

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: customercare@artisanspirits.in

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of **ARTISAN SPIRITS PRIVATE LIMITED** (CIN No.: U15122MH2011PTC222280) will be held on **THURSDAY, 26TH MAY, 2022 at 11:30 A.M. (IST)** at the registered office of the Company at **901, HUBTOWN SOLARIS, N.S. PHADKE MARG, ANDHERI (E), MUMBAI - 400069** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Board of Directors and the Auditors thereon.
2. To re-appoint M/s Walker Chandio & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/ N500013), Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

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

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and the Board of Directors of the Company, M/s Walker Chandio & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/ N500013) be and are hereby re-appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office from the conclusion of this 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

RESOLVED FURTHER THAT any of the Directors or the Company Secretary be and are hereby authorized severally file necessary forms with the Registrar of Companies and to do all things, deeds and matters as may be necessary to give effect to this resolution."

3. **Appointment of Monit Dhavale as a Non-Executive Director of the Company:**

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

"RESOLVED THAT Mr. Monit Dhavale (DIN: 09355541) who has been appointed as an Additional Director of the Company with effect from October 11, 2021 by the Board of Directors pursuant to Section 161 (1) of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

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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.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
3. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 11th Annual General Meeting.
4. Corporate Members are requested to send duly certified copy of Board Resolution/Power of Attorney authorizing their representative to attend and vote at the General Meeting.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. Shareholders seeking information regarding Accounts are requested to write to the Company in advance so as to enable the management to keep the information ready.
7. The route map for reaching at the venue with prominent landmark is provided at the end of the Notice.

By Order of the Board of Directors

For Artisan Spirits Private Limited


Kinjal Govani
Company Secretary
Membership No. A50009



Registered Office:

901, Hubtown Solaris,

N. S. Phadke Marg, Andheri (E),

Mumbai - 400069

(CIN No.: U15122MH2011PTC222280)

Date: May 18, 2022

Place: Mumbai

ARTISAN SPIRITS PRIVATE LIMITED

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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 had appointed Mr. Monit Dhavale (DIN: 09355541) as an Additional Director of the Company with effect from October 11, 2021.


Pursuant to Section 161 (1) of the Companies Act, 2013, Mr. Monit Dhavale who was appointed as an Additional Director up to the date of this Annual General Meeting is eligible to be appointed as a Director.

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

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

By Order of the Board of Directors

For Artisan Spirits Private Limited


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 18, 2022
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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	34
Qualification	He holds a bachelor's degree of technology in home science 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	-
Details of Remuneration	-
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	2
Other Directorship, Membership/ Chairmanship of committees of other Boards	Nil

ARTISAN SPIRITS PRIVATE LIMITED

Directors' Report

To,
The Members,

The Directors present the 11th Annual Report and the Audited Accounts of Artisan Spirits Private Limited for the financial year ended March 31, 2022.

1. Financial Highlights

(INR in millions)

Particulars	2021-22	2020-21
Gross Income	436.59	461.60
Profit Before Interest and Depreciation (EBITDA)	65.84	56.89
Finance Charges	36.53	28.32
Provision for Depreciation	12.32	1.83
Net Profit Before Tax	16.99	26.74
Provision for Tax	-	-
Other Comprehensive Income/(Loss)	(0.83)	(0.09)
Total Comprehensive Income/(Loss)	16.16	26.65
Balance of Loss brought forward	(295.48)	(322.13)
Balance not available for appropriation	-	-
Balance available for appropriation	-	-
Dividend paid on Equity Shares		
Transfer to General Reserve	-	-
Deficit carried to Balance Sheet	(279.32)	(295.48)

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

2. Review of Operations

The Company's revenue declined by 5.4% from INR 461.60 million in FY21 to INR 436.59 million in FY22. However, EBITDA has improved by 15.7% from INR 56.89 million in FY21 to INR 65.84 million in FY22 while the Profit Before Tax decreased by 36.5% from INR 26.74 million in FY21 to INR 16.99 million in FY22.

3. State of Affairs

The company has changed its business strategy to distribute most of the group's Imported wines and spirits business under Artisan Spirits Private Limited in the previous year. In the current

year the company further rationalized the bands under distribution to focus on only profitable brands and hence improve the overall EBIDTA margins.

Further the company acquired assets and liabilities (refer below) of York Winery Private Limited for an overall purchase consideration of ` 171.65 million. The same amounts to an acquisition under Ind AS 103 – Business Combinations and accordingly the recognition, measurement as well as presentation/ disclosure requirements of Ind AS 103 have been complied with.

Total Purchase consideration payable		171.65
Fixed Assets (Building and Plants)	74.65	
Brands	60.30	
Inventory	36.79	
Other Assets (Trade Receivables, Advances)	13.19	
Current Liabilities	(21.71)	
Less : Net assets acquired		(163.22)
Goodwill (As per Ind AS 103 Business combinations)		8.43

The above acquisition will further strengthen the business of the company and is projected to yield better profitability for the company on the future.

4. Share Capital

Authorised Share Capital

The Authorized Share Capital of the Company was increased from Rs. 30,00,00,000/- (Thirty Crore) comprising of 3,00,00,000 (Three Crore) Equity Shares of Rs.10/- (Rupees Ten only) each by Rs. 6,00,00,000/- (Rupees Six Crore only) consisting of 60,00,000 (Sixty Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 36,00,00,000/- comprising of 3,60,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each.

During the year under the review, the paid-up Share Capital of the Company was increased by Rs. 6,00,00,000/- (Rupees Six Crore only) consisting of 60,00,000 (Sixty Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 35,35,00,000 consisting of 35,35,00,000 (Thirty-Five Crores and Thirty Five Lakhs) Equity Shares Rs. 10/- each.

5. Dividend

The Directors have not recommended any dividend for the year 2021-22 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. Neeraj Sharma (DIN: 08881532) resigned as the Director of the Company with effect from the October 9, 2021.
2. Mr. Monit Dhavale (DIN: 09355541) appointed as the Additional Director with effect from October 11, 2021.

Your Directors place on record their appreciation for the contribution made by Mr. Neeraj Sharma during their tenure.

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 2021 to 31st March 2022. The dates on which the meetings were held are June 30, 2021, July 14, 2021, July 14, 2021 (evening), September 13, 2021, October 11, 2021 and December 14, 2021.

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 Chandio & 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 12th AGM till the conclusion of the 17th AGM of the Company to be held in the year 2027 subject to ratification of their appointment by Members at every AGM till the 17th 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 Chandio & 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 www.sulavineyards.com.

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").

A statement in Form AOC-1 as required under Section 129 (3) of the Companies Act, 2013 containing salient features of the financial statements of the subsidiary companies is forming part of this Annual Report in "ANNEXURE-I".

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 2021-22 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

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are periodically placed before the Board for its approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as “ANNEXURE II”

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

Foreign Exchange	(in millions)	
	Year ended 31.03.2022	Year ended 31.03.2021
(i) Earnings	23.28	279.68
(ii) Outgo	178.33	163.05

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 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.



