

SHAPING TOMORROW, DISTILLING WITH PURPOSE



AARTI DISTILLERIES PRIVATE LIMITED
ANNUAL REPORT 2023-24

| CONTENTS

- 01 CORPORATE OVERVIEW
- 25 STATUTORY REPORTS
- 43 FINANCIALS AND AUDIT REPORT

CORPORATE OVERVIEW

- 02 Our Management
- 03 About Us
- 04 Performance Overview
- 06 Group Head's Message
- 08 Managing Director's Message
- 10 The Indian Economy and the Liquor Industry in 2023-24
- 11 Conceptualization of ADPL
- 12 The ADPL Project: Identification
- 13 Memorandum of Association of ADPL
- 14 About Rajasthan Liquors Limited
- 15 Vision and Mission of RLL
- 16 About Pernod Ricard India Private Limited
- 18 About Pernod Ricard
- 19 Vision of the Group
- 20 CSR Activities undertaken by ADPL

OUR MANAGEMENT

TILAK RAJ SHARMA

Group Head and Director

Tilak Raj Sharma, an innovator and a pathfinder, has devoted over thirty-five years of his life to the liquor industry. The force behind the exponential growth of the RLL group, Mr Sharma has been widely recognized for his entrepreneurial skills and farsightedness. Compelled by circumstances, he took to entrepreneurship early in his life and has carved himself an illustrious career in the Indian liquor Industry.

REKHA SHARMA

Executive Director and Non-Independent Director

Rekha Sharma, a non-executive founding director on the board of ADPL, is a postgraduate in Arts and a well-known social activist. She has been promoting women empowerment and taken several initiatives to strengthen the RLL group.

CHETAN SHARMA

Managing Director

Chetan Sharma, young, innovative and dynamic, is a founding director of ADPL. He possesses sharp business acumen and remarkable maturity making him the right fit to head the organisation. After completing his studies, he joined the RLL Group in 2014 and, ever since, has been efficiently managing the finance and operations of the company.

RAJKAMAL GANERIWALA

Independent and Non-Executive Director

Raj Kamal Ganeriwala is a chartered accountant by profession with vast experience of more than thirty-five years. Apart from being a fellow chartered accountant (FCA), he possesses a degree in law. Mr Ganeriwala runs his own firm of chartered accountants and is the chairman of the audit committee as well as a member of the nomination and remuneration committee of the board of ADPL.

KESHAV CHATURVEDI

Independent and Non-Executive Director

Keshav Chaturvedi, a young and dynamic personality, is a trained lawyer with extensive experience in and a mature understanding of various laws applicable to industries. The presence of Mr Chaturvedi on the board of the company has been critical for maintaining proper compliance with laws, which has resulted in good governance for ADPL.

ABOUT US

Aarti Distilleries Private Limited (ADPL) is the result of a strategic alliance between Rajasthan Liquors Limited (RLL) and Pernod Ricard India Private Limited (PRIPL). The company manufactures and sells grain-based ENA, IMFL and downstream products. Run by experienced promoters, the company has displayed impressive growth since its inception. ADPL has shown remarkable progress in ramping up production and generating healthy sales. With an integrated manufacturing facility comprising a distillery, bottling unit and captive power plant, it can produce 165 kilolitres of ENA per day and 100 lac cases per annum. In the short period since the company began its operations, the distillery has been running almost full capacity at 90 per cent whereas the bottling unit has been operational at 65 per cent its capacity. In the near future, ADPL is expected to utilize its full capacity to meet the growing demand. The growth momentum is expected to continue for the company as it is well poised to benefit from a favourable demand outlook for the liquor industry.

PERNOD RICARD INDIA PRIVATE LIMITED

Share
in the
strategic
alliance

74%

26%

RAJASTHAN LIQUORS LIMITED

RLL

Pernod Ricard India

PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE

Reported Standalone Financials 2023-24

₹ 40,539.77 lacs

Revenue from Operations

₹ 5613.14 lacs

Profit After Tax

₹ 71.26%

ROCE

46.25%

ROE

₹ 13.84%

Net Profit Margin

₹ 10649.75 lacs

EBITDA

26.26%

EBITDA Margin

₹ 6.99 rupees

Earnings Per Share

NON-FINANCIAL PARAMETERS

Produces

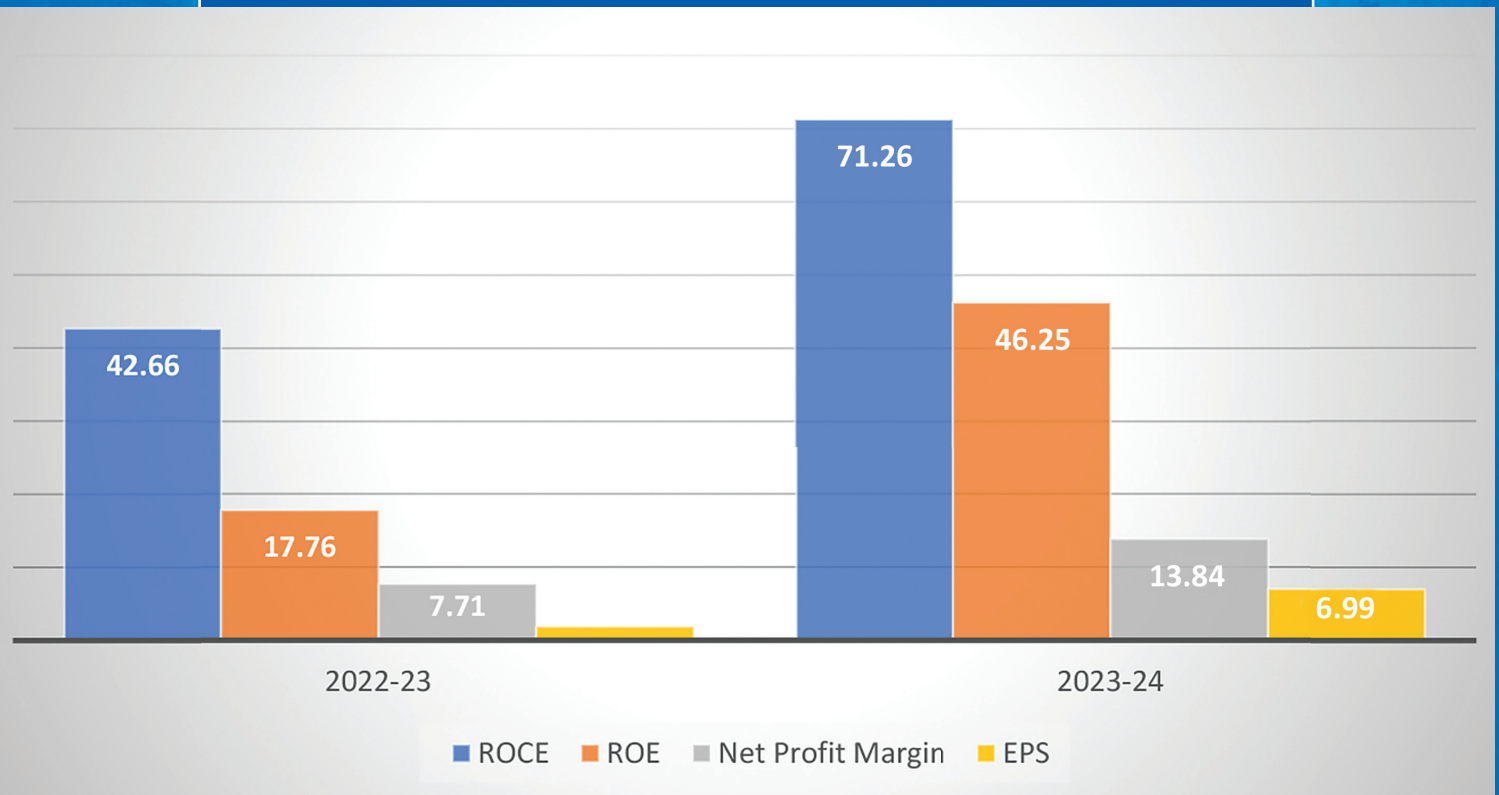
**1,65,000 BL
ENA**

Capacity to produce

**1 Cr. cases/
annum**

A **zero-discharge**
and **pollution-**
free establishment

YEAR-ON-YEAR KEY FINANCIAL PARAMETERS



Note: All values are in percentage except for the EPS, which is in Indian rupee.

GROUP HEAD'S MESSAGE

Dear shareholders, investors, customers and friends,



I am delighted to present this annual report highlighting the performance of Aarti Distilleries Private Limited (ADPL) for the year 2023-24. I am immensely satisfied with the performance of the company during the said financial year and thank as well as congratulate the team for delivering an outstanding performance. It gives me a lot of happiness to bring to your notice that ADPL's revenue from operations for the year 2023-24 increased from **INR 19732.96 lac** to **INR 40539.77 lac**. Its net profit also increased from **INR 1521.72 lac** to **INR 5613.14 lac**. For the first time, the company declared an interim dividend for its equity shareholders out of its profits.

The period under review stands out as the best-performing year in the company's relatively short history. During the period, the company achieved remarkable growth as evident by its strong financial numbers. Achieving this kind of growth is not easy since ADPL's business is exposed to various risks inherent to a liquor company operating in India. The company operates in a complex, volatile and uncertain environment wherein it is almost impossible to survive for a company that does not effectively manage its risks. I take pride in saying that risk management is firmly embedded in the DNA of our company. It is part of our corporate strategy and operating framework. The company has a robust and comprehensive risk assessment and

mitigating system in place, which ensures seamless, risk-free operations resulting in phenomenal business growth and value creation for our stakeholders.

Above all, the growth of the company is the result of the hard work of its employees and the vision of its shareholders and management. ADPL would never have reached these new heights without their unwavering support and relentless hard work. As a relatively new company operating in a highly regulated sector, we have delivered impactful and positive outcomes riding on the back of a strong foundation. Our sharp focus on achieving excellence helped us deliver consistent value to our customers. With the help of a great team effort, we could drive business efficiencies and growth, deliver consistent results, and build credibility as well as trust among various stakeholders.

I am happy to share that the general economic environment for the liquor industry witnessed a substantial improvement in 2023-24. It seems the industry has finally managed to overcome the challenges thrown by the pandemic. As captured in the 2022-23 annual report of ADPL, in the aftermath of the pandemic and the Russia-Ukraine war, the company had faced numerous challenges on the operational front. The company, however, displayed remarkable resilience and took the challenges head on. As I have already mentioned, the last year has been good

for the liquor industry and excellent for ADPL with both registering strong growth. I have no doubt in my mind that the coming years will be even better for the industry, and ADPL, as a result, will reap rich rewards.

We are firmly committed to transforming ADPL into a much bigger and stronger entity in the years to come. Our endeavour is to create an agile, resilient, ethical and growth-oriented organization that creates value for its stakeholders: customers, shareholders, investors and employees. In line with the endeavour, we have embarked on a few transformational projects and hope to successfully execute them soon. The idea, as mentioned earlier, is to create an efficient and sustainable business entity. With inflationary headwinds subsiding, we are confident that in the medium-to-long term business prospects will improve significantly and we will be able to harness scale opportunities. The Indian growth story is largely consumption driven, and with rising disposable incomes and consumer aspirations, the liquor sector is ready to undergo a structural shift. We believe that the growth story of ADPL will converge with that of India, and with the number of people in the legal drinking age increasing rapidly, the company is well poised to gain market share. The age demographic in India is in favour of the alcohol industry and I am confident

that in a few years' time we will become a force to reckon with in the domestic liquor industry. The age demographic coupled with India's robust economic growth presents a massive growth opportunity for us.

Looking ahead

I would like to end by expressing my heartfelt gratitude to our shareholders for their constant support and reposing faith in us. I would also like to thank my colleagues on the board of the company for their invaluable guidance and support. I am thankful to our customers for their unwavering faith in our products. Their unstinting support and encouragement have been critical for our success. The success of ADPL is directly attributable to the hard work of its people. I once again thank and congratulate the ADPL team for their splendid work in making the last year a huge success.

TILAK RAJ SHARMA

our focus will be on innovation and capitalising on evolving market trends. We will continue to identify growth propellers and invest in technology and brands to expand our business. ADPL will continuously explore growth opportunities with the aim of generating better returns and unlocking value for our shareholders. We are committed to doing business ethically and delivering positive as well as impactful outcomes for our society.

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,



It is, indeed, a pleasure for me to share ADPL's performance for the financial year 2023-24. I am glad to inform you that your company demonstrated a strong growth trajectory riding on the back of an improved economic environment. Before I discuss the factors driving the success of the company in the last financial year, I would like to highlight the stellar financial performance of the company during the same period. ADPL reported strong revenue numbers in line with its vision of delivering consistent year-on-year growth.

For the year 2023-24, our net income stood at **INR 5613.14 lac** as compared to **INR 1,521.72 lac** for the preceding year 2022-23 registering a massive upside of **368.86%**. The net profit margin also witnessed a considerable increase reaching **13.84%** as against the previous year's **7.71%** clocking a whopping **179.50%** jump. The strong financials testify and are the result of ADPL's sound capital allocation strategy and continued focus on operational efficiencies, market share expansion, forging partnerships, improving product quality as well as driving growth through innovation in technology. These factors combined significantly contributed to the stellar performance of the company.

In the future, our ambition is to deliver strong but, most importantly, stable earnings growth in CAGR terms. The strong performance of ADPL in the last financial year reflects the trust of our consumers in our products. Your

company witnessed a solid consumer demand, and we are hopeful that the momentum will sustain in the future. Our entire product portfolio showed strong growth delivering a strong performance. A buoyant consumer demand significantly contributed to the overall sales of the company. We are confident this demand will further expand in the future and result in a substantial jump in the company's revenue and profit year after year. We remain committed to providing our consumers with quality products and are confident of offering them an eclectic mix of brand offerings in the future. Your company will continue to exploit positive industry trends, identify new avenues of growth in the future and reshape its product portfolio with a view to delivering stellar results. We are firmly committed to building a strong foundation for the future, which will help us become a major player in the Indian liquor space.

As a relatively new company in the liquor space, ADPL will strongly focus on providing a diverse range of offerings to its customers. The strategy will be to continuously reshape our portfolio to offer quality products and achieve commercial excellence. We firmly believe that the synergies established with Pernod Ricard India Private Limited (PRIPL) will immensely help us drive revenue growth, achieve operational efficiency as well as maximise productivity.

India is at an inflexion point and the consumption story has just started in India.

The next decade, as they say, belong to India. As the purchasing power of Indians increases, more and more people will spend on discretionary items and entertainment. Alcohol consumption is considered discretionary in India, and as people earn more, in all likelihood, they will spend more on consuming alcohol. A cherry on the cake is: In the next decade or so many Indians will become eligible to drink alcohol as they will reach the threshold age for drinking, which varies across states in India. ADPL is poised to ride the India growth story and will capitalize on the increasing alcohol consumption base.

ADPL has started its operations on a positive note, and this has instilled confidence in us to take ADP to greater heights in the years to come. I am confident that we will make substantial progress on all major fronts: revenue generation, profitability, cost management, quality management, operational efficiency, among others. With a view to harnessing opportunities, we will devise a strategy based on innovation, creativity and problem solving. More importantly, we will align our strategy with changing consumer choices to succeed in an intensely competitive ecosystem. We will keep in mind major trends in the liquor space and customize our offerings accordingly. This, we believe, will help us capture a good market share.

Technology will continue to play an important role across industries, and the

liquor industry will not be an exception to this trend. We will, therefore, use technology for building future-ready capabilities. Our focus will be on embedding digital technology into our systems to enhance business efficiency.

Looking ahead

Having said that, we will continue to sharpen our existing offerings across segments. This is our firm belief that a business must be responsible for the environment it operates in. Keeping this in mind, the company will invest in green business practices and contribute towards building an environment-friendly business ecosystem. It will be the utmost endeavour of the company to drive inclusion and diversity at all levels. We are also committed to supporting the vulnerable and poor, and to this effect we will continue to support CSR activities. Finally, I would like to thank our investors, shareholders, partners, customers and employees for all their support. May with your love and support your company achieve phenomenal success.

CHETAN SHARMA

our focus will be on using technology to drive operational efficiency, cut cost and maximize sales as well as profits. ADPL also plans to invest in research and development (R&D) to expand its product portfolio. Capitalizing on technology and R&D, we are confident that the company will make significant ground in offering premium products in the next few years and successfully ride the growing premiumisation trend.

THE INDIAN ECONOMY AND THE LIQUOR INDUSTRY IN 2023-24

India is a growing economic superpower. It recently left behind Japan to become the world's fourth largest economy. It is estimated that India will soon leave Germany behind and emerge as the third largest economy in the world behind only China and the US. In the financial year 2023-24, the Indian economy witnessed robust growth with its GDP growing at an impressive rate in real terms. This stellar growth was predominantly driven by a thriving services sector, robust domestic demand and a resilient agricultural sector. India performed well on all major economic indicators such as GDP growth, inflation, unemployment rate, current account deficit, etc. Generally, a positive economic environment augurs well for almost every industry functioning within that environment. The strong performance of the Indian economy during 2023-24,

therefore, positively impacted the Indian liquor industry. During this period, the Indian liquor industry witnessed strong tailwinds. Liquor companies reported strong sales and there was a significant increase in demand. The bulk of the demand, however, came from premium segments registering a jump of appx 48%. As per the Confederation of the Indian Alcoholic Beverage Companies (CIABC), the industry is expected to grow at 7-8% in the coming years. Although low-priced products continue to dominate the market, the trend of premiumization is gaining traction. Premium segments commanding higher prices are, therefore, expanding faster than affordable or lower-priced segments. A growing liquor sector means more growth opportunities for ADPL. The company is expected to capitalize on rising consumer demand. To exploit the

shift in consumer behaviour (as more and more people are titling towards premium brands), ADPL has started diversifying its portfolio with a focus on premiumization. Since the number of consumers is expected to grow exponentially across India, the company has plans to expand its operations in different parts of the country. With India becoming a major economic force, the quality of life of an average Indian is expected to improve. This will have a positive impact on how Indians spend their money. As Indians enjoy more and more economic freedom, they will be greatly inclined towards spending on discretionary items. This fundamental shift in consumer behaviour will significantly benefit some sectors of the economy including liquor. ADPL will surely be a beneficiary of a thriving liquor sector.

