ages 41-50 years	3.00% p.a.	3.00% p.a.
- For ages 51-57 years	0.00% p.a.	0.00% p.a.

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 2023	31 March 2022
Insurer managed funds	100%	100%

The Gratuity scheme is invested in a New Group Gratuity Cash Accumulation Plan Policy offered by Life Insurance Corporation of India (L.I.C) and Aditya Birla Sunlife Insurance Company Limited. 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 year, 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.



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	Year ended 31 March 2023	Year ended 31 March 2022
i. Impact of change in discount rate on defined benefit obligations:		
Present value of Obligation at end of the year		
(a) Impact due to increase of 0.50%	(0.32)	(0.35)
(b) Impact due to decrease of 0.50%	0.35	0.39
ii. Impact of change in salary on defined benefit obligations:		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.50%	0.31	0.33
b) Impact due to decrease of 0.50%	(0.29)	(0.32)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

- Salary increases** - Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability
- Investment risk** - If plan is funded then assets/liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability
- Mortality and disability** - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities
- Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability

	As at 31 March 2023	As at 31 March 2022
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	0.36	0.12
Between 2 and 5 years	0.59	0.70
Beyond 5 years	15.41	15.65
Total expected payments	16.36	16.47

Note: The weighted average duration to the payment of these cash flows is 14.44 years (31 March 2022 : 15.81 years)

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.

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year		
(i) Contribution to provident fund	0.59	0.52
(ii) Contribution to ESIC	0.03	0.09
	0.62	0.61

- The leave obligations cover the Company's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is ₹ 0.52 million (31 March 2022 : ₹ 0.53 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The expense recognised during the year towards leave encashment is ₹ 0.23 million (31 March 2022: ₹ 0.54 million)

	As at 31 March 2023	As at 31 March 2022
iii Current/ non-current classification as at the end of the year:		
Gratuity		
Non-current (defined benefit obligation)	-	0.85
Non-current (prepaid gratuity)	0.37	-
	0.37	0.85
b) Compensated absences		
Current	0.52	0.53
	0.52	0.53



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(Amount in ₹ million, unless otherwise stated)

Note 33 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 2023 are as follows:

Particulars	Refer note	Amortised cost	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	5	1.74	-	-	1.74	1.74
Others financial assets	6	44.96	-	-	44.96	44.96
Trade receivables	10	99.45	-	-	99.45	99.45
Cash and cash equivalents	11	10.50	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	12	37.47	-	-	37.47	37.47
Liabilities:						
Borrowings	15	401.05	-	-	401.05	401.05
Lease Liabilities	16	3.66	-	-	3.66	3.66
Other financial liabilities	17	8.32	-	-	8.32	8.32
Trade payables	19	38.78	-	-	38.78	38.78

The carrying value and fair value of financial instruments by categories as at 31 March 2022 are as follows:

Particulars	Refer note	Amortised cost	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	5	0.25	-	-	0.25	0.25
Others financial assets	6	17.00	-	-	17.00	17.00
Trade receivables	10	188.02	-	-	188.02	188.02
Cash and cash equivalents	11	7.46	-	-	7.46	7.46
Bank balances other than cash and cash equivalents	12	40.71	-	-	40.71	40.71
Liabilities:						
Borrowings	15	422.02	-	-	422.02	422.02
Lease Liabilities	16	1.33	-	-	1.33	1.33
Other financial liabilities	17	18.71	-	-	18.71	18.71
Trade payables	19	39.16	-	-	39.16	39.16



(Amount in ₹ million, unless otherwise stated)

Note 34 Disclosure in accordance with Ind-AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

Name of the entity

(a) Ultimate Parent Company (having control over the entity)

Verinvest Group SA (Until 19 December 2022)

(b) Holding Company

Sula Vineyards Limited (Formerly Sula vineyards Limited)

(c) Key Management Personnel (KMP)

Chaitanya Rathi

Director

Bittu Varghese

Director and CFO (appointed w.e.f. 7 November 2022)

Monit Dhavale

Director (appointed w.e.f 11 October 2021)

Neeraj Sharma

Director (appointed w.e.f 17 September 2020, resigned w.e.f 9 October 2021)

B. Nature of Transactions

Transactions with related parties:

	Year ended 31 March 2023	Year ended 31 March 2022
Sula Vineyards Limited		
- Interest expense	22.73	20.51
- Rent expense	0.59	0.39
- Purchase of goods	72.97	39.61
- Purchase of property, plant and equipment	-	6.74
- Sale of products	147.46	48.66
- Sale of property, plant and equipment	-	0.01
- Loan taken	144.74	504.28
- Loan repaid	125.45	458.97
- Repayment of interest	20.46	40.54
- Reimbursement of expenses	90.92	173.76
- Corporate Guarantee issued on behalf of the Company	-	159.57

C. Outstanding balances:

	As at 31 March 2023	As at 31 March 2022
Sula Vineyards Limited		
Loans payable	298.98	279.70
Interest accrued	0.00	-
Trade receivables	1.52	-
Corporate Guarantee issued on behalf of the Company	119.31	174.63

*represents amount less than 10,000



(Amount in ₹ million, unless otherwise stated)

Note 35 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 2023 0.50 % movement	As at 31 March 2022 0.50 % movement
Impact on Profit /Loss for the year.	0.51	0.71

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 evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table presents the foreign currency risk from financial instruments as at 31 March 2023.

Particulars	USD	EUR	Total
Assets			
Trade receivables	6.39	-	6.39
	<u>6.39</u>	<u>-</u>	<u>6.39</u>
Liabilities			
Trade payables	4.13	2.11	6.24
Liability for capital goods	-	0.00	0.00
	<u>4.13</u>	<u>2.12</u>	<u>6.24</u>
Net assets/(liabilities)	<u>2.26</u>	<u>(2.12)</u>	<u>0.14</u>

The following table presents the foreign currency risk from financial instruments as at 31 March 2022.

Particulars	USD	EUR	Total
Assets			
Advance to supplier	0.09	-	0.09
Trade receivables	17.46	-	17.46
	<u>17.55</u>	<u>-</u>	<u>17.55</u>
Liabilities			
Trade payables	9.45	0.19	9.64
Liability for capital goods	-	0.00*	-
	<u>9.45</u>	<u>0.19</u>	<u>9.64</u>
Net assets/(liabilities)	<u>8.10</u>	<u>(0.19)</u>	<u>7.91</u>

*represents less than ₹ 10,000



(Amount in ₹ million, unless otherwise stated)

Sensitivity analysis

The following table analyses the Company's sensitivity to a 5% movement in the exchange rates of these currencies against (₹) millions, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the company as at the reporting date

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Impact on Statement of Profit and Loss		
USD	0.11	0.41
EUR	(0.11)	(0.01)

c. Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. As at 31 March 2023, the company does not have any such equity investments.

ii Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

a Trade receivables

Trade receivables are 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. A substantial portion of the Company's trade receivables are from government corporation customers having strong credit worthiness. Further, Company's historical experience of collecting receivables is that credit risk is low, except during the current year wherein loss allowance is recognised for a material receivable. Hence, trade receivables are considered to be a single class of financial assets.

	As at 31 March 2023		As at 31 March 2022	
	₹ million	%	₹ million	%
Trade receivables				
- from government corporation	57.61	57.93%	54.70	29.09%
- from private parties	41.84	42.07%	133.32	70.91%
Total trade receivables (Refer note 10)	99.45	100.00%	188.02	100.00%

The movement of the allowance for lifetime expected credit loss is stated below:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	7.36	6.27
Impairment allowance on financial assets	17.15	1.09
Balance at the end of the year	24.51	7.36

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents, government grant receivables and loan to employees. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Company's historical experience, the credit risk on the above mentioned financial assets is also assessed to be low.



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 as well as funding 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

As at 31 March 2023	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Borrowings	-	29.33	371.72	-	401.05
Trade payables	-	38.78	-	-	38.78
Lease liabilities	-	1.97	2.07	-	4.04
Other financial liabilities	-	8.32	-	-	8.32
	-	78.40	373.79	-	452.19
As at 31 March 2022					
Borrowings	25.00	15.26	381.76	-	422.02
Trade payables	-	39.16	-	-	39.16
Lease liabilities	-	0.66	0.80	-	1.46
Other financial liabilities	-	18.71	-	-	18.71
	25.00	73.79	382.56	-	481.35

Note 36 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity 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 2023	As at 31 March 2022
Total debt	401.05	422.02
Total equity	32.99	74.18
Total debt to equity ratio (Gearing ratio)	12.16	5.69

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current or previous financial year. 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. In the long run, the Company's strategy is to maintain the gearing ratio of less than 0.75.