Place: Mumbai

Date: May 18, 2022

For and on behalf of the Board of Directors

Chaitanya Rath
Director
DIN: 07705302

Bittu Varghese
Director
DIN: 08708247

ANNEXURE - I

FORM NO. AOC-2

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

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

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

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

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

Sr. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements /transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Sula Vineyards Limited	As per Board Resolution *Loan Agreement	Ongoing	Purchase of products/ Sale of products/ Sale of Property, plant and equipment/ Purchase of Property, plant and equipment/ *Loan taken from/ Loan repaid to/ Rent Expense/ Interest expenses/ Corporate Guarantee Received	March 20, 2015 May 31, 2016 September 12, 2017 February 01, 2, 019 May 28, 2019 September 18, 2019 May 14, 2020 July 15, 2021	Nil

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

For and on behalf of the Board of Directors



Place: Mumbai
Date: May 18, 2022

Bittu Varghese
Director
DIN: 08708247

Chaitanya Rathi
Director
DIN: 07705302

AUDITED
BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED
31 MARCH 2022

ARTISAN SPIRITS PRIVATE LIMITED

Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

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 2022**, 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 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 2022, and its profit (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.



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

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 including other comprehensive income, changes in equity 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 system 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the 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.



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

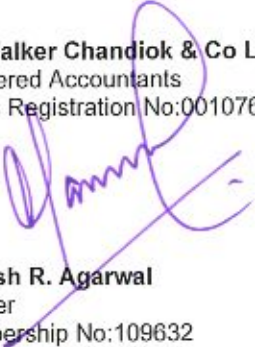
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022 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 2022 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, as detailed in Note 30A(ii) to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2022;
 - 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 2022;
 - 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 2022; and
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42 (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;



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

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42 (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 attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

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


Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJDZKS4340

Place: Mumbai
Date: 18 May 2022

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 2022

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 and 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 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (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. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.



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

Annexure I (Contd)

- (b) The Company has a working capital limit in excess of ₹ 5 crore (₹ 50 million) sanctioned by bank based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such bank and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

(₹ In million)

Name of the Bank [Nature of current assets offered as security]	Working capital limit sanctioned	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]	₹ 80 million	30 June 2021	Trade Receivables	186.57	184.15	2.42	The difference is mainly due to provision for doubtful debt not considered while submitting stock statement
		30 September 2021	Inventory	103.52	106.54	(3.02)	The difference is due to the declaration to the Bank are made before financial reporting closure process
			Trade Receivables	189.92	191.25	(1.33)	
		31 December 2021	Inventory	118.65	118.04	0.61	
			Trade Receivables	211.04	199.71	11.33	

- (iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) during the year. However, the Company has granted loan to others as per the details given below:

Particulars	₹ in million
Aggregate amount during the year	
- Others	0.17
Balance outstanding as at balance sheet date	
- Others	0.25



Annexure I (Contd)

- (b) The Company has not made any investments, provided any guarantee or given any security 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 which had fallen due during the year but such loans and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.
- (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 is no amount which has been considered as deemed deposit 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/business activity. 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, the Company is regular in depositing 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, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



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

Annexure I (Contd)

- (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 to which the amount relates	Forum where dispute is pending
Sales Tax - Maharashtra	MVAT	0.24	-	F.Y.16-17	Assistant Commissioner of State Tax - Maharashtra
Employees State Insurance Act, 1948	ESIC	0.53	-	January 2015 to December 2019	Sub Regional Office Marol Employees State Insurance Corporation
Maharashtra Irrigation Act 1976	Water tax	0.73	-	F.Y. 2011-12 to F.Y. 2020-21	Nashik Irrigation Division, Nashik
Sales Tax - Maharashtra	MVAT	0.23	-	F.Y. 2018-19	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, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- (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 not been utilised for long term purposes.
- (e) 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.



Page 9 of 13

Annexure I (Contd)

- (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) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised have been utilized by the Company for the purposes for which these funds were raised.
- (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) No report under section 143(12) of the Act has been filed 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.
- (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 them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) to (c) of the Order are not applicable to the Company. Further, 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.



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

Annexure I (Contd)

- (xvii) The Company has not incurred any cash loss in the current as well as 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 fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.
- (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 Chandio & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013


Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJDZKS4340

Place: Mumbai
Date: 18 May 2022

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

Annexure II to the Independent Auditor's Report of even date to the members of Artisan Spirits Private Limited on the financial statements for the year ended 31 March 2022

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 2022**, 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.



Annexure II (Contd)

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.

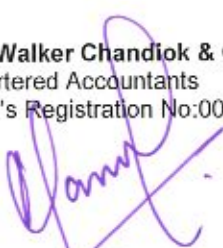
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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 2022, 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 Chandlok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013


Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJDZKS4340

Place: Mumbai
Date: 18 May 2022

Artisan Spirits Private Limited
Balance Sheet as at 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	127.18	2.21
Right-of-use assets	3A	1.29	-
Goodwill	4	8.43	-
Other Intangible assets	4	55.49	-
Financial assets			
Loans	5	0.17	0.20
Other financial assets	6	6.24	3.16
Deferred tax assets	7	-	-
Income tax assets	7	2.11	1.39
Other non-current assets	8	4.76	8.42
Total non-current assets		205.67	15.38
Current assets			
Inventories	9	115.53	86.13
Financial assets			
Trade receivables	10	188.02	210.37
Cash and cash equivalents	11	7.46	3.25
Bank balances other than cash and cash equivalents	12	40.71	60.71
Loans	5	0.08	0.07
Other financial assets	6	10.76	2.19
Other current assets	8	0.98	12.62
Total current assets		363.54	375.34
TOTAL ASSETS		569.21	390.72
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	353.50	293.50
Other equity		(279.32)	(295.48)
Total equity		74.18	(1.98)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	381.76	234.39
Lease liabilities	15	0.52	-
Other financial liabilities	16	-	22.09
Provisions	17	0.85	-
Total non-current liabilities		383.13	256.48
Current liabilities			
Financial liabilities			
Borrowings	14	40.26	50.62
Lease liabilities	15	0.81	-
Trade payables	18	-	-
- Total outstanding dues of micro enterprises and small enterprises		0.83	0.51
- Total outstanding dues of creditors other than micro enterprises and small enterprises		38.33	64.69
Other financial liabilities	16	18.71	1.59
Provisions	17	0.53	-
Other current liabilities	19	12.43	18.81
Total current liabilities		111.90	136.22
TOTAL EQUITY AND LIABILITIES		569.21	390.72

The accompanying notes form an integral part of the financial statements



Artisan Spirits Private Limited
Balance Sheet as at 31 March 2022
(Amount in ₹ million, unless otherwise stated)

This is the Balance Sheet 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: 18 May 2022

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



Chaitanya Rath
Director
DIN : 07705302



Bittu Varghese
Director
DIN : 08708247



Kinjal Govani
Company Secretary
Membership No. A50009



Place: Mumbai
Date: 18 May 2022

Artisan Spirits Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	20	433.25	459.55
Other income	21	3.34	2.05
Total income		436.59	461.60
Expenses			
Cost of materials consumed	22	60.47	5.70
Purchase of stock-in-trade		236.51	385.99
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(21.37)	(40.98)
Excise duty on sales		0.52	-
Employee benefits expense	24	15.07	4.71
Selling and distribution expenses	25	21.27	21.27
Other expenses	26	58.28	28.02
Total expenses		370.75	404.71
Earnings Before Interest, Depreciation, Tax, Amortisation (EBIDTA)		65.84	56.89
Finance costs	27	36.53	28.32
Depreciation and amortisation expense	28	12.32	1.83
Profit before tax		16.99	26.74
Tax expense	7	-	-
Net profit for the year (A)		16.99	26.74
Other comprehensive income/ (loss) (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss			
- Gain/ (loss) on remeasurement of defined benefit plans	31	(0.83)	0.12
Items that will be reclassified subsequently to statement of profit or loss			
- Cash flow hedge reserve		-	(0.21)
Other comprehensive loss for the year, net of tax (B)		(0.83)	(0.09)
Total comprehensive income for the year, net of tax (A+B)		16.16	26.65
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	29	0.53	0.09
Diluted (in ₹)		0.53	0.09