LIQUOR



CONCEPTUALIZATION OF ADPL

The Indian liquor market has grown exponentially in the past few years. It is expected to grow manifold in the years to come. In fact, according to a report published by the International Spirits and Wines Association of India (ISWAI), the Indian alcoholic beverages market is estimated to touch \$64 billion in the next five years riding on the back of growing younger consumers, urbanisation, premiumisation, and rising income levels. The liquor industry holds a critical position within the Indian economy because of its potential for growth. As we look ahead, the alcoholic beverages industry will play an even more significant role in India's growth and development. An expanding liquor industry will result in job creation, more revenue for the government and GDP expansion. In fact, 2 per cent of India's nominal GDP is attributed to the liquor industry. The relentless commitment of the Government of India to simplifying regulations with a view to promoting ease of doing business will unlock the full potential of the Indian liquor industry.

The conceptualization of ADPL as a joint venture between RLL and PRIPL is a step towards leveraging India's growing economy. The company aims to significantly benefit from an exponentially rising Indian alcoholic beverages market. By virtue of being a joint venture between two well-run companies, ADPL will be able to simplify its operations and achieve operational efficiencies. The company, therefore, is poised for strong growth in the years to come.



THE ADPL PROJECT: IDENTIFICATION

As stated above, ADPL was proposed as a joint venture of RLL and PRIPL with equity participation of 74% and 26% respectively. Before establishing ADPL, it was absolutely critical for the promoters of ADPL to identify business opportunities for the proposed entity. The promoters, therefore, as part of project identification before setting up ADPL, undertook to develop a preliminary proposal to identify opportunities and the most appropriate set of interventions as well as course of action to harness those opportunities. Every project addresses a specific business/development goal and requires a particular region suitable for its seamless execution. Moreover, every project needs to be designed and executed within specific time and budget frames. Keeping these factors in mind, UP was chosen as the location for setting up ADPL production facilities.

Some of the key highlights of the ADPL project are:

- The Kanpur project of ADPL is backed by PRIPL, one of the world's leading liquor companies, by their equity participation of 26%.
- The project boasts of an excellent in-house production setup facilitated by the joint capabilities of the two large companies.
- ADPL has one of the largest production capacities in UP so far as the distillery plant produces 1,25,000 BL ENA along with other by-products.
- The entity has a whopping bottling capacity, which can easily produce 1 Cr. cases /annum.
- ADPL is a zero-discharge and pollution-free establishment in compliance to the provisions enacted by the Ministry of Environment, Forest and Climate Change (MoEFCC).
- The cost efficiency for the joint venture shall be high as for PRIPL the transportation cost shall be almost NIL, and since the joint entity will be part of the state capacity development initiative of the UP government, import fees shall also be avoided. Therefore, in turn ADPL shall be in a position to negotiate a high degree of margins.
- Due to the higher demand of ethanol, ENA prices are expected to increase, which will result in solid profit margins for ADPL.
- PRIPL enjoys a sizeable market share of appx. 50% in UP, which shall further increase upon the commencement of the ADPL production facility. It is noteworthy that currently PRIPL is producing only 60 million IMFL cases in UP, whereas the rest of the IMFL is being imported from outside the state.
- Upon the commencement of the in-state production facility, the cost for IMFL shall further be reduced and in turn volume will grow more.





MEMORANDUM OF ASSOCIATION OF ADPL

Aarti Distilleries Private Limited, a company originally incorporated on 20th day of April, 2020, as a subsidiary company of Rajasthan Liquors Limited, with the main objective to carry on the business as manufacturers, producers, processors, growers, fermentations, distillers, refiners, makers, inventors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessioners or otherwise deal in soft drinks, concentrators, syrup, effervescent drink, aerated water, beer, wine, whisky, rum, gin, vodka, or other alcoholic or non-alcoholic drinks, whether intoxicating or not, and all kinds and classes of beverages and to carry on business as manufacturers, processors, makers, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, canners, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires, or otherwise deal in fruits, herbs, bottlers, stopper, crocks, crown corks, containers, whether of glass or any other material or any other material including Indian made foreign liquor, country liquor, byproducts thereof, tonics, flavoured drinks, punch, vinegar, acetic acid, glucose, sauces, malt shops for the packaging of any kind or variety of beverages.

ABOUT RAJASTHAN LIQUORS LIMITED

The parent company of ADPL is RLL, a public limited company, originally incorporated on 18 March 1998. The main objective of the company is to carry on the business as manufacturers, producers, processors, fermentators, distillers, refiners or otherwise deal in beer, wine, Whisky, Gin, Vodka or other alcoholic and non-alcoholic drinks, whether intoxicating or not. The company was converted into a public limited company on 9 March 2010. The registered office of the company is

First Floor,
7/22D, Tilak Nagar,
Kanpur: 208 002
Uttar Pradesh

The company runs two bottling units: one at village Haripur Hinduan, Barwala Road, Derabassi, Punjab and another at F-40 & SP 39A RIICO Industrial Area, Kala Dera, Jaipur, Rajasthan. Apart from these, with a view to diversifying the product portfolio, the company has established a grain-based distillery having a capacity of 90 kilo litres per day at Derabassi, Punjab. Supported by a 4.5- mw power plant, the facility has been operational since July, 2014. In addition, ADPL also operates a world-class IMFL bottling plant, which has the capacity to manufacture 1 crore cases per annum. The facility is located at

Village Chiraura,
Pargana & Tehsil Akbarpur,
Kanpur Dehat: 209304
Uttar Pradesh

The facility has been operational since the mid of 2022 and making a significant contribution to the revenue of the state ever since.



VISION AND MISSION OF RLL

Run by an experienced, expert and efficient management, RLL envisions itself to be the preferred and leading player in the Indian liquor industry. The mission of RLL is to offer quality products to its customers keeping, at the same time, in mind environmental considerations. RLL is not only committed

to maintaining the highest standards of quality but also ensuring timely delivery of its products. The idea is to achieve complete customer satisfaction.

The company has resolved to invest in upskilling its people and upgrading technology to produce cost-effective quality products. As a responsible

organization, RLL is determined to conduct as well as expand its business ethically and without causing damage to the environment. RLL ensures quality by using state of the art technology and processes which are environmentally friendly and do not put unnecessary pressure on natural resources.

SOME ACHIEVEMENTS OF RLL

- RLL is the second highest producer/ bottler of PRIPL It is one of the highest quality bottlers as per PRIPL Audit
- RLL is the only bottler of PRIPL to produce/bottle Hawana Club Rum in India
- It has installed a zero discharge and eco smart distillery in India
- It produces one of the highest quality ENAs as per PRIPL
- Our both tie-up partners i.e. PRIPL and USL combine the market share of around 50% in the IMFL segment
- RLL has got a franchise agreement with United Spirits Limited for certain brands in Rajasthan



ABOUT PERNOD RICARD INDIA PRIVATE LIMITED

The other co-venturer in ADPL is PRIPL, a 100% owned subsidiary of Pernod Ricard SA and the 2nd largest multinational alcoholic beverage company delivering

quality products to its consumers across India. A fast-growing multinational, Pernod Ricard India has an impressive portfolio of premium brands across

categories: Whisky, Gin, Vodka, Rum, Champagne, Wine, etc. With one of the most dynamic and premium portfolios in the industry led by Seagram's



whiskies, Pernod Ricard India has been recognized as an industry leader. It is important to note that Seagram's whiskies are exported to 26 countries across the world, a phenomenal feat

to achieve for any company. In India, it operates through more than 30 bottling plants and has two distilleries at Nasik (Maharashtra) and Behror (Rajasthan), apart from its own winery at Nasik.

The Nasik unit is one of its kinds with integrated risk management and zero pollution state of the art facility.

ABOUT PERNOD RICARD

The Pernod Ricard group is a global spirits and wine entity with a presence in more than 160 countries. It offers one of the world's most comprehensive portfolios consisting of premium 240 brands. As a responsible, convivial and successful global wine and spirits group, Pernod Ricard has consistently delivered quality products to its customers. The group's number 2 position in the global liquor market is the testimony to its commitment to quality and customer satisfaction. However, the group is not satisfied with being number 2; it has a clear ambition to become the world leader in the liquor space.



VISION OF ADPL

To become a leading and responsible alcoholic beverage manufacturer in India, known for quality, innovation, and social consciousness.

CSR ACTIVITIES UNDERTAKEN BY ADPL

Despite being a relatively new enterprise, ADPL is not afraid of spending money on developmental activities and social work. The company is aware of its responsibility towards society and committed to spending a part of its earnings on making the world a better place to live in. This commitment of the company reflects in the concrete steps

it has taken to meaningfully contribute to society. In line with its mission of giving back to society and under the provisions of The Companies Act, 2013, ADPL spent **INR 10,41,707.45** on various CSR projects during the financial year 2023-24. It is important to note here that the company has earlier spent hefty amounts, running in crores, on various

infrastructure development activities. It has also been regularly spending funds on various initiatives meant for improving access to healthcare for the marginalized. These initiatives taken by ADPL solidifies its commitment to fulfilling its corporate social responsibility. The company has firmly resolved to continue making significant contributions to



community development work. In 2024-25, riding on the back of a strong financial performance, ADPL spent **INR 60,59,999.97** exceeding its mandatory CSR expenditure for the period by **INR 12,31,977.86**. Out of the total amount spent, the company donated **INR 8,00,000** to the UP Badminton Sports Association for the promotion of badminton training, **INR 50,00,000** to Keshav Madhav Sewa

Nyas for promoting healthcare and **INR 2,59,999.97** to Global Solution for promoting the safety, security and general welfare of the public. The company treats the people of District Kanpur Dehat as its stakeholders. Therefore, with the idea of giving back to them, the company spent its total CSR funds on projects in the district. Through these initiatives, ADPL has established itself as an organization that not only believes in carrying on its

business profitably but also proactively contributes to philanthropic and societal goals. The company will continue to strive for achieving phenomenal profit growth and invest a portion of it in social work.





STATUTORY REPORTS

- 26 Notice of 4th Annual General Meeting
- 27 Notes
- 29 Route Map of Venue of AGM
- 30 Board's Report
- 40 Secretarial Audit Report

AARTI DISTILLERIES PRIVATE LIMITED

CIN: U15549UP2020PTC128325

Registered Office- Ground Floor, 7/22D, Tilak Nagar, Kanpur, Uttar Pradesh – 208002

Contact Details: E-mail: aarti.distilleries@gmail.com

Factory Address- Phone: 0512-2563700

Vill. Chiraura, Post- Raipur (Kukhat), Tehsil: Akbarpur, Kanpur Dehat – 209 304

Notice of 4th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 04TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AARTI DISTILLERIES PRIVATE LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30TH, 2024 AT 11:00 A.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS (DULY RECORDED) (THE MEETING WILL BE HOSTED FROM REGISTERED OFFICE) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Tilak Raj Sharma (DIN: 00217431) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare a Dividend for the financial year ended March 31, 2024. The Board of Directors has recommended a Dividend of Rs. 5/- per 5% Non-convertible cumulative redeemable Preference share.

By order of Board of Directors
AARTI DISTILLERIES PRIVATE LIMITED

Date: 04.09.2024

Place: Kanpur

Ashutosh Tripathi
Company Secretary
M No. F10369

Notes

The shareholders are requested to note that:

1. Corporate Members intending to send their authorised representatives to attend the Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.
2. Members of the Company had appointed M/s. Rajiv Mehrotra and Associates, The Chartered Accountants as Statutory Auditors for a consecutive period of five years i.e. for 2021-2026.
3. In Pursuant to the General Circulars 09/2023 and other circulars issued by the Ministry of Corporate Affairs (MCA), (hereinafter collectively referred to as "the circulars") companies are allowed to hold Annual General Meeting ('AGM') through video-conferencing ('VC')/ other audio visual means (OAVM'), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
4. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in pursuant to the Circulars through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Company is pleased to inform that AGM of the Company will be held through, the Two-way Video Conferencing facility;
6. The web-link of the meeting shall be provided separately.
7. The proceedings of the meeting shall be recorded and shall be kept in the safe custody of the Company. Such recording shall be made available at the request of the members.
8. The notice of the Annual General Meeting is being sent by electronic mode to those members whose e-mail addresses are registered with the Company.
9. The facility for joining the meeting shall be kept open 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after the scheduled time of the meeting.
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
11. The register of Directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2024. Members seeking to inspect such documents can send an email to info@adpl.ltd.
12. All the other relevant documents in relation to the items of the Agenda are made available for inspection on demand made by members via screen shared through Video Conferencing.
13. The Voting at the meeting shall be conducted by show of hands unless a poll in accordance with section 109 of the Companies Act, 2013 is demanded by any member.

Notes (Continued)

14. The members can pose questions concurrently at the Meeting or they can submit questions or queries regarding the agenda items on the designated email address through which the notice has been sent.
15. None of the Directors or Key Managerial Personnel of the Company or their relatives are interested in the above resolution.
16. The Directors of the Company vide their Board Meeting dated 06.07.2024 have proposed cumulative dividend of Rs. 5/- (Rupees Five Only) per 5% Non-convertible cumulative redeemable Preference share (5% NCRPS) having Face value of Rs.100/- each, on all the paid up Preference Share of the company from the date of its allotment, till the financial year ended 31st March 2024.
17. Book Closure and Record date for the purpose of dividend shall be 23.09.2024 for determining entitlement of members to the dividend against such Preference Shares. The dividend on Preference Shares, if declared at the meeting as recommended by the board of directors, will be credited/dispatched within statutory timeline to those members whose name appear on the company's register of members on the Book Closure and record date.
18. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

Members having valid Permanent Account Number (PAN) 10%* or as notified by the Government of India (GOI)

Members not having PAN / valid PAN 20% or as notified by the GOI

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under section 206AB of the Finance Act, 2021.

The dividend, if approved, will be paid by crediting in to the bank account of those shareholders whose name appear on the company's register of members on the record date.

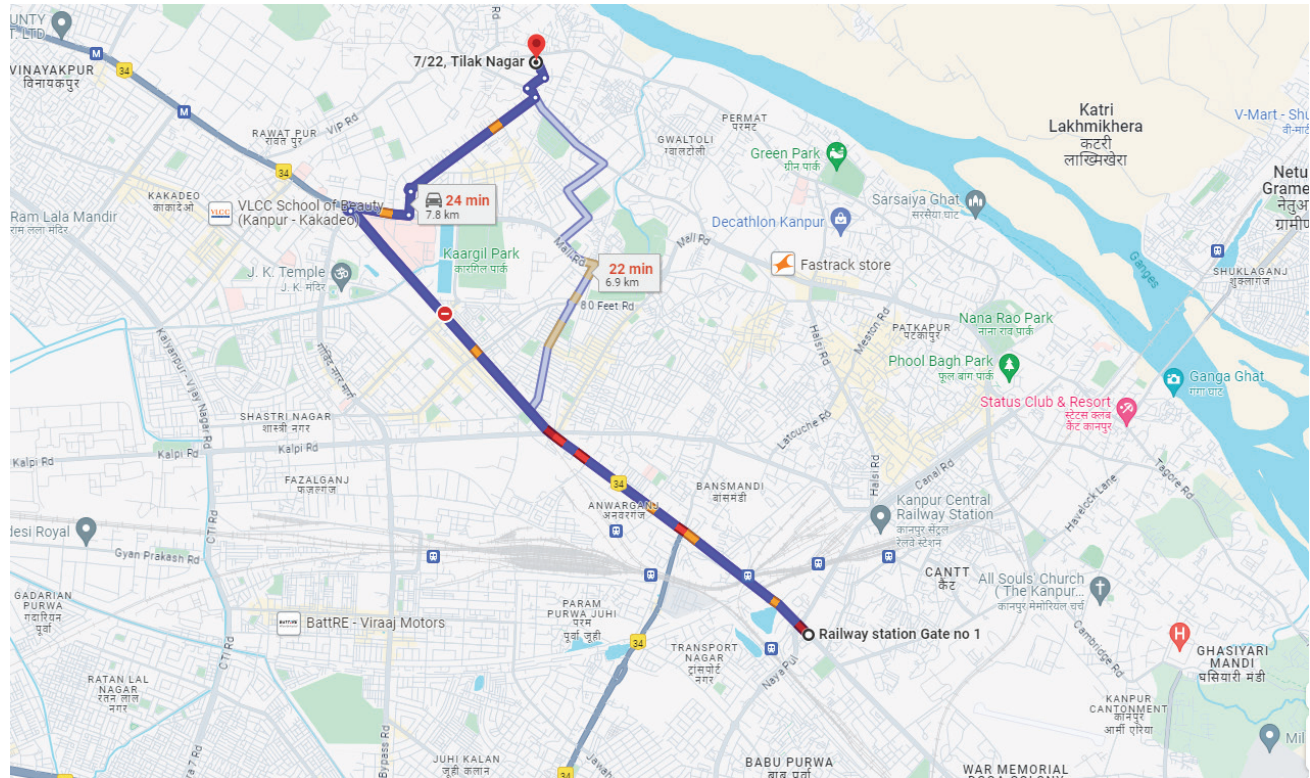
19. Since the AGM will be held through VC in accordance with the Circulars, proxy form and attendance slip are not attached to this Notice. However, the route map is attached herewith for the address from where the meeting will be hosted.