Note 37 Unhedged foreign currency exposure

Particulars	Currencies	As at 31 March 2023		As at 31 March 2022	
		Foreign currency	₹ million	Foreign currency	₹ million
Trade receivables	USD	77,771.31	6.39	2,30,040.00	17.46
Trade payables	EUR	23,670.00	2.11	2,259.87	0.19
	USD	50,241.60	4.13	1,24,510.80	9.45
Capital trade payables	EUR	30.00	0.00*	30.00	0.00*
Advance to supplier - Capital goods	USD	-	-	1,200.00	0.09

*represents amount less than 10,000

Note 38 Segment reporting

a) The Company is engaged in the business of manufacture, purchase and sale of alcoholic beverages (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).

b) The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	India	Outside India	India	Outside India
Revenue from operations	456.79	-	417.15	16.10
Non-current assets	217.35	-	205.67	-



[Handwritten signature]

Note 39 Government grants

31 March 2023 31 March 2022

The disclosures pursuant to Ind AS 20 'Accounting for Government Grant and Disclosure of Government Assistance' are as follows:

Government Grants at the beginning of the year	9.92	-
Add: Government grant accrued during the period	15.59	9.92
Less: Government Grant received during the period	-	-
Add: Interest on financial assets carried at amortised cost	0.10	-
Government Grants at the end of the period	25.61	9.92

Classification between current and non-current:

Current	14.43	8.78
Non-current	11.18	1.14

Government grants relate to Wine Incentive Promotion Subsidy (WIPS) scheme launched by the state of Maharashtra. Under the WIPS scheme, Value Added Tax (VAT) paid by Company on wine manufactured from grapes produced including with wine manufactured from grapes produced within state of Maharashtra and subsequently sold in Maharashtra is eligible for 80% refund. The Company being involved in the business of wine manufacturing, avails WIPS incentive. There are no unfulfilled conditions or contingencies attached to these grants.

Note 40 Disclosure of ratios

Particulars	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31 March 2023	As at and for the year ended 31 March 2022
a Current Ratio	Current assets / Current liabilities	Times	3.24	3.25
b Debt Equity Ratio	Debt / Net worth	Times	12.16	5.69
c Debt Service coverage Ratio	EBIDTA / (Finance costs + Principal repayment of long term borrowings within one year)	Times	0.26	1.27
d Return on Equity	(Loss)/Profit after tax / Average shareholder's fund	Percentage	-127.55%	22.90%
e Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	2.92	2.73
f Trade receivable turnover ratio	Revenue from sale of product and services / Average gross trade receivables	Times	3.06	2.10
g Trade Payable turnover ratio	Purchases / Average trade payables	Times	7.46	5.81
h Net Capital turnover ratio	Revenue from operations / working capital	Times	2.41	1.72
i Net Profit Ratio	(Loss)/Profit after tax / Revenue from operations	Percentage	-9.21%	3.92%
j Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	0.71%	11.74%
k Return on Investment (ROI)	Not Applicable	N.A.	N.A.	N.A.

Notes:

- 1 Debt = Non-current borrowings + Current borrowings
- 2 Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
- 3 EBIDTA = Earnings before finance costs, depreciation and amortisation and tax expenses.
- 4 Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress
- 5 Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials and packing materials - Opening inventory of raw materials and packing materials
- 6 Working Capital = Current assets - Current liabilities
- 7 EBIT = Earnings before finance costs and tax expenses.
- 8 Capital employed = Total equity + Non-current borrowings
- 9 Revenue from operations = Sales of products (including excise duty) + Sales of services+Other operating income

Explanation for variance in ratio by more than 25%

Particulars	% Variance in ratio between 31 March 2023 and 31 March 2022	Reason for Variance In excess of 25%
a Current Ratio	0%	Refer note below
b Debt Equity Ratio	114%	Owing to decrease in Net worth as a result of loss increased during the year.
c Debt Service coverage Ratio	-79%	Owing to decrease in EBIDTA in current year.
d Return on Equity	-657%	Owing to decrease in profit in current year.
e Inventory Turnover Ratio	7%	Refer note below
f Trade receivable turnover ratio	46%	Owing to decrease in average trade receivables
g Trade Payable turnover ratio	29%	Owing to decrease in average trade payable
h Net Capital turnover ratio	40%	Owing to increase in Revenue from operation
i Net Profit Ratio	-335%	Owing to higher selling and distribution expense, other expenses and depreciation and amortisation expense.
j Return on Capital Employed (ROCE)	-106%	Owing to decrease in earnings before interest and tax

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.