The accompanying notes form an integral part of the financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No. : 109632



Place: Mumbai
Date: 18 May 2022

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

Chaitanya Rathi
Director
DIN : 07705302

Bittu Varghese
Director
DIN : 08708247

Kinjal Govani
Company Secretary
Membership No. A50009



Place: Mumbai
Date: 18 May 2022

	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	16.99	26.74
Adjustments for		
Depreciation and amortisation expense	12.32	1.83
Interest expense	32.05	26.03
Interest income	(3.11)	(1.95)
Provisions no longer required written back	(4.68)	(3.56)
Impairment allowance on financial assets	2.45	1.27
Unrealised exchange loss/ (gain) on foreign currency translations (net)	(0.16)	0.07
Loss on property, plant and equipment disposed/ written-off (net)	-	2.84
	38.87	26.53
Operating profit before working capital changes	55.86	53.27
Adjustments for changes in working capital:		
(Increase)/ Decrease in inventories	7.43	(35.23)
(Increase)/ Decrease in trade receivables	30.58	(37.99)
(Increase)/ Decrease in current / non-current financial and other assets	6.11	24.13
Increase/ (Decrease) in trade payables and other financial/ other liabilities	(44.57)	73.97
	(0.45)	24.88
Cash generated from operations	55.41	78.15
Direct taxes paid	(0.72)	(0.13)
Net cash generated from operating activities (A)	54.69	78.02
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(55.04)	-
Proceeds from sale of property, plant and equipment	-	4.26
Proceeds from / (Investments in) bank deposits with original maturity of more than three months	19.72	(50.55)
Interest received	3.30	0.85
Consideration paid for acquisition of business (Refer note 41)	(161.65)	-
Net cash used in investing activities (B)	(193.67)	(45.44)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	621.61	517.26
Repayment of long-term borrowings	(458.98)	(558.60)
Proceeds from / (Repayment of) short-term borrowings (net)	(25.62)	50.26
Proceeds from issue of equity share capital	60.00	-
Interest paid	(53.45)	(51.60)
Repayment of lease liabilities	(0.50)	-
Net cash generated from/(used in) financing activities (C)	143.06	(42.68)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4.08	(10.10)
Cash and cash equivalents at the beginning of the year	3.25	13.35
Add: Cash and cash equivalents acquired in business combination (refer note 41)	0.13	-
Cash and cash equivalents at the end of the year (Refer note 11)	7.46	3.25

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and liability for capital goods.

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



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

Chaitanya Rathie
Director
DIN : 07705302

Kinjal Govani
Company Secretary
Membership No. A50009

Bittu Varghese
Director
DIN : 08708247



Place: Mumbai
Date: 18 May 2022

Place: Mumbai
Date: 18 May 2022

Artisan Spirits Private Limited
Statement of Changes in Equity as at and for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

a) Equity share capital

Particulars	Number	₹ million
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 1 April 2020	2,93,50,000	293.50
Issued during the year	-	-
As at 31 March 2021	2,93,50,000	293.50
Issued during the year	60,00,000	60.00
As at 31 March 2022	3,53,50,000	353.50

b) Other equity

Particulars	Reserves and surplus Retained earnings	Other reserve Cash flow hedge reserve	Total
As at 1 April 2020	(322.13)	-	(322.13)
Profit for the year	26.74	-	26.74
Other comprehensive income /(loss) for the year	0.12	(0.21)	(0.09)
As at 31 March 2021	(295.27)	(0.21)	(295.48)
Profit for the year	16.99	-	16.99
OCI items reclassified to statement of profit or loss	(0.21)	0.21	-
Other comprehensive loss for the year	(0.83)	-	(0.83)
As at 31 March 2022	(279.32)	-	(279.32)

Nature and purpose of reserves

i. Retained earnings

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

ii. Cash flow hedge

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to Statement of profit or loss at the same time as the related cash flow.

The accompanying notes form an integral part of the financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No. : 109632



Place: Mumbai
Date: 18 May 2022

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

Chaitanya Rathi
Director
DIN : 07705302

Kinjal Govani
Company Secretary
Membership No. A50009

Place: Mumbai
Date: 18 May 2022

Bittu Varghese
Director
DIN : 08708247



Note 1 Corporate Information

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

The financial statements of the Company for the year ended 31 March 2022 ("financial statements") were authorised for issue in accordance with resolution of Board of Directors on 18 May 2022.

Note 2.1 Significant Accounting Policies

i. Basis of Preparation

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

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

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest million (INR 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) Impact of COVID-19 on the business operations and financial statement of the Company

The outbreak of COVID-19 had disrupted business operations of the Company in earlier periods due to the lock down restrictions and other emergency measures imposed. The Company's business operations have continued with certain restrictions in line with guidelines laid down by the respective Governments from time to time. The overall operations of the Company have significantly recovered from the economic slowdown caused by COVID-19 pandemic and largely reached normalcy.

The Company management has also taken into account the possible impacts of known events, upto the date of the approval of this Financial Statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2022. The Company management does not foresee any significant impact of the of COVID-19 pandemic but will continue to closely monitor any potential impact given the uncertainties associated with its nature and duration.

(b) Useful lives of various assets

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

(c) Current Income Taxes

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



(d) Contingencies

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

(e) Accounting for defined benefit plans

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

(f) Impairment 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 32).

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. 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



viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. Revenue Recognition

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

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

(a) Revenue from sale of products

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



(b) Interest Income

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

(c) Other Income

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

xv. Income Tax

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

a) Current Income Tax

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

b) Deferred Income Tax

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

xvi. 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.

xvii. 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.

xviii. 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.

xix. 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 Trade payables ageing has been presented based on the date of transaction. the EIR method.

xx. 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

xxi. Earnings per share

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

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

xxii. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

xxiii. Exceptional Items

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

Note 2.2 Recent accounting pronouncements

Recent accounting pronouncement issued but not made effective

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).



Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

Amendment to Ind AS 109, Financial Instruments

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.



Note 3 Property, plant and equipment

Particulars	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 2020	-	-	12.35	0.07	0.06	0.97	-	3.32	16.77
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	(6.35)	(0.06)	-	(0.73)	-	(3.32)	(10.46)
As at 31 March 2021	-	-	6.00	0.01	0.06	0.24	-	-	6.31
Acquisition on business combination (Refer Note 41)	-	49.68	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	58.36	1.65	0.39	2.33	0.18	2.66	138.09
Accumulated depreciation									
As at 1 April 2020	-	-	3.45	0.04	0.06	0.94	-	1.14	5.63
Depreciation charge	-	-	1.62	0.01	-	-	-	0.20	1.83
Accumulated depreciation on disposals	-	-	(1.28)	(0.04)	-	(0.70)	-	(1.34)	(3.36)
As at 31 March 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
Net carrying value									
As at 31 March 2021	-	-	2.21	-	-	-	-	-	2.21
As at 31 March 2022	16.40	54.19	50.58	1.47	0.27	1.87	0.16	2.24	127.18

(i) Refer notes 14.1 & 14.3 for information on property, plant and equipment pledged as security against borrowings of the Company.