By Order of the Board of Directors
Aarti Distilleries Private Limited

Date: 04.09.2024
Place: Kanpur

Ashutosh Tripathi
Company Secretary
M. No: F10369

Route Map of Venue of AGM



Board's Report

To,
The Members,
AARTI DISTILLERIES PRIVATE LIMITED
CIN: U15549UP2020PTC128325

This really feels pleasure while presenting the 4th (Fourth) Annual Report by the Board of Directors of the company on the business and operations of the Company so far together with the Audited Financial Statements of your Company for the year ended as on March 31st, 2024.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

A summary of the Company's financial results for the Financial Year ended as on 31st March, 2023 & 31st March, 2024 is as under:

Particulars	F.Y. 2023-2024 (Amt. in Lakhs)	F.Y. 2022-2023 (Amt. in Lakhs)
Turnover	40,539.77	19,732.96
Add: Other Income (Bank Interest)	28.81	32.31
Total Revenue	40,827.82	19,765.26
Less: Total Expenses	33,923.69	17,934.32
Profit before tax	6,904.13	1,830.95
Less: Current Tax	801.68	0.00
Less: Deferred Tax	489.32	309.23
Profit/Loss for the year	5,613.13	1,521.72
EPS	6.99	1.89

2. STATE OF THE COMPANY'S AFFAIRS AND FUTURE PROSPECTS:

Brief Background:

The Company is engaged in the generation of large potable alcohol capacities by establishing resourceful Grain based distillery along with bottling set-up of manufacturing one crore cases/annum. However, ADPL came with its commercial production of Distillery in July, 2022 and the bottling also started in October, 2022.

ADPL has association with World-class Liquor Manufacturer i.e. Pernod Ricard India Private Limited having shareholding of 26% in ADPL shareholding of 74% is held by Rajasthan Liquors Limited.

Financial Highlights:

During the year under review, the Revenue from operations has increased from Rs. 19732.96 Lakh to Rs. 40539.77 Lakh. Its net profit has also increased from Rs. 1521.72 Lakh to Rs. 5613.13 Lakh.

Board's Report (Continued)

Performance Review:

The Company has achieved remarkable growth within years of its incorporation. The Financial highlights of the Company in its own shows the hard work of our stakeholders that made the Company to reach its heights. Also, the Company has declared interim dividend to its equity shareholders out of profits of F.Y. 2023-24.

Future Objectives:

The Company is striving its best to achieve the ultimate object of the company.

3. RECOMMENDATION OF DIVIDEND:

The company has two classes of shares (i) Equity Shares of Rs. 10/-each with voting right; and (ii) 5% Non- convertible, cumulative, redeemable Preference Share of Rs. 100/- each.

The company has declared interim dividend to its equity shareholders out of profits of F.Y. 2023-24.

4. SHARE CAPITAL:

The Issued, Subscribed and Paid-up Share Capital structure of the company as on 31.03.2024 is as follows:

	Position as on 31.03.2023		Change during the Year		Position as on 31.03.2024	
	No. of Issued, Subscribed and Paid-up Shares	Amount of Share Capital	No. of Issued, Subscribed and Paid-up Shares	Amount of Share Capital	No. of Issued, Subscribed and Paid-up Shares	Amount of Share Capital
Equity Shares of Rs. 10/- each	8,03,33,333	80,33,33,330	-	-	8,03,33,333	80,33,33,330
5% Non- convertible, cumulative, redeemable Preference Share of Rs. 100/- each	56,00,000	56,00,00,000			56,00,000	56,00,00,000

The company during the financial year under review, has not issued any fresh Equity Share Capital and Preference Share Capital.

5. CREDIT RATING ON CREDIT FACILITIES FROM BANK:

Your Company has been externally rated by stalwart rating agency ICRA Limited for its bank Loan – Long term and Short term facilities and for the secured loan availed from PRIPL. The company has been assigned long-term Rating of [ICRA] BBB+ (pronounced ICRA triple B Plus) and the short-term rating of [ICRA]A2 (pronounced ICRA A Two) ("Rating").

6. CHANGE IN THE NATURE OF BUSINESS [RULE 8(5)(II) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

There is no change in the nature of business the company during the financial year under review.

Board’s Report (Continued)

7. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3) of the Act, the Company shall place a copy of the Annual Return as at March 31, 2024 on its website and the same can be accessed at www.adpl.ltd.

8. AUDITORS:

(i) Statutory Auditor:

M/s Rajiv Mehrotra & Associates, The Chartered Accountants (Firm’s Regn. No.: 002253C):

Auditor’s Firm was appointed as the Statutory Auditors of the Company to hold the office from the conclusion of 1st Annual General Meeting until the conclusion of 6th Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company from time to time. The Auditors Report for the Financial Year 2023-24 is annexed as **Annexure ‘A’** and forms an integral part of this Report.

(ii) Secretarial Auditor:

M/s Adesh Tandon & Associates, Practicing Company Secretaries (C.P. No.1121):

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made thereunder for the time being in force, the Company has appointed **M/s Adesh Tandon & Associates**, Practicing Company Secretaries (C.P. No.1121) for a period of Five years [2020-21 to 2024-25] to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year 2023-24 is annexed as **Annexure ‘B’** and forms an integral part of this Report.

(iii) Internal Auditors:

The company, in order to comply with the provisions of the Section 138 of the Companies Act, 2013, appointed M/s S.K. Rajput & Associates, The Chartered Accountant as the Internal Auditor of the company for the Financial year 2023-24.

9. NUMBER OF MEETINGS OF THE BOARD:

Pursuant to the provisions of Section 173 of the Companies Act, 2013, various meetings of Board of Directors convened and held during the financial year 2023-24. The intervening gap between the two board meetings was not more than one hundred twenty days as prescribed in section 173(1) of the Companies Act, 2013. During the year, the company held 5 (Five) meetings of the Board of Directors. The dates on which the said meetings were held are as follows:

S. No.	Date of Board Meeting
1.	20.04.2023
2.	17.07.2023
3.	22.09.2023
4.	16.10.2023
5.	12.01.2024

Board's Report (Continued)

10. MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors met once during FY 2023-24 on July 17, 2023 without the presence of the Non-Independent Directors and members of the management. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the Act, following matters were inter-alia discussed at the meeting:

1. Review of the performance of Non-Independent Directors and the Board as a whole;
2. Review of the performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors; and
3. Assessment of the quality, quantity and timelines of the flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

11. DECLARATION BY INDEPENDENT DIRECTORS

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and are not disqualified from continuing as Independent Directors. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct for Directors and Senior Management and that they have registered themselves as an Independent Director in the data bank maintained with the Indian Institute of Corporate Affairs. Based on the disclosures received, the Board is of the opinion that all the Independent Directors fulfil the conditions specified in the Act and are independent of the management. The Company follows a policy of transparency and dealing at arm's length with its Independent Directors. No transaction was entered into with Independent Directors during the year which could have any material pecuniary relationship with them. Apart from sitting fees, no other remuneration was paid to any of the Independent Director. In the opinion of the Board, the Independent Directors hold the highest standard of integrity and possess the requisite qualifications, experience, expertise and proficiency.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- a. The directors had selected such accounting policies 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 and loss of the company for that period;
- b. The directors had taken proper and sufficient care 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;
- c. The directors had prepared the annual accounts on a going concern basis; and
- d. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board's Report (Continued)

13. NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee.

The broad parameters covered under the Policy are - Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel, Key- Executives and Senior Management and the Remuneration of Other Employees. A copy of policy as recommended by Nomination and Remuneration Committee is attached herewith as **Annexure 'C'**.

14. EXPLANATION AND/OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSERE MARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS:

The Auditors' Report does not contain any qualifications. Further, the notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments of Directors.

15. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

There were no instances of frauds reported by Auditors

16. CHANGE IN DIRECTOR AND KMP:

a. Retire by rotation:

In accordance with the provisions of the Companies Act, 2013, Mr. Tilak Raj Sharma (DIN: 00217431), the Director liable to retire by rotation in the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

b. Changes in Directors / Key Managerial Personnel:

During the financial year under review, the company has appointed Mrs. Jaya Vanshi Sharma as its Chief Financial Officer on 16.10.2023 in order to comply with the provisions of section 203 of Companies Act, 2013 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

None of the Directors of your Company are disqualified to be appointed as Directors of the Company under Section 164 of the Companies Act, 2013. There is no other change in the Directors/ Key Managerial Personnel of the Company.

17. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN):

ISIN is an identification number for shares. This number needs to be quoted in each transaction relating to the dematerialized shares of the Company.

The company possesses two ISIN number(s) as follows:

- (i) Equity shares of Rs.10/- each ISIN No. **INEOEDD01010** and,
- (ii) 5% Non-convertible cumulative redeemable Preference Shares of Rs. 100/- each ISIN No. **INEOEDD04014**

Board's Report (Continued)

18. DEPOSITORY SYSTEM:

The trading in the securities of your company is under compulsory dematerialization mode. Your Company has appointed "National Securities Depository Limited (NSDL)" as a Depository and "KFin Technologies Private Limited" as a Registrar and Share Transfer Agent (RTA).

The Shareholding of all members has been dematerialized as at March 31st, 2024.

19. REPORTS AND COMPLIANCE:

Auditor's Report:

The Auditors' Report does not contain any qualifications. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments of Directors.

Secretarial Audit Report:

Adesh Tandon & Associates, The Company Secretaries in whole time practice undertook the secretarial audit of the company for the F.Y. 2023-24. The Secretarial Audit Report for the period ended as on 31.03.2024 given by M/s **Adesh Tandon & Associates** in prescribed format in Form MR-3 is annexed to this report. The Secretarial Audit Report for the period under review does not contain any qualification, reservation or adverse remark.

20. RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013:

Particulars of contracts or arrangements with Related Parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 are given in **Annexure - 'D'** forming part of this Report. Notes to Accounts cover information on Related Party Transactions entered into by the Company. All contracts / arrangements entered with Related Parties in terms of Section 188(2) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis. During the year under review, the Company has entered into transactions with Rajasthan Liquors Limited, Pernod Ricard India Private Limited, V.C. Motors Private Limited & its Directors and KMP.

21. LOANS AND INVESTMENTS BY COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The company has not provided loan, made any investment, given guarantee and securities during the year under review. The company complies with the provisions of section 186 of Companies Act 2013.

22. COMPLIANCE OF COST RECORD

Maintenance of cost record is not applicable to the Company.

23. DISCLOSURE OF COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

24. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has robust internal financial controls (IFC) systems, which is in line with requirement of the Companies Act 2013, which is intended to increase transparency & accountability in an organization's process of designing and implementing a system of internal control. The company's internal control systems are commensurate with the nature & size of its' business considering both financial & non-financial controls.

Board's Report (Continued)

Our IFC process, supports orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Our internal financial control system facilitates in optimum utilization of available resources and protect the interests of all stakeholders.

25. TRANSFER TO RESERVES:

The Company during the financial year under review, the company has net profits to the tune of Rs.55.58 crores during the financial year 2023-24 and in accumulation the net profits of last financial year, the total retained earnings shown in the Reserve and Surplus as on 31.03.2024 was Rs. 68.55 Crores.

26. 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:

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, and depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets, details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future, etc.

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

As per Section 134 (3)(m) read with the Companies (Accounts Rules) 2014, the relevant information and data is given in here-in-below:

(A) CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

- (i) NO JET cooking enzyme is being used in liquefaction section, resulting in saving of 50 tons of steam daily.
- (ii) Pre-heating of ETP reject being fed to MEE by steam condensate, resulting in lesser steam consumption in MEE & better efficiency.
- (iii) Plant is running with 100% self-power generation using bio-mass.
- (iv) Installation of AC's for VFD drives installed in electrical rooms, resulting in lesser downtime due to overheating of VFD's.

(B) In regards to Foreign exchange and outgo:

During the year under review, the following transaction took place:

Particulars	Payment Details
Foreign Currency Loan Amt Received	USD 1,68,15,800.00
Interest Paid in Foreign Currency	USD 4,15,124.90
Payment for Capital Goods Purchase	EURO 1,65,253.20

Board's Report (Continued)

28. RISK MANAGEMENT:

ADPL business is exposed to a variety of risks which are inherent to a liquor manufacturing company in India. In this volatile, uncertain and complex operating environment, only companies that manage their risk effectively can sustain. Risk management is embedded in corporate strategies and operating framework, and the risk framework helps the Company to meet its objectives by aligning operating controls with the corporate mission and vision. The Company's risk management framework supports an efficient and risk-conscious business strategy, delivering minimum disruption to business and creating value for our stakeholders. The Company has in place comprehensive risk assessment and minimization procedures, integrated across all operations and entails the recording, monitoring and controlling enterprise risks and addressing them timely and comprehensively.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of section 135 of the Companies Act, 2013, companies having net worth of Rs. 500 Crores or more, or turnover of Rs. 1,000 Crores or more or net profit of Rs.5 Crores or more during the immediately preceding Financial Year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board.

As per the calculation under section 198 of the Companies Act, 2013 basis on the Financial Statement ending as on 31.03.2024, the Company has net profits more than Rs. 5 Crores and accordingly the provisions of section 135 of the Companies Act, 2013 applies to your Company.

The eligible amount spend for CSR during the financial year 2023-24 is as follows:

Profit for 22-23	Loss for 21-22	Loss for 20-21	Average Net Profits	CSR Eligible
18,30,94,563.40	(1,62,32,445.98)	(1,06,06,000.00)	5,20,85,372.47	10,41,707.45

The Company has already spent the eligible amount for the period under review.

The amount to be spent for CSR during the financial year 2024-25 is as follows:

Profit for 23-24	Profit for 22-23	Loss for 21-22	Average Net Profits	CSR Eligible
68,37,42,981.86	18,30,94,563.40	(1,62,32,445.98)	28,35,35,033.09	56,70,700.66

The company ensures to take all the necessary steps for CSR Expenditure.

30. DEPOSITS:

During the year under review, the Company has neither invited nor accepted any fixed deposits from the public within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

31. SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013:

The Company promotes a work environment that ensures every employee is treated with dignity and afford equitable treatment irrespective of his gender, race, social class, caste, religion, place of origin, disability or economic status. Gender equality and women safety is a very important part of ADPL's human resource policies. The Company has zero tolerance for sexual harassment at workplace and it has adopted a Policy for the Prevention, Prohibition and Redressal of Sexual Harassment at

Board's Report (Continued)

workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules framed thereunder.

The Company is committed to provide a safe and conducive work environment to all employees and associates that is free from any discrimination. As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Complaint Committee ("ICC") to redress the complaints received regarding sexual harassment. During the year under review, no cases were reported to the ICC.

32. COMMITTEES OF BOARD OF DIRECTORS

Audit Committee

The Audit Committee formulated under the provisions of Sec. 177 of the Companies Act, 2013 and comprises of Mr. Raj Kamal Ganeriwala as Chairman, Mr. Keshav Chaturvedi as member and Mr. Chetan Sharma as member. Brief terms of reference, meetings and attendance of the Audit Committee are included and forming part of the Annual Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

Nomination & Remuneration Committee

The Board of Directors has framed a policy which lays down a framework in relation to the remuneration of Directors, Key Managerial Personnel's and Senior Management of the Company and the Board's diversity. This policy also lays down criteria for selection and appointment of the Board Members as well as diversity of the Board. The company recognizes the benefits and importance of having a diverse Board of Directors in terms of skill set and experience. The Company has an optimum mix of executive and non-executive directors, independent directors and Woman Director.

33. FORMAL ANNUAL EVALUATION

The Companies Act, 2013 contain provisions for the evaluation of the performance of: (i) the Board as a whole,

(ii) the individual directors (including independent directors and Chairperson) and

(iii) various Committees of the Board.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013. The Board evaluation exercise for financial year 2023-24 was carried out by way of internal assessments done based on a combination of detailed questionnaires and verbal discussions.

Evaluation Outcome: The evaluation brought to the notice that there is adequate flow of information from Company to the Board and the suggestions and recommendations given by the Board are considered for follow up action. The Board Committees are well-managed and functioning excellently. The Committee meetings are held timely with thorough discussions on agenda items and excellent follow up. The assessment exercise also brought out that all the Directors are excellently contributing in the functioning of the Board. The Board has functioned well and has rigorous discussions. The Board is open and receptive and the members are fully committed to high standards and are transparent.

34. VIGIL MECHANISM:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct.

Board's Report (Continued)

The mechanism provides for adequate safeguard against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.

35. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unclaimed or unpaid dividend/deposits for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

36. APPLICATION MADE OR PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

During the year, the Company has neither made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

37. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year, no one-time settlement was made with respect to any amount of loan raised by the Company from any banks or financial institution.

38. ADDITIONAL DISCLOSURES

- (i) The company has no subsidiaries, Joint ventures or associate companies during the financial year under review.
- (ii) There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

39. ACKNOWLEDGEMENTS

The Board would like to express their, sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The board of Director also wishes to place on record its deep sense of appreciation for the committed services by the company's executives, staff and workers.