Note 41 Leases - Ind AS 116

1. Right-of-use Assets:

The net carrying value of right-of-use assets as at 31 March 2023 amounts to ₹ 3.50 million (31 March 2022 : ₹ 1.29 million) have been disclosed on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

As at 31 March 2023, the obligations under finance leases amounts to ₹ 3.66 million (31 March 2022 : ₹ 1.33 million) which have been classified to lease liabilities, under financial liabilities. (Also refer note 16)

Particulars	As at	As at
	31 March 2023	31 March 2022
Current Lease liabilities	1.71	0.81
Non-Current Lease liabilities	1.95	0.52
Total Lease liabilities	3.66	1.33

(i) The following is the movement in lease liabilities for the years ended 31 March 2023 and 31 March 2022 :

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening Balance	1.33	-
Additions during the period	3.47	1.74
Finance cost accrued during the period	0.25	0.09
Payment of lease liabilities	(1.39)	(0.50)
Closing Balance	3.66	1.33

(ii) The table below provides details regarding the contractual maturities of lease liabilities:

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2023	3.66	4.04	1.97	2.07	-
31 March 2022	1.33	1.46	0.66	0.80	-

2. The Company recognised the following in the Statement of Profit and Loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expenses on right-of-use assets (Refer note 3A and 29)	1.26	0.45
Finance cost on lease liabilities (Refer note 28)	0.25	0.09
Rent expense pertaining to leases with less than twelve months of lease included under rent expenses (Refer Note 27)	5.58	6.17

Note 42 Business Combination

a. Summary of acquisition

The Company w.e.f. 1 August 2021 has acquired the business operations of York Winery Private Limited ("YWPL"), together with all the brands, infrastructures in relation to the winery and as a going concern on a slump sale basis for a total consideration of ₹ 171.65 million.

YWPL is engaged in the business of manufacturing and sale of domestic wines from its winery in Nasik, India. It also has small set up for tasting room and restaurant within winery. The acquisition will help the Company in expanding the market share in Maharashtra and other states. The wine tourism at the winery will help in creating awareness about the wine which will in turn boost the growth in the wine market. The details of net assets acquired and purchase consideration are as follows.

Particulars	As on the date of acquisition
Property plant and equipment	74.65
Inventories	36.83
Loans and advance	3.71
Trade receivables	9.32
Cash and cash equivalents	0.13
Brand	60.30
Trade payables	(16.00)
Other current liabilities	(5.72)
Net identifiable assets at fair value	163.22
Goodwill arising on acquisition (Refer note 4)	8.43
Purchase consideration payable	171.65
Cash flow on acquisition	
Purchase consideration paid/adjusted (Refer note below)	161.65



- Pursuant to business transfer agreement, deferred consideration of ₹ 10 million was to be payable after realisation of certain assets acquired. During the current year ₹ 8.5 million were paid/adjusted against the said deferred consideration.

- There were no contingent consideration arrangement involved in relation to above acquisition.

- The transaction did not involve any inheritance of contingent liability.

- This acquisition gave rise to goodwill amounting to ₹ 8.43 million, being excess of consideration amount over fair value of assets under acquisition. The said goodwill being capital in the nature is not eligible to be deducted for tax purposes.

- During the current year company has paid ₹ 2.10 million and adjusted ₹ 6.39 million against outstanding purchase consideration to York Winery Private Limited.

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 2023
(Amount in ₹ million, unless otherwise stated)

Note 43: Additional regulatory information required under Schedule III

- (i) The Company does not have any Benami property, where any proceeding have been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or;
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (x) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year

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 R. Agarwal
Partner
Membership No. : 109632



Place: Mumbai
Date: 2 May 2023

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


Chaitanya Rathi
Director
DIN : 07705303


Bittu Varghese
CFO and Whole time Director
DIN : 08708217


Kinjal Govani
Company Secretary
Membership No. A50009

Place: Mumbai
Date: 2 May 2023