(ii) Refer note 30(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	Building
Gross Carrying Value	
As at 1 April 2021	-
Additions	1.74
Disposals	-
As at 31 March 2022	1.74
Accumulated depreciation	
As at 1 April 2021	-
Depreciation charge	0.45
Adjustment	-
As at 31 March 2022	0.45
Net carrying value	
As at 1 April 2021	-
As at 31 March 2022	1.29

Note: Refer note 40 for the disclosures under Ind AS 116 - Leases.

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 (at deemed cost)					
As at 1 April 2021	-	-	-	-	-
Acquisition on business combination (Refer Note 41)	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
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
Net carrying value					
As at 1 April 2021	-	-	-	-	-
As at 31 March 2022	55.44	0.05	55.49	8.43	63.92

Note: Impairment testing for Brand / Goodwill

Brand / Goodwill is tested for impairment periodically in accordance with the Group 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 of 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 2022	As at 31 March 2021
Note 5 Loans		
Non-current		
Loans to employee	0.17	0.20
Total non-current loans	0.17	0.20
Current		
Loans to employee	0.08	0.07
Total current loans	0.08	0.07
Total loans	0.25	0.27
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable good - unsecured	0.25	0.27
Loans receivable which have significant increase in credit risk	-	-
Loans receivable credit impaired	-	-
Total	0.25	0.27
Note 6 Other financial assets		
Non-current		
Government grants receivable	1.14	-
Security deposits	4.82	3.16
Banks deposits with maturity of more than 12 months (pledged with excise authorities or earmarked against bank guarantees taken)	0.28	-
Total non-current financial assets	6.24	3.16
Current		
Government grants receivable	8.78	-
Security deposits	0.52	0.54
Interest accrued on bank deposits	1.46	1.65
Total current financial assets	10.76	2.19
Total other financial assets	17.00	5.35
Note 7 Income tax assets		
i. The following table provides the details of income tax assets as at 31 March 2022 and 31 March 2021:		
Income tax assets	2.11	1.39
Total Income tax assets	2.11	1.39
ii. The gross movement in the current income tax assets is as follows:		
Income tax assets at the beginning	1.39	1.26
Income tax paid	0.72	0.13
Income tax assets at the end	2.11	1.39
ii. Income tax expense in the Statement of Profit and Loss comprises:		
	Year ended 31 March 2022	Year ended 31 March 2021
Current tax expenses	-	-
Deferred tax expenses	-	-
Income tax expenses (net)	-	-
iii. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:		
Profit before income tax	16.99	26.74
Applicable income tax rate	25.17%	26.00%
Computed expected tax expense	4.28	6.95
Effect of expenses not allowed for tax purpose	0.05	0.03
Reversal of Deferred tax credit of earlier years	-	-
Effect of deferred tax assets not created on loss in earlier years (Refer Note 7.1 below)	(4.33)	(6.98)
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 2022	As at 31 March 2021
(a) Deferred tax liabilities		
- Timing difference on tangible assets depreciation	3.22	-
	<u>3.22</u>	<u>-</u>
(b) Deferred tax assets		
- Business loss / unabsorbed depreciation	3.22	-
	<u>3.22</u>	<u>-</u>
Deferred tax assets (net)	<u>-</u>	<u>-</u>

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	Deferred tax assets on expense allowable on payment basis	Total
	(A)	(B)	(C)	D=(A)-(B)-(C)
At 1 April 2020	35.54	35.22	0.32	-
(Charged) / credited - to profit or loss	(35.54)	(35.22)	(0.32)	-
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Charged) / credited - to profit or loss	3.22	3.22	-	-
At 31 March 2022	<u>3.22</u>	<u>3.22</u>	<u>-</u>	<u>-</u>

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 below mentioned 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	-
2013-14	-	7.97	-
2014-15	-	7.07	-
2015-16	-	6.25	-
2016-17	-	5.50	-
2017-18	1.72	4.97	2025-26
2018-19	11.39	3.79	2026-27
2019-20	20.44	2.99	2027-28
2020-21	24.90	2.10	2028-29
			Indefinite

	As at 31 March 2022	As at 31 March 2021
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Note 8 Other assets**Non-current**

Balances with government authorities	4.75	7.98
Prepaid gratuity (Refer note 31)	-	0.42
Prepaid expenses	0.01	0.02
Total other non-current assets	<u>4.76</u>	<u>8.42</u>

Current

Advance to suppliers	123.85	134.59
Less: impairment allowance (Refer note 26)	(123.72)	(122.36)
	0.13	12.23
Balances with government authorities	-	0.03
Prepaid expenses	0.85	0.36
Total other current assets	<u>0.98</u>	<u>12.62</u>
Total other assets	<u>5.74</u>	<u>21.04</u>



	As at 31 March 2022	As at 31 March 2021
Note 9 Inventories		
Work-in-progress / Semi-finished goods	57.25	-
Finished goods	1.36	-
Stock-in-trade [including goods in transit ₹ 11.68 million (31 March 2021: ₹ 5.72 million)]	49.00	86.13
Consumables, stores and spares	1.99	-
Packing materials	5.93	-
Total Inventories	115.53	86.13
Note 10 Trade receivables		
Trade receivables	188.02	210.37
Total trade receivables	188.02	210.37
Breakup of security details:		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	188.02	210.37
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	7.36	6.27
	195.38	216.64
Less: Impairment allowance:		
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(7.36)	(6.27)
Total Trade receivables	188.02	210.37

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 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	-	1.61	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
	-	130.85	1.47	47.11	8.54	7.41	195.38

Note: There are no unbilled dues for the reporting period

As at 31 March 2021	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	-	133.71	48.86	26.08	1.06	0.66	210.37
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	0.81	0.29	0.16	0.01	-	1.27
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	0.89	1.13	2.98	5.00
	-	134.52	49.15	27.13	2.20	3.64	216.64

Note: There are no unbilled dues for the reporting period



As at
31 March 2022

As at
31 March 2021

Note 11 Cash and cash equivalents

Balances with banks in current accounts

7.41 3.25

Cash on hand

0.05 -

Total cash and cash equivalents

7.46 3.25

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

40.71 60.71

Total bank balances other than cash and cash equivalents

40.71 60.71

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	As at 31 March 2022	As at 31 March 2021
Note 13 Equity share capital		
Authorised share capital		
3,60,00,000 Equity shares of ₹ 10 each (Refer note below)	360.00	300.00
(31 March 2021: 30,000,000 equity shares of ₹ 10 each)		
Total authorised share capital	360.00	300.00

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 ₹ 360 million comprising of 36,000,000 Equity Shares of ₹ 10 each.