**For and on behalf of the Board of Directors of
Aarti Distilleries Private Limited**

Chetan Sharma
Managing Director
DIN: 03526085

Tilak Raj Sharma
Director
DIN: 00217431

Date: 06.07.2024

Secretarial Audit Report

For the Financial Year ended March 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aarti Distilleries Private Limited,
1st Floor 7/22D,
Tilak Nagar, U.P.- 208002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Distilleries Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (hereinafter referred to as 'Audit Period' or 'Review Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder **(Not applicable during the audit period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(Not applicable during the audit period);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not Applicable During the Reporting Period)**

The Company is not listed on any stock exchange, therefore provisions of the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Rules and Regulations made thereunder and Guidelines and Circulars issued thereunder are not applicable to the Company.

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on test check basis, and the management representation letter provided to us, there are no specific laws applicable to the Company. However, as the company has established the Distilleries unit hence, United Provinces Excise Act, 1910 is applicable to the company.

We have also examined compliance with the applicable clauses/regulations of the Secretarial Standards as issued and amended from time to time by the Institute of Company Secretaries of India.

Secretarial Audit Report (Continued)

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Further, in terms of the provision of section 203 of Companies Act 2013, the Company has appointed CFO(KMP) in the board meeting held on 16th October, 2023.

We further report that:

During the review period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors till the appointment of Independent Director. The changes in the composition of the Board of Directors, wherever required, that took place during the review period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except the meetings held on shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board Meetings has been carried out without dissent as recorded in the minutes of the meetings of the Board of Directors.

We further report that there exist systems and processes in the Company commensurate with the size and operations of the company to ensure and monitor all critical compliances with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- (i) There were no instances of Public/Preferential issue of shares/ debentures/sweat equity;
- (ii) There were no instances of Redemption/Buyback of Securities;
- (iii) There were no major decisions which were taken by the members in pursuance to section 180 of the Act;
- (iv) There were no instances of Merger / amalgamation / reconstruction, etc.
- (v) There were no instances of foreign technical collaborations.

For ADESH TANDON & ASSOCIATES
Company Secretaries

UDIN: F002253F000678742
Peer Reviewed Unit: 741/2020
Date: 06.07.2024
Place: Kanpur

(AdeshTandon)
Proprietor
FCS No. 2253
C.P. No. 1121

Note: This report is to be read with our letter of even date which is annexed as "**Annexure - A**" and forms an integral part of this report.



FINANCIALS AND AUDIT REPORT

44	Independent Auditor's Report
49	Annexure "A"
53	Annexure "B"
55	Balance Sheet
73	Statement of Profit & Loss
79	Property, Plant and Equipment, Depreciation
95	Statement of Changes in Equity
97	Cash Flow Statement
99	Notes Forming Integral Part of the Balance Sheet

RAJIV MEHROTRA & ASSOCIATES

Head Office-3/3 A, Vishnupuri, Kanpur-208002, U.P., India
0512-2531806

Info@rmaca.co.in; website: www.rmaca.co.in

Independent Auditor's Report

To The Members of Aarti Distilleries Private Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of **Aarti Distilleries Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 2024, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not mandatory to the Company as it is an unlisted company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Management Discussion and Analysis, Board's Report including Annexures to the Board's Report,

Independent Auditor's Report (Continued)

Business Responsibility Report, Corporate Governance and Shareholders' Information, but does not include the Consolidated Financial Statements, standalone financial statements and other auditor's Report thereon.

The other information included in the annual report, are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

Independent Auditor's Report (Continued)

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(A) As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **"Annexure A"**; a statement on the matters specified in paragraphs 3 and 4 of the Order.

(B) As required by Section 143(3) of the Act, based on or audit, we report that:

Independent Auditor's Report (Continued)

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the standalone financial statements.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, we report that:

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company does not have any long term contracts requiring a provision for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including

Independent Auditor's Report (Continued)

foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us the Company did not pay or provide for any managerial remuneration during the year. As such the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable.

**For RAJIV MEHROTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C**

Kanpur, 06th of July, 2024

**(PARTNER)
FAHED RASHID
M.No.451027
UDIN- 24451027BKEMBD6203**

Annexure "A"

TO THE INDEPENDENT AUDITORS' REPORT

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

Re: AARTI DISTILLERIES PRIVATE LIMITED, we report that:

(i)

- a. (A) The company is preparing proper records showing full particulars including quantitative details and situation of fixed assets.
- (B) The company is maintaining proper records showing full particulars of intangible assets.
- b. The company has made a regular program for physical verification of all assets over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, it is reasonable having regard to the size of the company and the nature of its assets.
- c. According to the information and explanations given to us and the records examined by us and based on copies of the registered sale deeds/transfer deeds etc. evidencing title in immovable properties which are freehold, we report that the immovable properties capitalized in the books of account of the company are held in its name. The Original title deeds, being pledged against loans secured from the bank, were not in possession of the company and therefore could not be verified. However certified copies of the title deeds were verified.
- d. The company has not revalued any of its property, plant and equipment (including right-to-use assets) and intangible assets during the year.

No proceedings have been initiated during the year or are pending against the company as at March 31st 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the 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. 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.
- (b) That the company has been sanctioned working capital limit in excess of Rs.5 crores in aggregate from bank on the basis of the security of the current assets of the company. The quarterly returns/statements filed by the company with such bank are in agreement with the books of accounts of the company.

(iii)

- a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any companies, firms, Limited Liability Partnerships or other entity during the year as such. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
- b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year.
- c) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments and loans, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.

Annexure "A" (Continued)

- (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) In our opinion and according to the information and explanations given to us, the company is not liable for maintenance of cost records u/s 148 of the Companies Act, 2013.
- (vii)
- a. In our opinion, and according to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, service tax, & customs duty and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, customs duty, VAT, cess and other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
 - b. As per the information and explanations given to us and on the basis of the verification of the records of the company, there are no outstanding statutory dues which have not been deposited on account of a dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)
- (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
 - (c) In our opinion and according to the information and explanations given to us, the company has applied term loans for the purposes for which the same were availed.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The company does not hold any investment in any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2024. Hence clause 3 (ix)(e) of the Order is not applicable.
 - (f) The company does not hold any investment in any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2024. Hence clause 3 (ix)(f) of the Order is not applicable.
- (x)
- (a) Being a private limited company, it cannot raise money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) During the year, the Company has not made any preferential allotment or made private placement of shares or convertible debentures, hence the clause 3(x)(b) of the Order is not applicable.

Annexure "A" (Continued)

(xi)

- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year (and upto the date of this report) and hence reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly reporting under clause (xii) of the Order is not applicable.

(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 sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, 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.

(xiv)

- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) 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 and our knowledge of the Board of Directors and Management plans 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 indicating 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

Annexure "A" (Continued)

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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) This report being issued in respect of the standalone financial statements of the company, clause 3(xxi) of the Order is not applicable to the company.

**For RAJIV MEHROTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C**

Kanpur, 06th of July, 2024

**(PARTNER)
FAHED RASHID
M.No.451027**

Annexure "B"

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Para 2(f) under 'Report on Other legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of **Aarti Distilleries (P) Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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.

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 included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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.

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

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations

Annexure "B" (Continued)

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

In our opinion, to the best of our information, and according to the explanations given to us, the company has, in all material aspects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31st 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note of Audit of International Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAJIV MEHROTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

Kanpur, 06th of July, 2024

(PARTNER)
FAHED RASHID
M.No.451027

AARTI DISTILLERIES PRIVATE LIMITED

CIN: U15549UP2020PTC128325

Registered Office: Third Floor, 7/22D, Tilak Nagar Kanpur-200802 (U.P.)

Balance Sheet as on 31st March 2024

(₹.in Lacs)

PARTICULARS	Note No.	As At 31st March 2024	As At 31st March 2023
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	3	3,608,659,203.31	3,623,046,259.30
Capital Work-in-Progress	4	22,102,208.90	7,402,672.87
Other Intangible Assets	5	1,613,824.91	2,874,580.57
Deferred Tax Assets	6	-	-
Other Non-Current Assets	7	10,286,298.03	21,240,051.75
		3,642,661,535.15	3,654,563,564.48
Current Assets:			
Inventories	8	487,897,059.83	224,796,575.99
<i>Financial Assets:</i>			
(i) Trade Receivables	9	12,858,751.45	22,092,931.68
(ii) Cash and Cash Equivalents	10	66,926,431.73	92,661,409.60
(iii) Other Bank balances	11	505,466,519.00	65,265,519.00
(iv) Other Financial Assets	12	23,124,182.00	1,218,033.00
Current Tax Assets (Net)	13	-	6,189,833.01
Other Current Assets	14	395,277,857.35	448,131,217.03
		1,491,550,801.36	860,355,519.31
TOTAL ASSETS		5,134,212,336.51	4,514,919,083.79
EQUITY & LIABILITIES			
Equity			
Share capital	15	803,333,330.00	803,333,330.00
Other Equity	16	685,549,489.49	129,761,554.53
		1,488,882,819.49	933,094,884.53

Balance Sheet (Continued)

(₹.in Lacs)

PARTICULARS	Note No.	As At 31st March 2024	As At 31st March 2023
Liabilities			
Non-current liabilities			
Financial Liabilities:			
(i) Long Term Borrowings	17	2,467,464,901.39	2,887,950,710.50
(ii) Other Financial Liabilities		-	-
Long Term Provisions	18	9,046,104.00	4,277,470.00
Deferred Tax Liabilities	6	75,426,017.04	26,494,462.91
		2,551,937,022.43	2,918,722,643.41
Current Liabilities			
Financial Liabilities:			
(i) Borrowings	19	587,174,650.84	190,454,236.28
(ii) Trade Payables	20		
- Total Outstanding dues of Creditors other than micro and small enterprises		105,834,732.00	116,249,496.41
- Total Outstanding dues of micro and small enterprises		8,089,528.84	33,888,304.08
Provisions	21	52,564,984.36	12,076,555.15
Current Tax Liabilities (Net)	13	2,646,868.19	-
Other Current Liabilities	22	337,081,730.36	310,432,963.94
		1,093,392,494.59	663,101,555.86
TOTAL EQUITY & LIABILITY		5,134,212,336.51	4,514,919,083.79
COMPANY PROFILE AND			
SIGNIFICANT ACCOUNTING POLICIES	1-2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

FOR RAJIV MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REG.NO.002253C

FAHED RASHID

(PARTNER)

Membership No.451027

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF

AARTI DISTILLERIES PRIVATE LIMITED

CHETAN SHARMA

DIN: 03526085

(MANAGING DIRECTOR)

TILAK RAJ SHARMA

DIN: 00217431

(DIRECTOR)

ASHUTOSH TRIPATHI

(M.No.F10369)

(COMPANY SECRETARY)

Kanpur, 30th of May, 2024

Balance Sheet (Continued)

(₹.in Lacs)

3. PROPERTY, PLANT AND EQUIPMENT, DEPRECIATION

TANGIBLE ASSETS

Particulars	Freehold Land	Furniture And Fittings	Computer And Peripherals	Office Equipment	Plant and Machinery	Factory Building	Vehicle	Lords and Idols	Grand Total
AT COST									
Cost as at April 01, 2022	438,362,220.00	441,470.54	299,791.73	13,500.00	-	-	2,431,950.78	-	441,548,933.05
Additions	98,268,759.00	7,312,004.50	3,137,599.38	8,224,613.58	2,025,144,344.50	1,135,245,695.74	-	-	3,277,333,016.70
Disposals/ Transfer	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2023	536,630,979.00	7,753,475.04	3,437,391.11	8,238,113.58	2,025,144,344.50	1,135,245,695.74	2,431,950.78	-	3,718,881,949.75
Additions	-	2,055,669.80	902,466.38	4,759,433.71	44,256,115.32	101,781,197.58	4,372,034.48	328,000.00	158,454,917.27
Disposals/ Transfer	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2024	536,630,979.00	9,809,144.84	4,339,857.49	12,997,547.29	2,069,400,459.82	1,237,026,893.32	6,803,985.26	328,000.00	3,877,336,867.02
DEPRECIATION									
Depreciation as at 01.04.2022	-	15,318.09	91,186.65	2,122.27	-	-	265,057.71	-	373,684.72
Charge for the Period 01.04.2022 TO 31.03.2023	-	547,338.02	618,606.42	805,786.93	76,048,187.80	17,153,292.33	288,794.22	-	95,462,005.72
As at March 31, 2023	-	562,656.11	709,793.07	807,909.21	76,048,187.80	17,153,292.33	553,851.93	-	95,835,690.45
Charge for the Period 01.04.2023 TO 31.03.2024	-	834,655.64	1,258,476.78	2,212,754.80	130,174,432.05	37,761,861.47	599,791.83	-	172,841,972.56
Transfers	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	1,397,311.76	1,968,269.85	3,020,664.01	206,222,619.85	54,915,153.79	1,153,643.76	-	268,677,663.01
NET BLOCK									
As at March 31, 2023	536,630,979.00	7,190,818.93	2,727,598.04	7,430,204.37	1,949,096,156.70	1,118,092,403.41	1,878,098.85	-	3,623,046,259.30
As at March 31, 2024	536,630,979.00	8,411,833.09	2,371,587.64	9,976,883.28	1,863,177,839.97	1,182,111,739.52	5,650,341.50	328,000.00	3,608,659,203.31

Balance Sheet (Continued)

(₹.in Lacs)

4. CAPITAL WORK-IN-PROGRESS

Particulars	Capital Work In Progress
AT COST	
Cost as at March 31, 2022	2,278,387,357.72
Additions	-
Disposals/Transfer	2,270,984,684.85
Cost as at March 31, 2023	7,402,672.87
Additions	80,981,428.85
Disposals/Transfer	66,281,892.82
Cost as at March 31, 2024	22,102,208.90

Capital Work in Progress - Ageing for the year ended 31.03.2023

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7,402,672.87	-	-	-	7,402,672.87
Projects temporarily suspended	-	-	-	-	-
	7,402,672.87	-	-	-	7,402,672.87

Capital Work in Progress - Ageing for the period ended 31.03.2024

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22,102,208.90	-	-	-	22,102,208.90
Projects temporarily suspended	-	-	-	-	-
	22,102,208.90	-	-	-	22,102,208.90

There were no projects under suspension as at March 31, 2024 and March 31, 2023.

There were no projects which are expected to be completed after the expiry of one year as at March 31, 2024 and March 31, 2023.

There are not projects under CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

There are no Intangible assets under development.

Balance Sheet (Continued)

(₹.in Lacs)

5. INTANGIBLE ASSETS

Particulars	Intangible Assets
AT COST	
Cost as at March 31, 2022	-
Additions	3,228,144.70
Disposals/Transfer	-
Cost as at March 31, 2023	3,228,144.70
Additions	-
Disposals/Transfer	-
Cost as at March 31, 2024	3,228,144.70
DEPRECIATION	
Depreciation as at 31.03.2022	-
Charge for the Period 01.04.2022 TO 31.03.2023	353,564.13
As at March 31, 2023	353,564.13
Charge for the Period 01.04.2023 TO 31.03.2024	1,260,755.66
Transfers	-
As at March 31, 2024	1,614,319.79
NET BLOCK	
As at March 31, 2023	2,874,580.57
As at March 31, 2024	1,613,824.91

6. DEFERRED TAX ASSETS (NET)

	As At 31st March 2024	As At 31st March 2023
DEFERRED TAX ASSETS		
Tax Effect of losses carried forward for set off against future income	-	12,084,270.01
Tax Effect of expenses allowable in subsequent years	1,620,691.89	2,160,922.52
Tax Effect of provisions allowable in subsequent years	2,175,989.42	1,486,209.58
<i>Sub Total</i>	3,796,681.31	15,731,402.11
DEFERRED TAX LIABILITIES		
Tax Effect of difference in carrying value of Property, Plant and Equipment as per Income Tax Rules and as per Books Of Account	79,222,698.34	42,225,865.01
<i>Sub Total</i>	79,222,698.34	42,225,865.01
NET DEFERRED TAX ASSET/(LIABILITY)	-75,426,017.04	-26,494,462.91

Balance Sheet (Continued)

(₹.in Lacs)

7. OTHER NON CURRENT ASSETS

	As At 31st March 2024	As At 31st March 2023
Capital Advances		
Advance for Immovable Property	-	-
Other Capital Advances	8,214,298.03	19,234,051.75
Advances Other Than Capital Advances		
Security Deposits	2,072,000.00	2,006,000.00
	10,286,298.03	21,240,051.75
* Deposits have been marked against the following:		
Deposit held as Security in favor of Uttar Pradesh Excise Commissioner	1,775,000.00	
Deposit held as Security in favor of Uttar Pradesh Excise Commissioner	100,000.00	
Deposit held as Security in favor of Uttar Pradesh Excise Commissioner	100,000.00	
Deposit held as Security in favor of Uttar Pradesh Excise Commissioner	5,000.00	
Deposit held in Favour of Secretarty Krishi Utpadam Mandi Samidi	1,000.00	
Deposit held in Favour of District Excise Officer -Kanpur Dehat	1,000.00	
Deposit held in Favour of District Excise Officer -Kanpur Dehat	4,000.00	
Deposit held For New Eldico Flat	40,000.00	
Deposit held For Panki Flat	10,000.00	
Deposit held For Excise Inspector Flat	11,000.00	
Deposit held in Favour of Assistant Commissioner Commercial Tax Dept.	25,000.00	
	2,072,000.00	

8. INVENTORIES

	As At 31st March 2024	As At 31st March 2023
(Refer Note - 2.8 on valuation of inventories)		
a. Raw materials	254,566,578.09	53,884,529.65
b. Work-in-progress	32,210,515.21	27,489,302.85
c. Finished goods	83,159,578.72	81,663,583.44
d. By-Products	3,820,798.22	1,138,243.92
e. Stores and Spares	91,446,900.18	40,909,060.23
f. Fuel and Lubricants	10,258,773.65	11,307,033.54
g. Consumables and Laboratory	12,433,915.76	8,404,822.36

Balance Sheet (Continued)

(₹.in Lacs)

Less: Provision for obsolete and non-moving inventories	-	-
	487,897,059.83	224,796,575.99

9. TRADE RECEIVABLES

	As At 31st March 2024	As At 31st March 2023
Unsecured & considered good		
Trade Receivables	12,858,751.45	22,092,931.68
Less: Allowance for expected credit losses	-	-
	12,858,751.45	22,092,931.68

(a) Trade Receivables relate to company's contract with its customers, are non interest bearing and are generally on credit terms not exceeding 12 months.