Issued, subscribed and paid-up equity share capital:		
3,53,50,000 Equity shares of ₹ 10 each fully paid up	353.50	293.50
(31 March 2021: 29,350,000 equity shares of ₹ 10 each)		
Total issued, subscribed and paid-up equity share capital	353.50	293.50

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

	Number	₹ million
As at 1 April 2020	2,93,50,000	293.50
Issued during the year	-	-
As at 31 March 2021	2,93,50,000	293.50
Issued during the year [Refer note 13(e)]	60,00,000	60.00
As at 31 March 2022	3,53,50,000	353.50

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.

	As at 31 March 2022	As at 31 March 2021
c. Shareholding of more than 5%:		
Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - Holding Company	100.00% 3,53,50,000	100.00% 2,93,50,000

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

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

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

e. During the current year, the Company has issued 6,000,000 equity shares at a face value of ₹ 10 each.

f. Shareholding of promoters:

As on 31 March 2022

Particulars	Name of the promoters	No. of shares at the beginning of the period*	% held	No. of shares at the end of the period	% held	% change during the year
Equity shares of ₹ 10 each fully paid	Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - Holding Company	3,53,50,000	100.00%	2,93,50,000	100.00%	0.00%

As on 31 March 2021

Particulars	Name of the promoters	No. of shares at the beginning of the period*	% held	No. of shares at the end of the period	% held	% change during the year
Equity shares of ₹ 10 each fully paid	Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - Holding Company	2,93,50,000	100.00%	2,93,50,000	100.00%	0.00%



	As at 31 March 2022	As at 31 March 2021
Note 14 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 14.1)	117.32	-
Unsecured		
Loan from holding company (Refer notes 14.2 below and 33)	279.70	234.39
	397.02	234.39
Less: Current maturity of long-term borrowings	(15.26)	-
Total non-current borrowings	381.76	234.39
II Current borrowings		
Secured		
Loans from bank		
- Working capital demand loans (repayable on demand) (Refer note 14.3)	25.00	-
- Current maturities of long-term borrowings	15.26	-
- Buyer's Credit (Refer note 14.4)	-	50.62
Total current borrowings	40.26	50.62
Total borrowings (I+II)	422.02	285.01

Note 14.1: Details of security and terms of repayment of non-current borrowings

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee term loan	16 Quarterly installments	₹ 0.20 million	8.95%	First pari passu on entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 Quarterly installments	₹ 0.39 million	8.95%	First pari passu on entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 Quarterly installments	₹ 1.53 million	8.95%	First pari passu on entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 Quarterly installments	₹ 5.21 million	8.95%	First pari passu on entire property, plant and equipment, current assets, including Trade receivables both present and future.

Note 14.2 Details of unsecured non-current borrowings

Loan from Sula Vineyards Limited (formerly Sula Vineyards Private Limited) carries interest of 7.80% p.a. (31 March 2021: 8.15% p.a.).

Note 14.3 Details of security and terms of repayment of current borrowings

Working capital demand loans are repayable on demand. They carry interest rate of 8.60% p.a. (31 March 2021: Nil) and are secured by first pari passu on entire Property, Plant and Equipment and current assets, including trade receivables both present and future.

Note 14.4 Details of security and terms of repayment of current borrowings

Buyer's credit carried an effective interest rate of Nil (31 March 2021: 7.35% p.a.) and was repayable in 180 days. This was secured by first charge on current assets and collateral of 0.4x fixed deposits placed with the bank. This has been fully repaid during the previous year.

Note 14.5 Net debt reconciliation

An analysis of net debts and the movement in net debt for the years ended 31 March 2022 and 31 March 2021 is as follows:

	As at 31 March 2022	As at 31 March 2021
(A) Cash and cash equivalents	(7.46)	(3.25)
(B) Current borrowings	40.26	50.62
(C) Non-current borrowings	381.76	234.39
(D) Interest payable	0.96	22.45
Net debt (E) = (A-B-C-D)	415.52	304.21

	Other assets Cash and cash equivalents (A)	Liabilities from financing activities Non-current borrowings (B)	Current borrowings (C)	Interest payable (D)	Total (E) = (A-B-C-D)
Net debt as at 1 April 2020	(13.35)	275.73	-	48.02	310.40
Cash flows (net)	10.10	(41.34)	50.26	-	19.02
Exchange rate fluctuations	-	-	0.36	-	0.36
Interest expense	-	-	-	26.03	26.03
Interest paid	-	-	-	(51.60)	(51.60)
Net debt as at 31 March 2021	(3.25)	234.39	50.62	22.45	304.21
Cash flows (net)	(4.08)	162.63	(25.62)	-	132.93
Addition due to business combination (Refer note 41)	(0.13)	-	-	-	(0.13)
Interest expense	-	-	-	31.96	31.96
Interest paid	-	-	-	(53.45)	(53.45)
Net debt as at 31 March 2022	(7.46)	397.02	25.00	0.96	415.52



Note 14.6: Details of stock statement submitted to bank and books of accounts where borrowings have been availed based on security of current assets
(₹ in million)

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
March 2021	ICICI Bank	Inventory	86.13	80.24	5.89	The difference is primarily on account of goods in transit included in the books of accounts subsequently.
		Trade Receivables	210.37	224.02	(13.65)	The difference is due to the submissions to the Banks were made before financial reporting closure process
June 2021	ICICI Bank	Inventory	57.63	57.63	-	-
		Trade Receivables	184.15	186.57	(2.42)	The difference is due to the submissions to the Banks were made before financial reporting closure process
September 2021	SBM Bank	Inventory	106.54	103.52	3.02	The difference is due to the submissions to the Banks were made before financial reporting closure process
		Trade Receivables	191.25	189.92	1.33	The difference is due to the submissions to the Banks were made before financial reporting closure process
December 2021	SBM Bank	Inventory	118.04	118.65	(0.61)	The difference is due to the submissions to the Banks were made before financial reporting closure process
		Trade Receivables	199.71	211.04	(11.33)	The difference is due to the submissions to the Banks were made before financial reporting closure process
March 2022	SBM Bank	Inventory	115.53	115.53	-	-
		Trade Receivables	188.02	188.02	-	-

Note: For the quarters ended 30 June 2020, 30 September 2020, 31 December 2020; the Group submitted quarterly reports to banks based on internal operational reports since the companies were not required to prepare financial statements on a quarterly basis. Accordingly, Group management has carried out reconciliation of the statements submitted to banks with the books of accounts for the year ended 31 March 2021.

Note 15 Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non Current	0.52	-
Current	0.81	-
Total Lease liabilities	1.33	-

Note 16 Other financial liabilities**I Non-current**

Interest accrued but not due to related party (Refer note 33)	-	22.09
Total non-current financial liabilities	-	22.09

II Current

Interest accrued and due	0.20	0.10
Interest accrued but not due	0.96	0.36
Others		
- Liability for capital goods	2.34	-
- Security deposit	3.76	0.58
- Due to employees	1.45	0.55
- Purchase consideration payable towards business combination (Refer note 41)	10.00	-
Total current financial liabilities	18.71	1.59
Total other financial liabilities	18.71	23.68
Other financial liabilities carried at amortised cost	18.71	23.68
Other financial liabilities carried at FVTPL	-	-

Note 17 Provisions**Non-current**

Provision for employee benefits (Refer note 31)		
- Gratuity	0.85	-
Total non-current provisions	0.85	-

Current

Provision for employee benefits (Refer note 31)		
- Compensated absences	0.53	-
Total current provisions	0.53	-
Total provisions	1.38	-



	As at 31 March 2022	As at 31 March 2021
Note 18 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 18.2 below)	0.83	0.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	38.33	64.69
Total trade payables	39.16	65.20

Note 18.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 18.2 : Dues to micro, small and medium enterprises to the extent information available with the Company is given below:

	31 March 2022	31 March 2021
(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	0.83	0.51
- Interest due	0.07	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.	0.04	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.11	0.07
(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	0.20	0.09

Note 18.3 : Trade payable ageing schedule

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	-	-	0.68	0.11	0.05	-	0.83
(ii) Others	-	7.26	29.59	1.32	0.09	0.06	38.33
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	-	7.26	30.27	1.43	0.14	0.06	39.16

As at 31 March 2021

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	-	-	0.11	0.26	0.12	0.02	0.51
(ii) Others	-	5.33	35.74	23.22	0.08	0.32	64.69
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	-	5.33	35.85	23.48	0.20	0.34	65.20

Note 19 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	12.43	18.81
Total other current liabilities	12.43	18.81



	Year ended 31 March 2022	Year ended 31 March 2021
Note 20 Revenue from operations		
(a) Sale of products (including excise duty)	403.09	450.65
(b) Sale of Services	10.92	-
(c) Other operating revenues	19.24	8.90
Total revenue from operations	433.25	459.55

Note 20.1: Information of disaggregated revenue as per Ind AS 115, Revenue from Contracts with Customers

(A) Based on nature of product or service

(a) Sale of products		
- Manufactured goods	43.06	-
- Traded goods	360.03	450.65
	403.09	450.65
(b) Sale of Services	10.92	-
(c) Other operating revenues		
- Government grant	9.92	-
- Provisions no longer required written back	4.68	3.56
- Others	4.64	5.34
Total revenue from operations	433.25	459.55

(B) Based on timing of revenue recognition

Products transferred at a point of time	403.09	450.65
Services transferred at a point of time	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 37).

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

Contract price	491.68	468.97
Less: Items offset against revenue from customers	(88.59)	(18.32)
	403.09	450.65

Note 20.2: The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year

Revenue from top customer	85.84	170.32
Revenue from top five customers	223.25	380.62

For the year ended 31 March 2022, two (2) [31 March 2021: three (3)] customers, individually accounted for more than 10% of the total revenue.

Note 21 Other income

(a) Interest income		
- on financial assets carried at amortised cost	0.04	0.03
- on bank deposits	2.67	1.84
- on tax refund	0.38	-
- on loans to employees	0.02	0.08
	3.11	1.95
(b) Exchange gain (net)	0.21	-
(c) Other operating income:		
- Insurance claim	0.02	-
- Miscellaneous income	-	0.10
Total other income	3.34	2.05



	Year ended 31 March 2022	Year ended 31 March 2021
Note 22 Cost of materials consumed		
(a) Stock at beginning of the year		
- Raw materials	-	5.70
- Packing materials	-	-
	-	5.70
(b) Add: Purchases		
- Raw materials	52.01	-
- Packing materials	14.39	-
	66.40	-
(c) Less: Stock at the end of the year		
- Raw materials	-	-
- Packing materials	5.93	-
	5.93	-
(d) Cost of materials consumed (a+b-c)		
- Raw materials	52.01	5.70
- Packing materials	8.46	-
	60.47	5.70
Total cost of materials consumed		
	60.47	5.70
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	-	-
- Work in progress	-	2.08
- Stock-in-trade	86.13	43.07
	86.13	45.15
(b) Closing stock		
- Finished goods	1.36	-
- Work in progress	57.25	-
- Stock-in-trade	49.00	86.13
	107.61	86.13
(c) Increase / (Decrease) in excise duty on finished goods	0.11	-
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	(21.37)	(40.98)
Note 24 Employee benefits expense		
Salaries, wages and bonus	13.75	4.55
Contribution to provident and other fund (Refer note 31)	0.61	0.15
Gratuity (Refer note 31)	0.55	0.01
Staff welfare	0.16	-
Total employee benefits expense	15.07	4.71
Note 25 Selling and distribution expenses		
Sales Promotion	18.63	21.16
Commission	2.64	0.11
Total selling and distribution expenses	21.27	21.27



Note 26 Other expenses	Year ended 31 March 2022	Year ended 31 March 2021
Consumables, stores and spares consumed	2.43	0.05
Power and fuel	1.87	-
Repairs and maintenance - Building	1.19	-
Repairs and maintenance - others	3.59	-
Rates and taxes	15.16	6.70
Insurance	0.22	0.12
Security charges	1.07	-
Travelling and conveyance	0.29	0.01
Rent (Refer Note 33)	6.17	4.99
Auditor remuneration:		
- audit fees	0.94	0.59
- tax audit fees	0.12	0.12
- certification fees	0.04	0.04
- reimbursement of expenses	0.01	-
Legal and professional fees	4.50	0.31
Director sitting fees (Refer note 33)	-	0.30
Restaurant expenses	8.03	-
Freight and handling charges	9.24	6.54
Impairment allowance on financial and non-financial assets (Refer notes 8 and 10)	2.45	1.27
Exchange loss (net)	-	3.91
Loss on disposal of property, plant and equipment (net)	-	2.84
Printing, stationary, postage and telephone expenses	0.29	0.01
Miscellaneous	0.67	0.22
Total other expenses	58.28	28.02

Note 27 Finance costs

Interest on:		
- lease liability	0.09	-
- loans from bank	10.15	2.07
- cash credit facilities	1.17	-
- loan from holding company (Refer note 33)	20.51	23.88
- others	0.13	0.08
	32.05	26.03
Other borrowing costs	4.48	2.29
Total finance costs	36.53	28.32

Note 28 Depreciation expense

Depreciation on tangible assets (Refer note 3)	7.01	1.83
Depreciation on Right of use assets (Refer note 3A)	0.45	-
Amortisation of intangible assets (Refer note 4)	4.86	-
Total depreciation and amortisation	12.32	1.83

Note 29 Earnings per share (EPS)

Basic and diluted EPS	Year ended 31 March 2022	Year ended 31 March 2021
A. Profit computation for basic earnings per share of ₹ 10 each		
Net profit as per the Statement of Profit and Loss available for equity shareholders (₹ million)	16.99	26.74
B. Weighted average number of equity shares for EPS computation (Nos.)	3,21,77,397	2,93,50,000
C. EPS - Basic (₹)	0.53	0.09
- Diluted EPS (₹)	0.53	0.09

Note 30 Contingent liabilities and commitments

A. Contingent liabilities	As at 31 March 2022	As at 31 March 2021
(i) Guarantees issued by banks on behalf of the Company	29.30	28.41

(ii) Provident Fund

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

Note:

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

B. Commitments

i) Capital commitment (net of advances)