(b) No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.

(c) Trade Receivables ageing schedule

OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT

PARTICULARS	CY/ PY	LESS THAN 6months	6 months - 1 year	1-2 years	2-3 years	More than 3years	Total
(i) Undisputed Trade receivables - Considered Good	CY	12,533,066.20	31,066.00	294,619.25	-	-	12,858,751.45
	PY	21,790,867.43	302,064.25	-	-	-	22,092,931.68
(ii) Undisputed Trade receivables - Considered Doubtful	CY	-	-	-	-	-	-
	PY	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good	CY	-	-	-	-	-	-
	PY	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Doubtful	CY	-	-	-	-	-	-
	PY	-	-	-	-	-	-
TOTAL	CY	12,533,066.20	31,066.00	294,619.25	-	-	12,858,751.45
	PY	21,790,867.43	302,064.25	-	-	-	22,092,931.68

Balance Sheet (Continued)

(₹.in Lacs)

10. CASH AND CASH EQUIVALENTS

	As At 31st March 2024	As At 31st March 2023
Balances with Banks- Current Accounts	66,151,127.06	91,162,097.93
Cash in hand	768,261.00	1,483,274.00
Others- Imprest Balances	7,043.67	16,037.67
	66,926,431.73	92,661,409.60

11. OTHER BANK BALANCES

	As At 31st March 2024	As At 31st March 2023
Fixed Deposits **	505,466,519.00	65,265,519.00
	505,466,519.00	65,265,519.00

** Fixed Deposits have been marked against the following:

Deposit held with M/s Bank of Baroda as Margin Money against issue of Bank Guarantee in favor of Uttar Pradesh Pollution Control Board	1,065,519.00	
Deposit held against Term loan by State Bank of India	31,600,000.00	
Deposit held against Term loan by State Bank of India	31,600,000.00	
Unmarked Fixed Deposit	441,201,000.00	
	505,466,519.00	

12. OTHER FINANCIAL ASSETS

	As At 31st March 2024	As At 31st March 2023
Interest Accrued on Term Deposit	23,124,182.00	1,218,033.00
	23,124,182.00	1,218,033.00

13. CURRENT TAX ASSET/(LIABILITY) (NET)

	As At 31st March 2024	As At 31st March 2023
Prepaid Taxes	76,376,624.58	6,189,833.01
Provision for Tax	-79,023,492.77	-
	-2,646,868.19	6,189,833.01

Balance Sheet (Continued)

(₹.in Lacs)

14. Other Current Assets

	As At 31st March 2024	As At 31st March 2023
Income Tax Refund Receivable	1,735,529.42	1,173,786.41
Stamp Duty Refund Receivable	97,500.00	97,500.00
Input Credit Recoverable- Goods and Services Tax**	270,198,047.72	393,730,601.84
GST Deposited under Protest***	1,675,800.00	-
Prepaid Expenses	7,268,071.40	5,302,486.21
Advance to Suppliers	7,644,608.31	9,817,515.58
Income Due but not Invoiced	106,266,264.00	36,294,077.00
Other Advances	392,036.50	1,715,250.00
	395,277,857.35	448,131,217.04

**It is to be stated that until the final decision is taken by the Hon'ble Supreme Court in Special Leave Petition SLP(C) No. 7325/2022 filed by the State, or alternatively, until any other decision is taken by the Goods and Service Tax Council and implemented by the State and Centre, the company has decided to maintain the ITC balance standing in Financial Statements as at 31-03-2024 and going forward continue to avail the eligible ITC as per the provisions of Section 16 of CGST Act, 2017, without utilization of same.

***During the year, a vehicle of the company carrying ENA was detained by the GST Authorities on the ground of no eway bill for the same. The company deposited the IGST Penalty under protest to get that vehicle released, however the company have also filed the appeal against the said order to the concerned revenue authorities.

15. Share Capital

	As At 31st March 2024	As At 31st March 2023
AUTHORISED CAPITAL		
EQUITY SHARE CAPITAL		
8,03,33,333 Equity shares of Rs. 10/- each	803,333,330.00	803,333,330.00
PREFERENCE SHARE CAPITAL		
56,00,000 (PY-Nil) Preference Shares Of Rs. 100/- Each Fully Paid Up	560,000,000.00	560,000,000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
80333333 (P.Y-8,03,33,333) Equity Shares Of Rs. 10/- Each Fully Paid Up	803,333,330.00	803,333,330.00
	803,333,330.00	803,333,330.00

Balance Sheet (Continued)

(₹.in Lacs)

Reconciliation of Shares outstanding as at beginning and end of the Reporting Period

EQUITY SHARES

Particulars	AS AT 31.03.2024		AS AT 31.03.2023	
	No.	Amount	No.	Amount
Opening	80,333,333	803,333,330.00	80,333,333	803,333,330.00
Add: Issued during the year	-	-	-	-
Less: Shares Bought back	-	-	-	-
Closing	80,333,333	803,333,330.00	80,333,333	803,333,330.00

B. PREFERENCE SHARES

	AS AT 31.03.2024		AS AT 31.03.2023	
	No.	Amount	No.	Amount
Opening	5,600,000	560,000,000	4,610,000	461,000,000
Add: Issued during the year	-	-	990,000	99,000,000
Less: Shares Bought back	-	-	-	-
Closing	5,600,000	560,000,000	5,600,000	560,000,000

b. Rights, Preferences & Restrictions attached to equity shares

The Company has issued only one class of equity shares, having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

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.

Details of Shareholding in excess of 5% of the total issued capital of the company

EQUITY SHARES

Name of the Shareholder	AS AT 31.03.2024		AS AT 31.03.2023	
	%	No. of Shares held	%	No. of Shares held
Equity shares of Rs.10/- each fully paid up				
Held by Holding Company:				
Rajasthan Liquors Limited	74%	59446666	74%	59446666
Held by Others:				
Pernod Ricard India Private Limited	26%	20886667	26%	20886667

Balance Sheet (Continued)

(₹.in Lacs)

Issue of shares for consideration other than cash-

The company, on 11.09.2020, issued 39900000 equity shares of Rs.10/- each fully paid up, to its Holding company viz. M/s Rajasthan Liquors Limited for consideration other than cash. The shares so allotted, were in lieu of transfer of Land by M/s Rajasthan Liquors Limited to the company, vide Transfer Deed dated 14.08.2020. The shares so allotted, carry the same rights as the existing issued share capital and are treated pari passu with the existing shares of the company.

Note: The Beneficial ownership of shareholding of Mr. Chetan Sharma, Mrs. Rekha Sharma, Mr. Honey Sharma, Mr. Tilak Raj Sharma and Mrs. Jaya Vanshi Sharma (having 21 Equity Shares, 3 Equity Shares, 3 Equity Shares, 3 Equity Shares, 3 Equity Shares of Rs.10/- each has been transferred to Rajasthan Liquors Limited in accordance to the provisions of section-89 of Companies Act, 2013 read with rule 9 of the Companies (Management and Administration) Rules, 2014.

d. Details of equity shares held by Promoters

March 31, 2024

Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% total of shares	% Change during the year
Rajasthan Liquors Limited	59446633	NIL	59446633	74.00%	NIL
Chetan Sharma	21	NIL	21	0.00%	NIL
Rekha Sharma	3	NIL	3	0.00%	NIL
Honey Sharma	3	NIL	3	0.00%	NIL
Tilak Raj Sharma	3	NIL	3	0.00%	NIL
Jaya Vanshi Sharma	3	NIL	3	0.00%	NIL
Total	59446666		59446666	74.00%	

16. Other Equity

	As At 31st March 2024	As At 31st March 2023
Reserves & Surplus		
Opening Balance	129,761,554.53	-22,410,338.01
Add: Profit/(Loss) For The Period	555,787,934.96	152,171,892.54
Retained Earning	685,549,489.49	129,761,554.53

Retained earnings: Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Refer statement of changes in equity for detailed movement in above reserves and surplus.

Balance Sheet (Continued)

(₹.in Lacs)

17. Long Term Borrowings

	As At 31st March 2024	As At 31st March 2023
Long Term Borrowings		
5% Non Convertible, Cumulative Redeemable Preference Shares*	560,000,000.00	560,000,000.00
Secured Loans		
Term Loans		
From Banks And Financial Institutions**	1,485,241,558.00	1,612,841,644.00
Less: Interest Component	-7,863,021.00	-12,841,644.00
Less: Shown in current maturities of long-term debt (Refer Note-19)	-220,578,537.00	-114,400,000.00
	1,256,800,000.00	1,485,600,000.00
From Related Parties***	753,357,590.39	789,776,736.78
Less: Shown in current maturities of long-term debt (Refer Note-19)	-102,692,689.00	-45,072,000.00
	650,664,901.39	744,704,736.78
Unsecured Loans		
From Related Parties	19,542,472.00	128,628,210.00
Less: Shown in current maturities of long-term debt (Refer Note-19)	-19,542,472.00	-30,982,236.28
	-	97,645,973.72
	2,467,464,901.39	2,887,950,710.50

The Company is in compliance with the applicable debt covenants prescribed in the terms of borrowings. Also there has been no default in repayment of borrowings and payment of interest during the year

*5% Non Convertible, Cumulative Redeemable Preference Shares

Name of the Shareholder	AS AT 31.03.2024		AS AT 31.03.2023	
	%	No. of Shares held	%	No. of Shares held
Preference shares of Rs.100/- each fully paid up				
Held by Holding Company:				
Rajasthan Liquors Limited	82.14%	4600000	82.14%	4600000
Held by Others:				
Pernod Ricard India Private Limited	17.86%	1000000	17.86%	1000000

Preference share capital- Terms of Issue

Balance Sheet (Continued)

(₹.in Lacs)

The company has issued 5% Non-Convertible Cumulative Redeemable Preference Shares to its existing shareholders on 27.10.2021, 30.10.2021 and 08.02.2023 on the following terms and conditions:

- a. The company has issued 5600000 5% Preference Shares to the existing shareholders of the company, held at face value Rs.100/- per share; as under:
 - (i) 3610000 preference shares of Rs.100 each, issued at par, to M/s Rajasthan Liquors Limited (Holding Company) on 30.10.2021
 - (ii) 1000000 preference shares of Rs.100 each, issued at par, to M/s Pernod Ricard India Private Limited on 27.10.2021
 - (iii) 990000 preference shares of Rs.100 each, issued at par, to M/s Rajasthan Liquors Limited (Holding Company) on 08.02.2023
- c. The Preference Shares issued to Rajasthan Liquors Limited (Holding Company) on 30.10.2021 are Non-convertible, Non-participating, Cumulative and are redeemable anytime after completion of 9 years from date of allotment.
- d. The Preference Shares issued to Rajasthan Liquors Limited (Holding Company) on 08.02.2023 are Non-convertible, Non-participating, Cumulative and are redeemable, at par, on the maturity date i.e. 30.11.2030.
- e. The Preference Shares issued to M/s Pernod Ricard India Private Limited are Non-convertible, Non-participating, Cumulative and are redeemable anytime after completion of 9 years from date of allotment but not later than 30.11.2030.

****Term Loan from State Bank of India- brief Terms & conditions of the Loan and details & nature of Securities**

- a. Sanctioned Limit- A Term Loan of Rs.160 Crores has been sanctioned by M/s State Bank of India to finance the Greenfield project for Grain Based Distillery along with IMFL Bottling facilities and Co-generation power plant at Rania, Kanpur Dehat, Uttar Pradesh, India. Out of this, amount of INR 139.74 Cr (Equivalent to USD 16815800) have been converted to the Foreign Currency loan on 16/11/2023. Terms and Conditions of the same are given below.
- b. Rate of Interest: 1% above MCLR, present effective rate being 9.55% p.a.
- c. Interest servicing: Interest shall be payable as and when charged. The interest shall be worked out on daily outstanding balance and shall be debited on monthly rests.
- d. Servicing of Principal: The repayment of the Principal component of the Loan shall be done as per following schedule:

Period/start and end dates	Frequency of installments	No. of installments	Installment Amount	Total Repayment Amount
From 31.12.2023 to 30.06.2030	Quarterly	27	5.72	154.44
From 30.09.2030 to 30.09.2030	Quarterly	1	5.56	5.56
Total		28		160.00

- e. Primary Security- (i) Equitable Mortgage on first exclusive charge basis of Factory Land & Buildings bearing Survey No. 773-774, 802, 776-778, 792-795, 799, 801, 1034, 1044, 998, 1001-1004 and 999 situated at Chiraura/Mubarakpurlata, Po-Rania, Kanpur Dehat, UP
 - (ii) Hypothecation on First exclusive charge basis of entire movable fixed assets of the Project.

Balance Sheet (Continued)

(₹.in Lacs)

- f. Collateral Security: (i) Hypothecation (exclusive charge) of entire current assets, present and future of the company. (ii) Equitable Mortgage on first charge basis of residential premises of Directors situated at Vishnupuri, Kanpur and Rajouri Garden, New Delhi.
- g. The loan is further secured by personal guarantess of Shri Tilak Raj Sharma, Smt.Rekha Sharma, Shri Honey Sharma, Shri Chetan Sharma and Smt.Jayavanshi Sharma Saggari; being Directors and their relatives; and corporate guarantee of M/s Rajasthan Liquors Limited (Holding Company).

Term Loan mentioned above converted into foreign currency- brief Term & conditions of the Loan and details & nature of Securities

At the request of the Borrower the bank has agreed to convert Rupee term loan or a part of it to Foreign Currency Term Loan.

- a. The term loan is sanctioned for 12 months in foreign currency form and out of the FCNR(B) deposits held by the bank in terms of circular AD/MA/22 dated the 31st October, 1996 of Reserve Bank of India.
- b. Rate of Interest: Floating rate of interest 1.1%+ Applicable term of SOFR payable on the outstanding amount of loan on reducing balance on the last working day of each month.

The loan will carry all in cost (Interest rate+ margin+ hedging cost) of the loan payable on monthly rests. The applicable SOFR shall be reset / refixed at the end of six months interval thereafter, present effective rate being 8.7472% p.a.

- c. Interest servicing: Interest shall be payable on the outstanding amount of loan on reducing cost basis on last working day of each month. The interest will have to be repaid in the foreign currency only and the fluctuations in the rate of exchange of the foreign currency concerned will be at the risk of Company.
- d. Servicing of Principal: As per the terms of loan a part amount has been withheld in functional currency for repayment of principal each year. Prepayment of loan may be allowed at discretion of bank on payment of penalty which is 2.00% p.a. on the amount of loan prepaid computed for the unexpired period of loan.
- e. FCNB loan and pricing is only for 12 months, sanctioned pricing is floor pricing and the actual pricing could be same as floor pricing or higher, depending on bank's cost of fund at material time (Date of disbursement of FCNB loan).

*** Loan from Pernod Recard India (P) Ltd. (PRIPL) - Terms & conditions of the Loan and details & nature of Securities

1. Original loan of Rs.59.13 crores was been received from PRIPL, which also holds 26% shares in the company
 - a. Rate of Interest: 6.50% p.a. The interest shall be worked out on daily outstanding balance and shall be debited on monthly rests.
 - b. Servicing of Principal component of the Loan: Repayment of Loan shall be started from October 2023, and shall be payable in 84 equated EMI of Rs.95.16 lakhs
 - c. Security- The Loan is secured by second charge on the movable and immovable properties of the company.
 - d. The Loan is secured by personal guarantees of Shri Tilak Raj Sharma and Shri Chetan Sharma, Directors of the company.
1. Additional loan of Rs.15 crores has been received from PRIPL
 - a. Rate of Interest: 7.50% p.a. The interest shall be worked out on daily outstanding balance and shall be debited on monthly rests.

Balance Sheet (Continued)

(₹.in Lacs)

- b. Servicing of Principal component of the Loan: Repayment of Loan shall be started from October 2023, and shall be payable in 84 equated EMI of Rs.23.15 lakhs
- c. Security- The Loan is secured by second charge on the movable and immovable properties of the company.
- d. The Loan is secured by personal guarantees of Shri Tilak Raj Sharma and Shri Chetan Sharma, Directors of the company.