0.74



Note 31: 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 2022	31 March 2021
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	0.72	0.42
Current service cost	0.43	0.02
Interest cost	0.19	0.02
Remeasurements - Net actuarial loss	0.89	0.13
Benefits paid	(0.27)	(0.30)
Liability assumed on account of group transfer	2.71	0.43
Present value of the obligation as at the end of the year	4.67	0.72
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the year	1.17	0.92
Interest income	0.08	0.05
Actual return on plan assets (excluding interest income)	0.02	-
Benefits paid	(0.27)	(0.30)
Employer contributions	2.82	0.50
Remeasurements - Net actuarial gain	-	-
Fair value of the plan assets at the end of the year	3.82	1.17
c) Expenses recognised in the Statement of Profit and Loss		
Interest expense/(income) (net)	0.12	(0.02)
Current service cost	0.43	0.03
Total	0.55	0.01
d) Remeasurement loss/(gain) recognised in OCI		
Remeasurement - Net actuarial gains on defined benefit obligations	0.89	0.13
Remeasurement - Net actuarial gains on planned assets	-	-
Adjustment to recognize the effect of asset ceiling	(0.06)	(0.25)
Total	0.83	(0.12)
e) Movement in asset ceiling		
Opening value of asset ceiling	0.03	0.27
Interest on opening balance of asset ceiling	-	0.02
Remeasurements due to changes in surplus / (deficit)	(0.06)	(0.26)
Closing value of asset ceiling	(0.03)	0.03

*represents amount less than 10,000

f) Actuarial assumptions

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.90%	6.95%
Salary escalation rate	12.00%	11.00%
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:

Insurer managed funds

31 March 2022

100%

31 March 2021

100%

The Gratuity Scheme is invested in a New Group Gratuity Cash Accumulation Plan Policy offered by Life Insurance Corporation (LIC) 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 period, for returns over the entire life of the related obligation.

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

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

	Year ended 31 March 2022	Year ended 31 March 2021
	0.50% increase	
i. Discount rate	(0.35)	(0.05)
ii. Salary escalation rate	0.33	0.05
	0.50% decrease	
i. Discount rate	0.39	0.06
ii. Salary escalation rate	(0.32)	(0.05)

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

	As at 31 March 2022	As at 31 March 2021
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	0.12	0.02
Between 2 and 5 years	0.70	0.09
Between 6 and 10 years	0.73	0.09
Beyond 10 years	14.92	2.17
Total expected payments	16.47	2.37

II Defined Contribution Plans

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

	Year ended 31 March 2022	Year ended 31 March 2021
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	0.52	0.15
(ii) Contribution to ESIC	0.09	-
	0.61	0.15
b) The leave obligations cover the Company's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is ₹ 0.53 million (31 March 2021 : Nil) 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 ₹ 0.54 million (31 March 2021: Nil)		

	As at 31 March 2022	As at 31 March 2021
III Current/ non-current classification		
Gratuity		
Non-current	0.85	-
Non-current (prepaid gratuity)	-	(0.42)
	0.85	(0.42)
b) Compensated absences		
Current	0.53	-
Non-current	-	-
	0.53	-



Note 32 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 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	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Loans	5	0.25	-	-	-	0.25
Others financial assets	6	17.00	-	-	-	17.00
Trade receivables	10	188.02	-	-	-	188.02
Cash and cash equivalents	11	7.46	-	-	-	7.46
Bank balances other than cash and cash equivalents	12	40.71	-	-	-	40.71
Liabilities:						
Borrowings	14	422.02	-	-	-	422.02
Lease Liabilities	15	1.33	-	-	-	1.33
Other financial liabilities	16	18.71	-	-	-	18.71
Trade payables	18	39.16	-	-	-	39.16

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were 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	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Loans	5	0.27	-	-	-	0.27
Others financial assets	6	5.35	-	-	-	5.35
Trade receivables	10	210.37	-	-	-	210.37
Cash and cash equivalents	11	3.25	-	-	-	3.25
Bank balances other than cash and cash equivalents	12	60.71	-	-	-	60.71
Liabilities:						
Borrowings	14	236.60	-	-	48.41	285.01
Other financial liabilities	16	23.68	-	-	-	23.68
Trade payables	18	65.20	-	-	-	65.20



B Impact of hedging activities

The Company uses foreign exchange forward contracts to hedge against the foreign currency risk of highly probable USD borrowings. Such derivative financial instruments are governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

a) Disclosure of effects of hedge accounting in the Company's balance sheet

	Nominal value in USD	Carrying amount		Maturity Date	Hedge ratio	Strike price/ rate	Change in fair value of hedging instrument	Change in value of hedged item used as the basis for recognisn
		Assets	Liabilities					
As at 31 March 2022								
Cash flow hedge	-	-	-	-	-	-	-	-
As at 31 March 2021								
Cash flow hedge - Foreign currency forward contract USD/INR	6,50,000	-	48.41	February 2021 to May 2021	1:1	73.93	0.35	0.21

b) Disclosure of effects of hedge accounting in the Company's profit or (loss) and other comprehensive income

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss
For the year ended 31 March 2022		
Cash flow hedge	-	-
For the year ended 31 March 2021		
Cash flow hedge	(0.21)	(0.14)



(Amount in ₹ million, unless otherwise stated)

Note 33 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)
Verlinvest Group SA

(b) Holding Company
Sula Vineyards Limited (Formerly Sula vineyards Limited)

(b) Key Management Personnel (KMP)

Chaitanya Rathi

Director

Neeraj Sharma

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

Bittu Varghese

Director

Chetan Desai

Director (resigned w.e.f. 02 December 2020)

Monit Dhavale

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

B. Nature of Transactions

Transactions with related parties:

Year ended
31 March 2022

Year ended
31 March 2021

Sula Vineyards Limited

- Interest expense	20.51	23.88
- Rent expense	0.39	0.24
- Purchase of goods	39.61	64.28
- Purchase of property, plant and equipment	6.74	-
- Sale of products	48.66	9.73
- Sale of property, plant and equipment	0.01	0.91
- Loan taken	504.28	517.26
- Loan repaid	458.97	558.60
- Repayment of interest	40.54	47.83
- Reimbursement of expenses	173.76	76.43
- Corporate Guarantee issued on behalf of the Company	159.57	75.04

Progressive Alcobev Distributors Private Limited

- Sale of products	-	36.71
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Chetan Desai

- Director Sitting Fees	-	0.30
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C. Outstanding balances:

As at
31 March 2022

As at
31 March 2021

Progressive Alcobev Distributors Private Limited

Trade receivable	-	15.86
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Sula Vineyards Limited

Loans payable	279.70	234.39
Interest accrued but not due	-	22.09

Sula Vineyards Limited

Corporate Guarantee issued on behalf of the Company	174.63	75.04
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Note 34 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 2022		As at 31 March 2021	
	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
Impact on Profit before tax	0.71	(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 does not have significant outstanding balances in foreign currency and consequently the Company's exposure to foreign exchange risk is less. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

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

Particulars	USD	EUR	Total
Assets			
Trade receivables	17.46	-	17.46
Advance to supplier	0.09	-	0.09
	<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*	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

The following table analysis foreign currency risk from financial instruments as at 31 March 2021:

Particulars	USD	EUR	Total
Assets			
Trade receivables	24.21	-	24.21
	<u>24.21</u>	<u>-</u>	<u>24.21</u>
Liabilities			
Trade payables	45.11	2.18	47.29
Borrowings	2.21	-	2.21
	<u>47.32</u>	<u>2.18</u>	<u>49.50</u>
Net liabilities	<u>(23.11)</u>	<u>(2.18)</u>	<u>(25.29)</u>



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 Group as at the reporting date