18. Long Term Provisions

	As At 31st March 2024	As At 31st March 2023
For employee benefits	9,046,104.00	4,277,470.00
	9,046,104.00	4,277,470.00

19. Short Term Borrowings

	As At 31st March 2024	As At 31st March 2023
Short Term Borrowings		
Secured Loans		
From Banks And Financial Institutions		
Working Capital Loan*	244,360,952.84	-
Current maturities of long-term debt	220,578,537.00	114,400,000.00
From Related Parties		
Current maturities of long-term debt	102,692,689.00	45,072,000.00
Unsecured Loans		
From Related Parties		
Current maturities of long-term debt	19,542,472.00	30,982,236.28
	587,174,650.84	190,454,236.28

*Working Capital Loan From SBI

- a. Sanction limit - Company has availed the working capital limit of INR 25 Cr from State Bank of India against its Stocks and Receivables. Said limit is repayable on demand and subject to annual renewal. Also, the company have been sanctioned Stand By Limit from the same bank of 3.75 Cr to meet the emergency workingcapital requirement.
- b. Rate of Interest: 2.00% above 6 M MCLR, present effective rate being 10.45% p.a. (Additional 1% in case of SLC)
- c. Primary Charges- Hypothecation (Exclusive First Charge) of entire current assets present and future, consisting of raw maerials, stock in process, finished goods, stores, spares, consumables, goods in transit, book in debts, document of title and goods all other current assets.

Balance Sheet (Continued)

(₹.in Lacs)

- d. Collatral security- (i) Equitable Mortgage on first exclusive charge basis of Factory Land & Buildings bearing Survey No. 773-774, 802, 776-778, 792-795, 799, 801, 1034, 1044, 998, 1001-1004 and 999 situated at Chiraura/Mubarakpurlata, Po-Rania, Kanpur Dehat, UP.
- (ii) Hypothecation on First exclusive charge basis of entire movable fixed assets of the Project.
- e. The loan is further secured by personal guarantees of Shri Tilak Raj Sharma, Smt.Rekha Sharma, Shri Honey Sharma, Shri Chetan Sharma and Smt.Jayavanshi Sharma Saggar; being Directors and their relatives; and corporate guarantee of M/s Rajasthan Liquors Limited (Holding Company).

20. Trade Payables

	As At 31st March 2024	As At 31st March 2023
Other Than MSME		
Creditors For Capital Goods And Services	15,694.00	32,875,658.59
Creditors For Goods And Services	105,819,038.00	83,373,837.82
	105,834,732.00	116,249,496.41
Micro Small and Medium Enterpeises		
Creditors For Capital Goods And Services	-	5,302,568.33
Creditors For Goods And Services	8,089,528.84	28,585,735.75
	8,089,528.84	33,888,304.08
	113,924,260.84	150,137,800.49

As regards the disclosure requirements under the Micro, Small & Medium Enterprises Development Act, 2006, and Schedule III of the Companies Act, 2013, it may be mentioned that the company had called for information and details from its 'Suppliers' regarding their registration status and classification under the Act as Medium, Small or Micro enterprises. Based on the information received upto the date of these Financial Statements, the Trade Payables are classified as under:

- Total Outstanding dues of Creditors other than micro and small enterprises	105,834,732.00	116,249,496.41
- Total Outstanding dues of micro and small enterprises	8,089,528.84	33,888,304.08
	113,924,260.84	150,137,800.49

(a) Trade payables are non-interest bearing and are normally settled on 30 to 130 days.

(b) Trade Payables aging schedule

The company has an outstanding towards a MSME creditor of Rs.35,99,452 which as per the terms and conditions of the purchase order is not due yet and is therefore classified as Not Due MSME Trade Payable.

Balance Sheet (Continued)

(₹.in Lacs)

As At 31st March 2024

Trade Payables aging schedule

Particulars	Not Due#	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro and small enterprises	-	19,008,961.84	-	-	-	19,008,961.84
(ii) Total outstanding dues of creditors other than micro and small enterprises		94,915,299.00	-	-	-	94,915,299.00
(iii) Disputed dues of micro and small enterprises			-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises			-	-	-	-

As At 31st March 2023

Trade Payables aging schedule

Particulars	Not Due#	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro and small enterprises	3,599,452.00	30,288,852.08	-	-	-	33,888,304.08
(ii) Total outstanding dues of creditors other than micro and small enterprises	-	110,157,468.48	5,968,494.93	123,533.00	-	116,249,496.41
(iii) Disputed dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-

Balance Sheet (Continued)

(₹.in Lacs)

21. Provisions

	As At 31st March 2024	As At 31st March 2023
For employee benefits	24,829,158.00	10,722,323.00
Other Provisions	27,735,826.36	1,354,232.15
	52,564,984.36	12,076,555.15

22. Other Current Liabilities

	As At 31st March 2024	As At 31st March 2023
Statutory Dues	3,266,336.90	16,415,995.09
Advance from Customers	294,038,161.46	281,175,324.85
Interest Payable to Bank	7,863,021.00	12,841,644.00
Interest Payable to Related Parties	3,914,211.00	-
Preference Shares Dividend Payable	28,000,000.00	-
	337,081,730.36	310,432,963.94

Statement of Profit & Loss for the year ended March 31, 2024

(₹.in Lacs)

PARTICULARS	NOTES	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from operations	23	4,053,976,685.62	1,973,295,544.83
Other income	24	28,805,090.71	3,230,850.60
Total Income		4,082,781,776.33	1,976,526,395.43
Expenses			
Cost of materials consumed	25	2,095,578,947.69	1,275,488,520.16
Purchase of stock-in-trade	26	-	-
Changes in inventories of Finished Goods, Stock in Trade and Work in Progress	27	-8,899,761.94	-110,291,130.21
Employee Benefit Expenses	28	350,538,925.10	110,908,337.18
Finance Costs	29	274,627,939.65	119,892,387.44
Depreciation, Amortisation and Impairment expense	30	174,102,727.05	95,815,569.86
Other Expenses	31	513,090,016.91	301,618,147.60
Total Expenses		3,399,038,794.47	1,793,431,832.03
Profit/(Loss) before Exceptional Items		683,742,981.86	183,094,563.40
Exceptional items			
Profit/(Loss) before Tax		683,742,981.86	183,094,563.40
Tax Expense:			
(i) Current Tax		79,023,492.77	-
(ii) Deferred Tax	6	48,931,554.13	30,922,670.87
TOTAL TAX EXPENSE		127,955,046.90	30,922,670.87
Profit/(Loss) for the period from Continuing Operations		555,787,934.96	152,171,892.54
Discontinued Operations			
Profit from Discontinued Operations before Tax		-	-
Tax Expense of Discontinued Operations		-	-
Profit from Discontinued Operations		-	-
PROFIT/(LOSS) FOR THE YEAR		555,787,934.96	152,171,892.54
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will not be reclassified to profit or loss		-	-
(i) Remeasurements of post-employment benefit plans		-	-
(ii) Income tax credit / (charge) relating to these items		-	-

Statement of Profit & Loss (Continued)

(₹.in Lacs)

PARTICULARS	NOTES	For the year ended 31st March 2024	For the year ended 31st March 2023
Other Comprehensive Income for the Year (Net of Tax)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		555,787,934.96	152,171,892.54
Earnings per Share (₹)			
Basic EPS		6.92	1.89
Diluted EPS		6.92	1.89
COMPANY PROFILE AND SIGNIFICANT ACCOUNTING POLICIES	1-2		

The accompanying notes are an integral part of the standalone financial statements.

AS PER OUR REPORT OF EVEN DATE

FOR RAJIV MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REG.NO.002253C

(PARTNER)

Fahed Rashid

M.No.451027

Kanpur, 30th of May, 2024

FOR AARTI DISTILLERIES P. LTD.

(MANAGING DIRECTOR)

(DIRECTOR)

Chetan Sharma

Tilak Raj Sharma

DIN: 03526085

DIN: 00217431

(COMPANY SECRETARY)

(CS Ashutosh Tripathi)

Statement of Profit & Loss (Continued)

(₹.in Lacs)

Notes Forming Integral Part of the Standalone Profit and Loss Account for the Period ended 30th June 2023

23 Revenue From Operations

	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of manufactured products	3,326,496,165.16	1,871,749,307.83
Sale of Services (Re-Distillation)	2,940,331.90	-
Sale of Services (Bottling Charges)	724,540,188.56	101,546,237.00
	4,053,976,685.62	1,973,295,544.83

24. Other Income

	For the year ended 31st March 2024	For the year ended 31st March 2023
Lease Rent	3,600,000.00	1,800,000.00
Interest income on		
Term deposit with banks	24,341,052.00	1,396,548.00
Income Tax Refund	341,832.00	16,708.72
Miscellaneous Income	522,206.71	17,593.88
	28,805,090.71	3,230,850.60

25. Cost of Material Consumed

	For the year ended 31st March 2024	For the year ended 31st March 2023
Raw Material		
Opening Inventory	53,884,529.65	-
Add: Purchases	2,279,430,858.95	1,320,248,755.25
	2,333,315,388.60	1,320,248,755.25
Less: Closing Inventory	254,566,578.09	53,884,529.65
Raw Material Consumed	2,078,748,810.51	1,266,364,225.60
Packing Material Consumed	2,978,536.19	2,464,074.78
Chemicals & Other Materials Consumed	13,851,600.99	6,660,219.78
	2,095,578,947.69	1,275,488,520.16

Statement of Profit & Loss (Continued)

(₹.in Lacs)

26. Purchase of Stock in Trade

	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of Stock in Trade	-1,337,947,536.89	381,995,355.00
Purchase of Stock In Trade	1,337,947,536.89	-381,995,355.00
	-	-

27. Change In Inventories

	For the year ended 31st March 2024	For the year ended 31st March 2023
Closing Stock	119,190,892.15	110,291,130.21
Finished Goods	83,159,578.72	81,663,583.44
By-Products	3,820,798.22	1,138,243.92
Work in Progress	32,210,515.21	27,489,302.85
Opening Stock	110,291,130.21	-
Finished Goods	81,663,583.44	-
By-Products	1,138,243.92	-
Work in Progress	27,489,302.85	-
	-8,899,761.94	-110,291,130.21

28. Employee Benefit Expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Salary And Wages	109,335,891.79	41,520,865.00
Labour Charges	196,281,656.99	48,762,875.18
Contribution To Provident Fund	5,674,453.00	2,652,218.23
Bonus	5,487,059.00	2,830,244.00
Contribution To Esic	405,023.00	194,825.52
Leave Encashment	3,346,137.00	1,295,618.00
Staff Allowance	-	438,549.10
Recruitment Expenses	276,763.06	77,612.14
Ex-Gratia	1,674,167.00	925,010.00
Security Charges	20,022,721.96	5,838,301.77
Staff Welfare Expenses	6,588,829.30	2,890,366.24

Statement of Profit & Loss (Continued)

(₹.in Lacs)

	For the year ended 31st March 2024	For the year ended 31st March 2023
Gratuity	1,446,223.00	3,481,852.00
	350,538,925.10	110,908,337.18

29. Finance Costs

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Paid to		
Related Parties	59,115,569.00	36,380,758.60
Banks And Financial Institutions	152,578,012.00	82,721,357.23
Dividend on Preference Shares	61,381,644.00	-
Bank Charges	1,552,714.65	790,271.61
	274,627,939.65	119,892,387.44

30. Depreciation and Amortization Expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation on tangible assets	172,841,972.56	137,271,450.59
Amortization on intangible assets	1,260,755.66	506,480.87
	174,102,728.22	137,777,931.46

31. Other Expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Power and Fuel	360,191,401.76	241,328,608.18
Direct Overheads	14,918,865.21	8,269,436.48
<i>Payment to Auditors:</i>		
Statutory Audit Fee	826,000.00	590,000.00
Tax Audit Fee	177,000.00	118,000.00
Special Purpose Audit	354,000.00	118,000.00
Conveyance	2,575,932.01	1,040,268.96
Rent, Rates and Taxes	5,661,285.90	462,522.00

Statement of Profit & Loss (Continued)

(₹.in Lacs)

	For the year ended 31st March 2024	For the year ended 31st March 2023
Commission Charges	700,909.75	139,577.75
Charity and Donation	292,500.00	212,000.00
CER Expense	589,666.00	10,487,080.39
CSR EXPENSES	2,453,387.78	-
Legal Fees	93,330.00	1,910,474.21
Freight Expenses	16,938.10	23,585.00
Insurance Expenses	5,425,209.61	2,819,597.66
Professional Charges	4,431,397.52	2,250,718.57
Repair and Maintenance	84,621,229.19	21,373,069.01
Miscellaneous Expenses	9,094,540.41	1,454,861.62
Printing & Stationery	584,529.45	463,652.11
Travelling Expenses	5,425,143.36	4,195,397.13
Licensing and Fees	4,844,971.90	3,957,905.39
Ineligible GST Reversal Expense	8,089,716.30	-
Telephone Expenses	742,455.56	256,533.14
Business Promotion	404,200.00	-
Sponsorship Expenses	524,000.24	-
Advertisement Expenses	50,000.00	50,000.00
Interest on GST & TDS	1,406.86	96,860.00
	513,090,016.91	301,618,147.60

Property, Plant and Equipment, Depreciation for the year ended 31st March 2024

(₹.in Lacs)

32. EARNINGS PER EQUITY SHARE (EPS)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year (Amount in INR)	6.92	1.89
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	6.92	1.89
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	555,787,934.96	152,171,892.54
Effect of dilution:	-	-
Profit attributable to equity holders adjusted for the effect of dilution	555,787,934.96	152,171,892.54
Weighted average number of Equity shares for basic EPS	80,333,333	80,333,333
Effect of dilution:	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	80,333,333	80,333,333

33. CONTINGENT LIABILITIES NOT PROVIDED FOR:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Claims against the Company, not acknowledged as debts*		
(a) Disputed GST matter	1,073,774,953.81	336,222,628.65
	1,073,774,953.81	336,222,628.65

*As per the management decision, the company is not discharging GST liability or VAT liability on supply of ENA manufactured and sold by it in the state of Uttar Pradesh.

It is to be stated that the State of Uttar Pradesh has also filed a petition before the Hon'ble Supreme Court vide SLP(C) No. 7325/2022 by taking the stand that the GST is not leviable on ENA but, the final decision from Hon'ble Supreme Court is pending.

Property, Plant and Equipment (Continued)

(₹.in Lacs)

That earlier, the State of Uttar Pradesh issued notification No. KA.NI-2-1793/XI-2-9(134)/17-U.P. Act-5-2008-Order-(80)-2019 dated 17.12.2019 which provided that any non-GST alcohol, when sold for use in the process of manufacture of alcoholic liquor for human consumption against a certificate issued by the Commissioner of State Excise, Uttar Pradesh or by the officer authorised by him in this regard be taxed at the rate of tax of 5% VAT. However, the above-mentioned notification was challenged before the Hon'ble Allahabad High Court and the Hon'ble Allahabad High Court in Jain Distillery Private Limited Vs. State of U.P. and Ors. MANU/UP/2425/2021 quashed the notification levying VAT on ENA under the provisions of Uttar Pradesh Value Added Tax Act, 2008 and held that the State has lost its legislative competence to enact laws, to impose VAT on sales of ENA, upon the enactment of the 101st Constitution Amendment and levy of VAT on ENA, including rectified spirit, after 01.07.2017 (after GST) is ultra vires the Constitution of India. Accordingly, after the pronouncement of the aforesaid judgement that the State Government does not have the power to levy VAT on the sales of ENA. Therefore, as per the above-mentioned judgment, the sale of ENA is not liable to VAT.

Further, it is also to be appreciated that in the 52th GST Council Meeting held on 7th October 2023, **GST Council recommended to keep Extra Neutral Alcohol (ENA) used for manufacture of alcoholic liquor for human consumption outside GST. Law Committee will examine suitable amendment in law to exclude ENA for use in manufacture of alcoholic liquors for human consumption from ambit of GST.**

34. RECONCILIATION OF DEFERRED TAX

	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax relates to the following:		
Property, plant and equipment	-79,222,698.34	-42,225,865.01
Deductions available u/s 35D	1,620,691.89	2,160,922.52
Carry Forward Losses	-	12,084,270.01
Net deferred tax assets/(liabilities)	-77,602,006.45	-27,980,672.49
Reflected in the balance sheet as follows:		
Deferred tax assets (continuing operations)	3,796,681.31	15,731,402.11
Deferred tax liabilities (continuing operations)	79,222,698.34	42,225,865.01
Deferred tax liabilities (net)	83,019,379.65	57,957,267.12
Reconciliation of deferred tax liabilities (net):		
Opening balance	-26,494,462.91	4,428,207.96
Tax income/(expense) during the year recognised in profit or loss	-48,931,554.13	-30,922,670.87
Tax income/(expense) during the year recognised in OCI		
Closing balance	-75,426,017.04	-26,494,462.91

The entity offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Property, Plant and Equipment (Continued)

(₹.in Lacs)

35. POST EMPLOYMENT BENEFIT BENEFIT PLANS

Gratuity:

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation

	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of defined benefit obligation at the beginning of the year	2,981,852.00	-
Obligation assumed on acquisition of business	-	-
Interest expense	253,689.00	-
Current Service Cost	1,192,534.00	2,981,852.00
Benefit paid	-	-
Remeasurement of (gain)/loss recognised in other comprehensive income	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	-	-
Defined Benefit Obligation at year end	4,428,075.00	2,981,852.00

(b) Net Defined Benefit asset/ (liability) recognised in the balance sheet

	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan assets	382,836.00	-
Present Value of Defined Benefit Obligation	4,428,075.00	2,981,852.00
Amount recognised in balance sheet - Asset/(liability)	4,810,911.00	2,981,852.00

(c) Net defined benefit expense (recognised in the Statement of Profit or loss for the year)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	1,192,534.00	2,981,852.00
Net Interest Cost	253,689.00	-

Property, Plant and Equipment (Continued)

(₹.in Lacs)

Net defined benefit expense debited to statement of profit and loss for the year

Leave Encashment:

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation

	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of defined benefit obligation at the beginning of the year	1,295,618.00	-
Obligation assumed on acquisition of business	-	-
Interest expense	200,561.00	-
Current Service Cost	3,066,334.00	1,295,618.00
Benefit paid	-	-
Remeasurement of (gain)/loss recognised in other comprehensive income	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	-	-
Defined Benefit Obligation at year end	4,562,513.00	1,295,618.00

(b) Net Defined Benefit asset/ (liability) recognised in the balance sheet

	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	4,562,513.00	1,295,618.00
Amount recognised in balance sheet - Asset/(liability)	4,562,513.00	1,295,618.00

(c) Net defined benefit expense (recognised in the Statement of Profit or loss for the year)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	3,066,334.00	1,295,618.00
Net Interest Cost	200,561.00	-

Property, Plant and Equipment (Continued)

(₹.in Lacs)

Net defined benefit expense debited to statement of profit and loss for the year

36. SEGMENT REPORTING

As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:-

A) Operating Segments

- a. Distillery Segment: Manufacturing of ENA
- b. Bottling Segment:- Service Provider

B) Summary of Segmental Information

Current Year

Particulars	Distillery Division 31.03.2024	Bottling Division 31.03.2024	Unallocable 31.03.2024	Total Operations 31.03.2024
1. Segment Revenue	3,329,436,497.06	728,140,188.56	-	4,057,576,685.62
Less: Inter Segment Revenue			-	-
Net Sales/Income from Operations	3,329,436,497.06	728,140,188.56	-	4,057,576,685.62
Other Revenue			25,205,090.71	25,205,090.71
Total Income	3,329,436,497.06	728,140,188.56	25,205,090.71	4,082,781,776.33
2. Segment Results (Profit Before Tax and Interest)	625,283,712.67	348,665,415.39	(15,578,207.57)	958,370,920.50
Less: Unallocated Interest Finance Charges	119,237,195.00	94,009,100.80	61,381,644.00	274,627,939.80
Total Profit before tax	506,046,517.67	254,656,314.59	(76,959,851.57)	683,742,980.70
3. Capital Employed (Segment Assets - Segment Liabilities)	2,114,878,126.99	1,159,957,914.35	(1,785,953,223.21)	1,488,882,818.12
4. Segment Assets	2,590,594,432.14	1,218,100,393.94	1,357,421,973.25	5,166,116,799.32
5. Depreciation	110,062,525.05	52,178,995.61	11,861,207.57	174,102,728.22

Property, Plant and Equipment (Continued)

(₹.in Lacs)

Previous Year

Particulars	Distillery Division 31.03.2023	Bottling Division 31.03.2023	Unallocable 31.03.2023	Total Operations 31.03.2023
1. Segment Revenue	2,253,744,662.83	101,546,237.00	-	2,355,290,899.83
Less: Inter Segment Revenue	-	-	-	-
Net Sales/Income from Operations	2,253,744,662.83	101,546,237.00	-	2,355,290,899.83
Other Revenue	-	1,800,000.00	1,430,850.60	3,230,850.60
Total Income	2,253,744,662.83	103,346,237.00	1,430,850.60	2,358,521,750.43
2. Segment Results (Profit Before Tax and Interest)	287,366,082.98	21,383,480.89	(5,762,613.03)	302,986,950.84
Less: Unallocated Interest Finance Charges	75,644,493.43	44,247,894.01	-	119,892,387.44
Total Profit before tax	211,721,589.55	(22,864,413.12)	(5,762,613.03)	183,094,563.40
3. Capital Employed(Segment Assets - Segment Liabilities)	1,506,880,220.91	1,197,687,381.29	(1,771,472,717.67)	933,094,884.53
4. Segment Assets	1,950,914,548.27	1,189,743,668.88	1,374,260,866.65	4,514,919,083.80
5. Depreciation	66,527,570.86	22,094,535.37	7,193,463.63	95,815,569.86

C) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Distillery Division of the Company

Particulars	As at March 31, 2024	As at March 31, 2023
i. Property, Plant And Equipment	1,740,357,655.67	1,710,009,266.84
ii. Capital Work-in-Progress	16,329,602.26	1,244,217.78
iii. Other Non-Current Assets	10,286,130.00	-
iv. Inventories	461,690,092.62	204,539,991.95
v. Trade Receivables	12,858,751.45	22,092,931.68
vi. Other Current Assets	349,072,200.14	13,028,140.02
vii. Net Inter Branch Balances	2,114,878,126.99	1,506,880,220.91
viii. Trade Payable	88,906,786.84	139,022,453.01
ix. Other Current Liabilities	380,271,154.31	305,011,874.35

Property, Plant and Equipment (Continued)

(₹.in Lacs)

D) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Bottling Division of the Company

Particulars	As at March 31, 2024	As at March 31, 2023
i. Property, Plant And Equipment	1,108,010,530.66	1,143,524,369.24
ii. Capital Work-in-Progress	5,772,606.64	5,573,382.73
iii. Other Non-Current Assets	168.03	-
iv. Inventories	26,206,967.22	544,728.14
v. Trade Receivables	31,904,464.18	40,101,188.77
vi. Other Current Assets	46,205,657.21	1,197,687,381.29
vii. Net Inter Branch Balances	1,159,957,914.35	15,838,785.13
viii. Trade Payable	21,615,474.00	(23,782,497.54)
ix. Other Current Liabilities	34,019,265.59	-

37. DISCLOSURES UNDER IND-AS-23-BORROWING COSTS

	For the year ended March 31, 2024	For the year ended March 31, 2023
The company has identified its Distillery and Bottling Project as a "Qualifying Asset" in terms of Ind-AS-23 for capitalisation of borrowing costs. The disclosures as required in terms of Ind-AS 23 are as under:		
The amount of borrowing costs capitalised during the year		-
Secured Loans		
From Banks And Financial Institutions	N/A	47,122,231.77
From Related Parties	N/A	15,681,774.33
Unsecured Loans		
From Related Parties	N/A	4,013,312.80
	-	66,817,318.90

38. EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a CSR committee. The details for CSR activities are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
i) Gross amount required to be spent by the Company during the year	1,041,707.45	NA
ii) Amount spent during the year on the following:		

Property, Plant and Equipment (Continued)

(₹.in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) For construction / acquisition of any assets	-	NA
(b) For purposes other than (a) above	2,453,387.78	NA
iii) Amount unspent/(overspent) during the year and deposited in a scheduled bank (in case of unspent)	-	NA
iv) Amount spent during the year pertaining to previous year	-	NA
v) Shortfall/(Excess) at the end of the year	-1,411,680.33	NA
vi) Reason of Shortfall	NA	NA
vii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Total		

Note: The company have during the year spent an amount of INR 1411680 excess towards CSR activities, which the company wish to carry forward to the next year.

39. OTHER STATUTORY INFORMATION

- The Company has not undertaken any 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).
- The Company do not have any transactions with companies struck off.
- The Company does not hold any Investment property hence not applicable.
- In Current year, no revaluation has been done for Property, plant and equipment and Intangible assets.
- The Company has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- The company have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - Directly and indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(ultimate beneficiaries) or:
 - provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.

Property, Plant and Equipment (Continued)

(₹.in Lacs)

- i) The Company has 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:
 - i. 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,
 - ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- j) The Company has ensured compliance with Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 ('Layering Rules') is not applicable.
- k) The company has been sanctioned a working capital limit in excess of INR 5 Crore by State Bank of India based on the security of current assets during the year. The monthly returns/statements in respect of the working capital limits has been filed by the company with the bank and such returns/statements are in agreement with the books of accounts of the company for the respective periods.
- l) The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.
- m) The Company has one charge which is yet to be registered with ROC beyond the statutory period. The same related to the additional loan of Rs. 15 Crores from Pernod Ricard India Private Limited and the same is pending because the No Objection Certificate (NOC) from bank is pending for approval which holds a primary charge on the same. Once NOC from bank is granted, the security creation documents shall be amended and accordingly modified.

40. RELATED PARTY DISCLOSURES

A. RELATED PARTY RELATIONSHIPS

Key Managerial Personnel (KMP)

Directors-

Mr.Tilak Raj Sharma

Mrs.Rekha Sharma

Mr.Chetan Sharma

Holding Company

M/s Rajasthan Liquors Limited

KMP of Holding Company

Mr.Ashok Kumar Chandak

Mr.Honey Sharma (Also Relative Of Reporting entity's KMP)

Ms.Jaya Vanshi Sharma (Also Relative Of Reporting entity's KMP)

Ms.Kanica Khanna Sharma (Also Relative Of Reporting entity's KMP)

Mr.Aneesh Sagar (Also Relative Of Reporting entity's KMP)

Mr.Ashok Blana

Mr. Amit Gupta

Mr. Niket Garg

Company Secretary-

Ashutosh Tripathi

Entity which has a significant influence over the Company

M/s Pernod Ricard India Private Limited

Entity in Which KMP has Interest

V.C. Motors Private Limited

Property, Plant and Equipment (Continued)

(₹.in Lacs)

B. RELATED PARTY TRANSACTIONS ENTERED DURING THE YEAR:

Transactions during the year	Holding Company		Enterprises having significant influence		Directors and KMP		Enterprises in which KMP has interest	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sale of Products (Net)								
Pernod Ricard India Pvt. Ltd.	-	-	38,531.19	10,850.97	-	-	-	-
Rajasthan Liquors Limited	0.54	348.04	-	-	-	-	-	-
Sale of Services (Net)								
Pernod Ricard India Pvt. Ltd.	-	-	7,245.40	1,015.46	-	-	-	-
Purchase of materials								
Pernod Ricard India Pvt. Ltd.	-	-	13,379.48	3,823.77	-	-	-	-
Rajasthan Liquors Limited	575.32	21.75	-	-	-	-	-	-
Lease Rent received from Related Parties								
Pernod Ricard India Pvt. Ltd.	-	-	36.00	21.24	-	-	-	-
Rent expense								
Tilak Raj Sharma	-	-	-	-	15.75	-	-	-
Rekha Sharma	-	-	-	-	17.25	-	-	-
Rajasthan Liquors Limited	2.69	-	-	-	-	-	-	-
Sitting Fees Paid								
Raj Kumar Ganeriwala	-	-	-	-	2.00	-	-	-
Keshav Chaturvedi	-	-	-	-	2.25	-	-	-
Purchase of Immovable Property/ Fixed Assets/ Spare Parts/Vehicle Service								
V.C. Motors Private Limited	-	-	-	-	-	-	12.17	2.04
Rajasthan Liquors Limited	-	447.75	-	-	-	-	-	-
Borrowings Repaid/ (Received) During the Year								
Pernod Ricard India Pvt. Ltd.	-	-	364.19	-1,500.00	-	-	-	-
Rajasthan Liquors Limited	1,090.86	-1,153.01	-	-	-	-	-	-
Interest Paid to Related Parties								
Pernod Ricard India Pvt. Ltd.	-	-	523.19	467.32	-	-	-	-
Rajasthan Liquors Limited	67.97	121.26	-	-	-	-	-	-

Property, Plant and Equipment (Continued)

(₹.in Lacs)

Transactions during the year	Holding Company		Enterprises having significant influence		Directors and KMP		Enterprises in which KMP has interest	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Reimbursement of Expenses								
Rajasthan Liquors Limited	-	119.43	-	-	-	-	-	-
Guarantees received in respect of Loans availed by Company	26,286.33	23,411.33	-	-	26,286.33	23,411.33	-	-
Preference Shares issued to Related Parties								
Rajasthan Liquors Limited	-	990.00	-	-	-	-	-	-
Payment of Preference Dividend								
Pernod Ricard India Pvt. Ltd.	-	-	121.23	-	-	-	-	-
Rajasthan Liquors Limited	492.58	-	-	-	-	-	-	-

C. SUMMARY OF CLOSING BALANCES WITH RELATED PARTIES:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Holding Company		
Rajasthan Liquors Limited		
--- Balance of Loan Outstanding	195.42	1,286.28
--- Sundry Creditors	153.92	16.79
--- Interest Payable	1.34	0.00
Enterprises having significant influence		
Pernod Ricard India Pvt. Ltd.		
--- Balance of Loan Outstanding	7,533.58	7,897.77
--- Advance from Customers	2,938.05	2,807.09
--- Interest Payable	37.80	0.00
Directors and KMP		
--- Payable to Tilak Raj Sharma	17.01	0.00
--- Payable to Rekha Sharma	18.63	0.00
--- Payable to Raj Kumar Ganeriwala	1.80	0.00
--- Payable to Keshav Chaturvedi	2.03	0.00

Property, Plant and Equipment (Continued)

(₹.in Lacs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Enterprises in which KMP has interest		
VC Motors Pvt. Ltd.		
--- Sundry Creditors	0.23	0.65

41. ADDITIONAL DISCLOSURES

RATIOS

Particulars	Formula	Current Period		Previous Period		Current Period	Previous Period	% Variance	Reason for variance
		Numerator	Denominator	Numerator	Denominator				
(a) Current ratio	Current Assets / Current Liabilities	1,491,550,801.36	1,093,392,494.59	860,355,519.31	663,101,555.86	1.36	1.30	5.14%	
(b) Debt-equity ratio	Total Term Liabilities / Total Net Worth	3,160,474,284.23	1,488,882,819.49	3,228,542,747.27	933,094,884.53	2.12	3.46	-38.65%	DTL for C.Y has increased by Rs. 5cr approx. Thereby, increasing Total outside liabilities.
(c) Debt service coverage ratio	EBIDTA / Interest on Long Term Borrowing + Current Maturities of Long Term Borrowings	1,069,539,289.92	211,693,581.00	398,012,249.09	119,102,115.83	5.05	3.34	51.19%	Since, Revenue has increased by 2.05 times. Thereby, increasing PAT by 3.64 times.
(d) Return on equity ratio	PAT *100 / Average Shareholder's Equity	555,787,934.96	1,210,988,852.01	152,171,892.54	857,008,938.26	45.90%	17.76%	158.48%	Since, Revenue has increased by 2.05 times. Thereby, increasing PAT by 3.64 times.
(e) Inventory turnover ratio	Net Sales / Average Inventory	4,053,976,685.62	356,346,817.91	1,973,295,544.83	112,398,288.00	1137.65%	1755.63%	-35.20%	In previous period, there was no Opening stock. However, in the current year there is opening stock available. Due to this, average inventory has increased.
(f) Trade receivables turnover ratio	Adjusted Sales / Average Debtors	4,053,976,685.62	17,475,841.57	1,973,295,544.83	11,046,465.84	23197.60%	17863.59%	29.86%	Adjusted sales for the current year has increased
(g) Trade payables turnover ratio	Adjusted Purchases / Average Creditors	3,617,378,395.84	132,031,030.67	1,702,244,110.25	111,495,389.24	2739.79%	1526.74%	79.45%	Adjusted purchases for current period have increased multifold.

Property, Plant and Equipment (Continued)

(₹.in Lacs)

(h)	Net capital turnover ratio	Net Sales / Working Capital	4,053,976,685.62	398,158,306.77	1,973,295,544.83	197,253,963.45	1018.18%	1000.38%	1.78%	
(i)	Net profit ratio	Net Profit *100 / Net Sales	555,787,934.96	4,053,976,685.62	152,171,892.54	1,973,295,544.83	13.71%	7.71%	77.78%	Percentage increase in cost elements is much lesser than the percentage increase in sales, thereby, increasing net profit.
(j)	Return on capital employed	EBIDTA *100 / Capital Employed	1,069,539,289.92	1,488,882,819.49	398,012,249.09	933,094,884.53	71.84%	42.66%	68.41%	Percentage increase in cost elements is much lesser than the percentage increase in sales, thereby, increasing EBIDTA.
(k)	Return on investment	Return on Investment / Average Investment	NA	NA	NA	NA	NA	NA	NA	

Notes:

		CY	PY
i) Total Term Liabilities:	Long Term Borrowings	2,467,464,901.39	2,887,950,710.50
	Short Term Borrowings	587,174,650.84	190,454,236.28
	Other Fixed Payments	105,834,732.00	150,137,800.49
		3,160,474,284.23	3,228,542,747.27
ii) Net Worth:	Total Assets	5,134,212,336.51	4,514,919,083.79
	Total Outside Liabilities	3,645,329,517.02	3,581,824,199.27
		1,488,882,819.49	933,094,884.53
iii) Working Capital:	Current Assets	1,491,550,801.36	860,355,519.31
	Current Liabilities	1,093,392,494.59	663,101,555.86
		398,158,306.77	197,253,963.45
iv) Average Shareholder's Equity:	Opening Shareholder's Equity	933,094,884.53	780,922,991.99
	Closing Shareholder's Equity	1,488,882,819.49	933,094,884.53
		1,210,988,852.01	857,008,938.26
v) EBIDTA:	Profit/(Loss) before Tax	683,742,981.86	183,094,563.40
	Depreciation, Amortisation and Impairment expense	174,102,727.05	95,815,569.86
	Interest on Long Term Borrowing	211,693,581.00	119,102,115.83
		1,069,539,289.92	398,012,249.09
vi) Adjusted Purchases:	Purchases of RM	2,279,430,858.95	1,320,248,755.25
	Purchase Of Stock In Trade	1,337,947,536.89	381,995,355.00

Property, Plant and Equipment (Continued)

(₹.in Lacs)