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Impact on Profit before tax		
USD	0.41	1.16
EUR	0.01	0.11

ii Credit risk

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

a Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private parties. The Company's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2022		As at 31 March 2021	
		%		%
Trade receivables				
- from government corporation	54.70	26.00%	56.69	26.95%
- from private parties	133.32	63.37%	153.68	73.05%
Total trade receivables (Refer note 10)	188.02	89.38%	210.37	100.00%

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

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	6.27	5.00
Impairment allowance on financial assets	1.09	1.27
Balance at the end of the year	7.36	6.27



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 2022	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
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
	<u>25.00</u>	<u>73.79</u>	<u>382.56</u>	<u>-</u>	<u>481.35</u>
As at 31 March 2021					
Borrowings	-	50.62	234.39	-	285.01
Trade payables	-	65.20	-	-	65.20
Other financial liabilities	-	1.59	22.09	-	23.68
	<u>-</u>	<u>117.41</u>	<u>256.48</u>	<u>-</u>	<u>373.89</u>

Note 35 Capital management

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

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

	As at 31 March 2022	As at 31 March 2021
Total debt	422.02	285.01
Total equity	74.18	(1.98)
Total debt to equity ratio (Gearing ratio)	5.69	(143.94)

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

Note 36 Unhedged foreign currency exposure

Particulars	As at 31 March 2022			As at 31 March 2021	
	Currencies	Foreign currency	₹ million	Foreign currency	₹ million
Trade receivables	USD	2,30,040.00	17.46	3,27,866.49	24.21
Trade payables	EUR	2,259.87	0.19	25,405.50	2.18
	USD	1,24,510.80	9.45	6,16,492.25	45.11
Capital trade payables	EUR	30.00	0.00*	-	-
Borrowings	-	-	-	30,000.00	2.21
Advance to supplier	USD	1,200.00	0.09	-	-

*represents less than ₹ 10,000

Note 37 Segment reporting

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

The Executive Committee of the Company (being the Chief Operating Decision Maker) assesses performance and allocates resources for the business of the Company as a whole and hence the management considers Company's business activities as a single operating segment (viz. Beverage alcohol).

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

Particulars

	Year ended 31 March 2022		Year ended 31 March 2021	
	India	Outside India	India	Outside India
Revenue from operations	417.15	16.10	289.23	170.32
Non-current assets	205.67	-	15.38	-



Note 38 Government grants

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

	31 March 2022	31 March 2021
Government Grants at the beginning of the year	-	-
Add: Government grant accrued during the year	9.92	-
Less: Government Grant received during the year	-	-
Government Grants at the end of the year	9.92	-
Current	8.78	-
Non-current	1.14	-

Government Grants related to Wine Incentive Promotion Subsidy (WIPS) scheme launched by the state of Maharashtra. Under the scheme, VAT paid by Company on wine manufactured from grapes produced in 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 39 Disclosure of ratios

Particulars	Formula for computation	Measure(In times/percentage)	As at and for the year ended 31 March 2022	As at and for the year ended 31 March 2021
a Current Ratio	Current assets / Current liabilities	Times	3.25	2.76
b Debt Equity Ratio	Debt / Net worth	Times	5.69	(143.94)
c Debt Service coverage Ratio	EBITDA / (Finance costs + Principal repayment of long term borrowings within one year)	Times	1.27	2.01
d Return on Equity	Profit after tax / Net worth	Percentage	22.90%	-1350.51%
e Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	2.73	5.12
f Trade receivable turnover ratio	Revenue from sale of product and services / Average gross trade receivables	Times	2.08	2.35
g Trade Payable turnover ratio	Purchases / Average trade payables	Times	5.81	10.49
h Net Capital turnover ratio	Revenue from operations / working capital	Times	1.72	1.92
i Net Profit Ratio	Profit after tax / Revenue from operations	Percentage	3.92%	5.82%
j Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	11.74%	23.69%
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 EBITDA = Earnings before finance costs, depreciation expense and tax and exceptional items

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 interest and tax and exceptional items

8 Capital employed = Total equity + Non-current borrowings

Explanation for variance in ratio by more than 25%

Particulars	% Variance in ratio between 31 March 2022 and 31 March 2021	Reason for Variance in excess of 25%
a Current Ratio	18%	Refer note below
b Debt Equity Ratio	104%	Owing to improvement in Net worth
c Debt Service coverage Ratio	-37%	Owing to increase in debt
d Return on Equity	102%	Owing to improvement in Net worth
e Inventory Turnover Ratio	-47%	Owing to increase in inventory
f Trade receivable turnover ratio	-11%	Refer note below
g Trade Payable turnover ratio	-45%	Owing to increase in average trade payable
h Net Capital turnover ratio	-10%	Refer note below
i Net Profit Ratio	-33%	Decrease in Revenue accompanied by increase in other expenses, finance costs & depreciation
j Return on Capital Employed (ROCE)	-50%	Owing to increase in borrowings

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



Note 40 Leases - Ind AS 116**1. Right-of-use Assets:**

The net carrying value of right-of-use assets as at 31 March 2022 amounts to ₹ 1.29 million (31 March 2021: Nil) have been disclosed on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

As at 31 March 2022, the obligations under finance leases amounts to ₹ 1.33 million (31 March 2021: Nil) which have been classified to lease liabilities, under financial liabilities. (Also refer note 15)

Particulars	As at 31 March 2022
Current Lease liabilities	0.81
Non-Current Lease liabilities	0.52
Total Lease liabilities	1.33

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

	As at 31 March 2022
Balance as at 1 April 2021	-
Additions during the period	1.74
Finance cost accrued during the period	0.09
Payment of lease liabilities	(0.50)
Balance as at 31 March 2022	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 2022	1.33	1.46	0.66	0.80	-
31 March 2021	-	-	-	-	-

2. The Company recognised the following in the statement of profit and loss:

Particulars	Year ended 31 March 2022
Depreciation expenses on right-of-use assets (Refer note 3A and 28)	0.45
Finance cost on lease liabilities (Refer note 27)	0.09
Rent expense pertaining to leases of low-value assets	-
Rent expense pertaining to leases with less than twelve months of lease included under rent expenses (Refer Note 26)	6.17



Note 41 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 at 31 March 2022
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	161.65
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- Pursuant to business transfer agreement, deferred consideration of ₹ 10.00 million shall be payable after realisation of certain assets acquired.

- 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.

b. Revenue and Profit contribution

The acquired business contributed revenue from operation of ₹ 68.54 million and earned profit before tax of ₹ 7.93 million to the Company for the period 1 August 2021 to 31 March 2022

If the acquisition had taken place on 1 April 2021, then contribution of York to the revenue from operation and profit for the period 1 April 2021 to 31 March 2022 would have been ₹ 102.81 million and ₹ 11.90 million and the resultant pro-forma revenue from operation and profit of the Company would have been ₹ 467.52 million and ₹ 20.96 million respectively



(Amount in ₹ million, unless otherwise stated)

Note 42: Additional regulatory information required under Schedule III

(i) The Company does not have any Benami property, where any proceeding has 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

(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

Note 43 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. : 001076N / N500013

Rakesh R. Agarwal

Partner

Membership No. : 109632



Place: Mumbai

Date: 18 May 2022

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

Chaitanya Rathi

Director

DIN : 07705302

Kinjal Govani

Company Secretary

Membership No. A50009

Place: Mumbai

Date: 18 May 2022