		CY	PY
	GST Paid on Purchase	-	-
		3,617,378,395.84	1,702,244,110.25
vii) Average Creditors:	Opening Creditors	150,137,800.49	72,852,977.98
	Closing Creditors	113,924,260.84	150,137,800.49
		132,031,030.67	111,495,389.24
viii) Average Investment:	Opening Investment	-	-
	Closing Investment	-	-
		-	-
ix) Average Inventory:	Opening Inventory	224,796,575.99	-
	Closing Inventory	487,897,059.83	224,796,575.99
		356,346,817.91	112,398,288.00
x) Average Debtors:	Opening Debtors	22,092,931.68	-
	Closing Debtors	12,858,751.45	22,092,931.68
		17,475,841.57	11,046,465.84
xi) Adjusted Sales:	Total Sales	4,053,976,685.62	1,973,295,544.83
	Total Cash sales	-	-
	GST Realised on Sale	-	-
		4,053,976,685.62	1,973,295,544.83

42. Quantitative Disclosures Of Fair Value Measurement Hierarchy For Assets As At March 31st, 2024

PARTICULARS	CARRYING VALUE March 31st, 2024	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS MEASURED AT FAIR VALUE				
INVESTMENTS MEASURED AT				
(I) FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	-	-
(II) FAIR VALUE THROUGH PROFIT & LOSS				
INVESTMENT PROPERTY	-	-	-	-
NON CURRENT FINANCIAL INVESTMENT	-	-	-	-
CURRENT FINANCIAL INVESTMENT	-	-	-	-
FINANCIAL ASSETS MEASURED AT AMORTISED COST				
OTHER NON CURRENT ASSETS	10,286,298.03	-	-	10,286,298.03
OTHER NON CURRENT FINANCIAL ASSETS	-	-	-	-
TRADE RECEIVABLES	12,858,751.45	-	-	12,858,751.45

Property, Plant and Equipment (Continued)

(₹.in Lacs)

PARTICULARS	CARRYING VALUE March 31st, 2024	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
CASH & CASH EQUIVALENTS	66,926,431.73	-	-	66,926,431.73
OTHER BANK BALANCES	505,466,519.00	-	-	505,466,519.00
OTHER FINANCIAL ASSET	23,124,182.00	-	-	23,124,182.00
OTHER CURRENT FINANCIAL ASSETS	395,277,857.35	-	-	395,277,857.35
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
NON CURRENT FINANCIAL LIABILITIES				
BORROWINGS	2,467,464,901.39	-	-	2,467,464,901.39
OTHER FINANCIAL LIABILITIES	-	-	-	-
CURRENT FINANCIAL LIABILITIES				
BORROWINGS	587,174,650.84	-	-	587,174,650.84
TRADE PAYABLES	113,924,260.84	-	-	113,924,260.84
OTHER CURRENT LIABILITIES	337,081,730.36	-	-	337,081,730.36

Quantitative Disclosures Of Fair Value Measurement Hierarchy For Assets As At March 31st, 2023

	CARRYING VALUE March 31st, 2023	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS MEASURED AT FAIR VALUE				
INVESTMENTS MEASURED AT				
(I) FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	-	-
(II) FAIR VALUE THROUGH PROFIT & LOSS				
INVESTMENT PROPERTY	-	-	-	-
NON CURRENT FINANCIAL INVESTMENT	-	-	-	-
CURRENT FINANCIAL INVESTMENT	-	-	-	-
FINANCIAL ASSETS MEASURED AT AMORTISED COST				
OTHER NON CURRENT ASSETS	21,240,051.75	-	-	21,240,051.75
OTHER NON CURRENT FINANCIAL ASSETS	-	-	-	-
TRADE RECEIVABLES	22,092,931.68	-	-	22,092,931.68
CASH & CASH EQUIVALENTS	92,661,409.60	-	-	92,661,409.60
OTHER BANK BALANCES	65,265,519.00	-	-	65,265,519.00
OTHER FINANCIAL ASSET	-	-	-	-
OTHER CURRENT ASSETS	1,125,731.80	-	-	1,125,731.80

Property, Plant and Equipment (Continued)

(₹.in Lacs)

	CARRYING VALUE March 31st, 2023	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
NON CURRENT FINANCIAL LIABILITIES				
BORROWINGS	2,467,464,901.39	-	-	2,467,464,901.39
OTHER FINANCIAL LIABILITIES	-	-	-	-
CURRENT FINANCIAL LIABILITIES				
BORROWINGS	587,174,650.84	-	-	587,174,650.84
TRADE PAYABLES	113,924,260.84	-	-	113,924,260.84
OTHER CURRENT LIABILITIES	337,081,730.36	-	-	337,081,730.36

Note: the company has disclosed financial instruments such as cash & cash equivalents, other bank balances, trade receivables, trade payables, bank overdrafts and other current liabilities at carrying amount value because their carrying amounts are a reasonable approximation of the fair values due to the short term maturities of these instruments.

Statement of Changes in Equity for the year ended March 31, 2024

(₹.in Lacs)

A. EQUITY SHARE CAPITAL

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
803,333,330.00	-	-	-	803,333,330.00

(2) Previous reporting period

Balance at the beginning of the current reporting periods	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
803,333,330.00	-	-	-	803,333,330.00

B. OTHER EQUITY

Particulars	Reserves and Surplus				TOTAL
	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings/ (Loss)	
(1) Current reporting period					
Balance at the beginning of the current reporting period	-	-	-	129,761,554.53	129,761,554.53
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	555,787,934.96	555,787,934.96
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	685,549,489.49	685,549,489.49

Statement of Changes in Equity (Continued)

(₹.in Lacs)

Particulars	Reserves and Surplus				TOTAL
	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings/ (Loss)	
(2) Previous reporting period					
Balance at the beginning of the previous reporting period	-	-	-	-22,410,338.01	-22,410,338.01
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-
Total Comprehensive Income for the preceding period	-	-	-	152,171,892.54	152,171,892.54
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	129,761,554.53	129,761,554.53

FOR RAJIV MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REG.NO.002253C

FAHED RASHID

(PARTNER)

Membership No.451027

Kanpur, 30th of May, 2024

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF

AARTI DISTILLERIES PRIVATE LIMITED

CHETAN SHARMA

DIN: 03526085

(MANAGING DIRECTOR)

TILAK RAJ SHARMA

DIN: 00217431

(DIRECTOR)

ASHUTOSH TRIPATHI

(M.No.F10369)

(COMPANY SECRETARY)

Cash Flow Statement for the year ended 31st March 2024

(₹.in Lacs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
I) CASH FROM OPERATIONS		
A. PROFIT BEFORE TAX	683,742,981.86	183,094,563.40
B. ADJUSTMENTS:		
Depreciation	174,102,727.05	95,815,569.86
Interest Income	-24,341,052.00	-1,396,548.00
Finance Costs	274,627,939.65	119,892,387.44
Payment of Income Tax	-76,376,624.58	-
Operating Profit Before working capital changes	1,031,755,971.99	397,405,972.70
Adjustments for Changes in working Capital		
Decrease/(Increase) in Inventories	-263,100,483.84	-224,796,575.99
Decrease/(Increase) in Trade Receivable	9,234,180.23	-22,092,931.68
Decrease/(Increase) in other Other Bank Balances	-440,201,000.00	-62,325,000.00
Decrease/(Increase) in other Financial Assets	-21,906,149.00	-1,218,033.00
Decrease/(Increase) in Current Tax Assets (Net)	6,189,833.01	-5,064,101.21
Decrease/(Increase) in Other Current Assets	52,853,359.68	-202,279,044.54
Increase/(Decrease) in Trade Payables	-36,213,539.65	77,284,822.51
Increase/(Decrease) in other Current Liabilities	26,648,766.42	307,492,132.60
Increase/(Decrease) in Short Term Provisions	40,488,429.22	8,686,109.15
NET CASH FROM OPERATIONS	405,749,368.06	273,093,350.54
II) CASH FROM INVESTING ACTIVITIES		
Purchase of PPE & Intangible assets (incl. Capital WIP)	-173,154,451.44	-1,009,576,476.55
Decrease/(Increase) in other Non Current Assets	10,953,753.72	215,827,941.99
Increase/(Decrease) in Non Current Other Financial Liabilities	-	-39,962,262.00
Increase/(Decrease) in Long Term Provisions	4,768,634.00	4,277,470.00
Interest Received	24,341,052.00	1,396,548.00
NET CASH FROM/USED IN INVESTMENT ACTIVITIES	-133,091,011.72	-828,036,778.56
III) CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Net Increase/(Decrease) in long term borrowings	-420,485,809.11	478,781,131.50
Repayment of long term borrowings	-	-
Net Increase/(Decrease) in short term borrowings	396,720,414.56	190,454,236.28
Repayment of short term borrowings	-	-

Cash Flow Statement (Continued)

(₹.in Lacs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Payment of dividend including dividend distribution tax	-	-
Finance Costs	-274,627,939.65	-119,892,387.44
NET CASH FROM FINANCING ACTIVITIES	-298,393,334.20	549,342,980.34
Net Increase in cash and cash equivalents	-25,734,977.86	-5,600,447.68
Cash and Cash equivalents as at the beginning of the year	92,661,409.58	98,261,857.26
Cash and Cash equivalents as at the end of the Period	66,926,431.72	92,661,409.58

Notes:

- The Cash Flow Statement has been prepared in accordance with the "Indirect Method" specified in the Ind-AS-7- "Statement of Cash Flows"
- Cash & Cash equivalents comprise cash balances and balances with banks, including current deposit account and short term fixed deposits.

The accompanying schedules form an integral part of the accounts

AS PER OUR REPORT OF EVEN DATE

FOR RAJIV MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REG.NO.002253C

(PARTNER)

Fahed Rashid

M.No.451027

(MANAGING DIRECTOR)

Chetan Sharma

DIN: 03526085

FOR AARTI DISTILLERIES P. LTD.

(DIRECTOR)

Tilak Raj Sharma

DIN: 00217431

ASHUTOSH TRIPATHI

(M.No.F10369)

(COMPANY SECRETARY)

Kanpur, 30th of May, 2024

Notes Forming Integral Part of the Balance Sheet

1. Company Overview

Aarti Distilleries Private Limited ('The Company') is a **Private Limited company**, domiciled in India and incorporated on April 20th, 2020 under the provisions of the Companies Act, 2013 and having its registered office at 3rd Floor, 7/22D, Tilak Nagar, Kanpur, Uttar Pradesh-208002, India. The company is a subsidiary of M/s Rajasthan Liquors Limited and a joint venture between M/s Rajasthan Liquor Limited and M/s Pernod Ricard India Private Limited, both companies domiciled in India.

The company has basically two segments of its business viz. Distillery and Bottling Unit. The operations of the Distillery unit commenced on 16th July 2022 and the same of Bottling unit was commenced on 16th Oct 2022 and the depreciation on the assets have been charged accordingly.

These Financial Statements were authorized by the Board of Directors for issue in accordance with the Resolution passed on 6TH of July, 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance: These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

2.2 Basis of Preparation and Presentation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and the other relevant provisions of the Acts and Rules there under.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at Fair Value Through Profit or Loss (FVTPL)
- ii) Defined benefit plans-plan assets/liabilities measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. 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 statement of cash flows have been prepared under the indirect method.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to nearest lakhs (₹00,000), except where otherwise indicated.

2.3 CURRENT V. NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the balance sheet based on current/non- current classification.

(a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.

Notes Forming Integral Part of the Balance Sheet (Continued)

- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for 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.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

2.4 Use of Estimates, Assumptions and Judgements: The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognized in the year in which the results are known or materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments:

In the process of applying the Company's accounting policies, management has made the following judgments, which have a significant effect on the amounts recognised in the financial statements:

- (a) Identification of expenses and overheads for capitalization as part of the project cost.

Estimates:

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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes, including Evaluation of recoverability of Deferred tax assets and liabilities:

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual

Notes Forming Integral Part of the Balance Sheet (Continued)

results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the company.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Judgments include estimating the probability of the cash outflows for the present obligations and accordingly provisions are determined and reviewed at the end of each reporting period and are adjusted or reflect current best estimates.

The Company uses significant judgment to identify and measure contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities in relation to assessment/litigations can involve complex issues, which can only be resolved over extended time periods.

2.5 Property, Plant and Equipment

- i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv) Spare parts which meet the definition of Property, plant and equipment are capitalized as Property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- v) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its

Notes Forming Integral Part of the Balance Sheet (Continued)

use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss on consumption.

- vi) The residual value and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.
- vii) In the earlier years, the Company has elected to use exemption available under Ind AS 101 to continue with the carrying value for all its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind-ASs, measured as per previous GAAP and use that as its deemed cost as at the transition date.
- viii) Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.
- ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The useful lives for various categories of property, plant and equipment are as given below:

Sl.No.	Description	Useful Life as per Schedule II of the Companies Act, 2013	Useful life
1.	Furniture and fittings	10 years	10 years
2.	Office equipment	05 years	05 years
3.	Vehicles- Four wheelers	08 years	08 years
4.	Computers and peripherals	Servers- 06 years Others-03 years	03 years
5.	Building	30 years	30 years
6.	Plant and Machinery	15 years	15 years

- x) DepreciaDepreciation on property, plant and equipment is provided on pro-rata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

2.6 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting

Notes Forming Integral Part of the Balance Sheet (Continued)

estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortization

Softwares are amortized over a period of five years on straight line method.

2.7 Impairment of non-financial assets:

At each reporting date, the company reviews the carrying amount of its assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or entity's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Inventories:

Finished goods, stock in trade and work-in progress are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. Raw materials, packing materials, stores and spares are valued at lower of cost or net realisable value. Cost is ascertained on "moving weighted average" basis for all inventories.

In case of manufactured finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts. 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. The comparison of cost and net realisable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow moving items.

Maturing inventories and raw materials which are retained for more than one year are classified as current assets, as they are expected to be realised in the normal operating cycle.

Physical verification of all major Inventory items is carried out atleast once a year. The variance if any identified are appropriately adjusted. This is in accordance with Ind AS 23, as they are manufactured of large quantity on the repetitive basis.

Notes Forming Integral Part of the Balance Sheet (Continued)

2.9 Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

2.10 Interest Income

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

2.11 Employee Benefits:

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to the Government administered Provident/Pension Fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through the provident fund scheme as an expense, when an employee renders related services.

Gratuity

The Company operates a defined benefit gratuity plan for employees. The Company has obtained group gratuity scheme policies from Life Insurance Corporation of India to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the Balance Sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method. The present value of the defined

Notes Forming Integral Part of the Balance Sheet (Continued)

benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit or loss as past service cost.

2.12 Borrowing

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

2.13 Borrowing Costs

- Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds.
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowings costs are charged to the Statement of Profit and Loss.

2.14 Foreign Currencies Transactions and Translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair

Notes Forming Integral Part of the Balance Sheet (Continued)

value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit and Loss are also recognized in Other Comprehensive Income or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

2.15 Cash and Cash Equivalents

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

2.16 Offsetting of financial Assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.17 Taxes

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

- (i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.
- (ii) Current income tax relating to item recognized outside the Statement of Profit and Loss is recognised outside Profit or Loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes Forming Integral Part of the Balance Sheet (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share consolidation, without a corresponding change in resources, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares, if any.

The partly paid up equity shares, if any, are treated as potential equity shares in accordance with Ind-AS 33, for the period for which the same remained partly paid up.

2.19 Provisions, Contingent Liabilities and Commitments

- (i) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- (iii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in provision due to the passage of time is recognized as a finance cost.
- (iv) Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- (v) Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Refer Note.33

2.20 Several debit and credit balances are subject to confirmation by parties.

2.21 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes Forming Integral Part of the Balance Sheet (Continued)

2.22 Leases

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 for consideration.

Company as a lessor

Lease income from leases where the company is a lessor is recognised in the Statement of Profit and Loss on a straight - line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Company as a lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

2.23 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note.36

2.24 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.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recognized at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets:

Financial assets are recognized when the company becomes a party to the contractual provisions of the instrument. Subsequent Measurement Financial assets are subsequently classified as measured at:

- amortized cost
- fair value through other comprehensive income (FVTOCI)

Notes Forming Integral Part of the Balance Sheet (Continued)

- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables and Loans are initially recognized at fair value. Subsequently these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Notes Forming Integral Part of the Balance Sheet (Continued)

Impairment of financial assets:

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category, as per policy approved by the Board of Directors.

For financial assets, as per Ind AS 109, the Company recognizes 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition.

Expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

B. Financial liabilities:

Financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument

Subsequent measurement:

- Financial liabilities are subsequently measured at amortized cost using the EIR method
- Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss

Trade and other payables

In case of trade and other payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method. Trade and trade payable represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Derecognition A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. Reclassification of financial assets No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the entity's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The entity does not restate any previously recognised gains, losses (including impairment gains or losses).

1.22 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Notes Forming Integral Part of the Balance Sheet (Continued)

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:

- (i) In the principal market for asset or liability, or
- (ii) 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 liability is measured in accordance with Ind-AS 113, 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 are available to measure fair value, maximizing the use of relevant observable inputs and minimizing 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 (unadjusted) market prices in active markets for identical assets or liabilities

Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The quantitative disclosures of fair value measurement hierarchy are contained in Note.42

RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Notes Forming Integral Part of the Balance Sheet (Continued)

1. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

2. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

3. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.





Aarti Distilleries Private Limited

CIN: U15549UP2020PTC128325
Registered Office: Third Floor, 7/22D,
Tilak Nagar Kanpur-200802, U.P.,
India.

Auditors

Rajiv Mehrotra & Associates
Head Office: 3/3 A, Vishnupuri,
Kanpur-208002, U.P., India.
Tel: 0512 2531806
Email: Info@rmaca.co.in;
Website: www.rmaca.co.in

Company Secretary

Mr. Ashutosh Tripathi