

# AGILE BUOYANT DIVERSE



**Allied Blenders  
& Distillers**

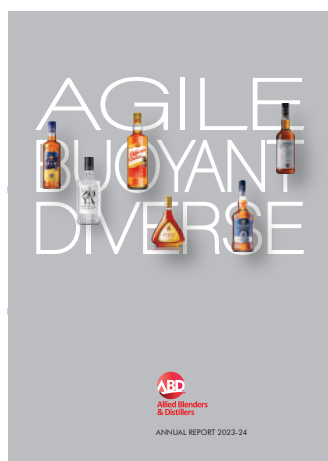
ANNUAL REPORT 2023-24

# AGILE • BUOYANT • DIVERSE

The Allied Blenders and Distillers Limited (ABD) 2.0 transformation journey embodies a renewed vision for the future. This new era is fueled by passion and purpose, driving us to break new ground. With every step forward, we are not just keeping pace; we are setting the standard for what comes next. Embracing the spirit of agility, our young and curious team is eager to embrace change and forge ahead with innovative technology partnerships. The pillar of buoyancy is driven by a spirit of expansion and premiumization, with a global outlook that keeps us ahead of the curve. Our cornerstone remains diversity, setting us apart through a broad portfolio of brands and products, geographical reach, diverse talent, innovative thinking, and varied marketing strategies, all supported by cutting-edge technology.



# CONTENTS



---

ABOUT US 3

---

CHAIRMAN'S MESSAGE 6

---

STRENGTHS 10

---

MANAGING DIRECTORS' MESSAGE 20

---

KEY BRANDS & RECOGNITIONS 28

---

DIRECTORS' REPORT 42

---

STANDALONE FINANCIAL STATEMENT 91

---

CONSOLIDATED FINANCIAL STATEMENT 184

---



## OUR VISION

### **To be the most admired Spirits Company in the world**

Among partners, employees and patrons, through the virtues of innovation, individuality, transparency and ethics in business practices and creation of admirable brands.

## OUR VALUES

### **Team Work**

The spirit of teamwork is what infuses everything we do. Blending our efforts, together, we forge ahead.

### **Constantly Innovating**

Everyday we brew new ideas, new thinking and new approaches. Nothing is as fulfilling as innovating constantly.

### **Excellence in Execution**

With an eye for detail, and a passion for perfection, we strive for excellence in execution.

### **Professional and Personal Integrity**

With a strong commitment to fair dealings, we stay true to our customers and stakeholders and maintain professional and personal integrity.

### **Proud of What We Do**

Be it strategy or execution, we put in our best in everything we do and it reflects in our work. Exactly why we are proud of what we do.



## ABOUT US

We at ABD are dedicated to crafting spirits that elevate every moment. Our journey began with the launch of Officer's Choice Whisky in 1988, a commitment to quality, creativity, and the timeless art of blending. From our carefully curated ingredients to our meticulous production process, we strive to create beverages that are as rich in character as they are in flavour.

Rooted in tradition but inspired by innovation, we offer a diverse range of products, each crafted with precision and care. Our master blenders combine age-old techniques with modern expertise to bring out the unique qualities in every bottle.

Evolving from a single-brand company into a diverse portfolio of unique experiences, ABD now employs world-class processes to ensure the highest standards of quality and taste across our products, which are enjoyed in over 14 countries.

We have made it our mission to craft premium alcoholic beverages that reflect the artistry and passion of our team. From the selection of the finest raw materials to the final pour, every step of our process is a testament to our commitment to quality.

<b>3<sup>rd</sup> largest spirits</b> company in India	<b>17</b> IMFL brands	<b>33</b> Manufacturing facilities 1 Distillery 32 bottling units	<b>79,000+</b> retail outlets pan-India
<b>14</b> Countries of export; Leading exporter of IMFL from India	<b>4</b> Millionaire brands	<b>#3</b> Largest selling whisky brand globally: Officers Choice ^	<b>#1</b> Fastest growing spirits brand globally: ICONiQ White ^
<b>₹ 7,675 Cr</b> Total Income in FY24*	<b>31.7 Mn</b> Cases sold in FY24	<b>37.0%</b> Gross Margins in FY24*	<b>16.4%</b> ROCE in FY24*

ABD is proud to announce successful completion of Initial Public Offering (IPO) in July 2024, marking a significant milestone in our journey of growth and innovation. We are thrilled to embark on this next chapter with our valued customers, partners, and shareholders by our side.

^ Drinks International, The Millionaires Club 2024 Report  
\* As per Consolidated Financial Statements

# M I L E S

## Celebrating milestones that mark our relentless pursuit of excellence and growth across every frontier.

**1988**

Introduction of the Officer's Choice Whisky brand

**2010**

Allied Blenders and Distillers (ABD) adds an exciting new brand to its portfolio with Jolly Roger creating an inedible mark on the rum category

**2011**

ABD enters the deluxe whisky segment with the launch of Officer's Choice Blue – an engaging mix of rich Scotch malts and Indian grain spirits

**2012**

With the launch of Kyron we forayed into the premium brandy segment quickly becoming a gold-standard for the segment in the country

**2014**

- o Officer's Choice Whisky franchise sells 28.6 million cases\* in CY 2014 to become the world's fourth largest spirits brand
- o Officer's Choice declared as the fastest growing brand across all markets and categories by IWSR for CY 2013 in August 2014

**2015**

ABD registers sales of 34.9 million cases\* in FY 2015-16 with Officer's Choice crossing 25.1 million cases. Officer's Choice Blue neared 8 million cases\* in sales in FY 2015-16, four years from its launch

**2017**

ABD enters into the premium and semi-premium segments with Sterling Reserve Blend 10 and Blend 7

**2018**

- o Sterling Reserve register sales of 1.2 million cases\* becoming a millionaire brand in the first full year of the launch
- o Officer's Choice Whisky franchise crosses 34 million\* sales mark and becomes the world's largest selling whisky for the 6<sup>th</sup> year in a row
- o Officer's Choice Blue whisky sales neared 9 million\* cases in FY 2018-19

\* (in 9 litre cases)

# T O N E S

**2019**

Sterling Reserve becomes the fastest growing spirits brand globally by sales volume in CY2019 with 131% growth rate

**2021**

- o Officer's Choice Whisky franchise including Officer's Choice Blue ranked 3<sup>rd</sup> among the largest selling whisky brands globally in CY 2021
- o Sterling Reserve Blend 7, Kyron Premium Brandy and Officer's Choice Blue were rated as 'Notable Product' by International Taste Institute, Brussels in 2021

**2022**

- o Sterling Reserve Blend 7 became the 3<sup>rd</sup> largest selling brand in semi-premium whisky segment in India

**2023**

ICONiQ White recognised as the fastest growing spirits brand in the world in CY2023

**2024**

Proud to announce the listing of ABD in July, 2024



# CHAIRMAN'S MESSAGE

Dear Shareholders,

At the very outset, I would like to express my sincere gratitude to all our stakeholders whose continued support and strong association over the years has helped us in becoming the 3<sup>rd</sup> largest spirits company in India. Their unwavering trust and partnership have been instrumental in our journey, and we look forward to achieving even greater milestones together.

The financial year FY24 has been marked with external headwinds, including an inflationary environment, subdued consumer demand in the mass premium category and short term disruptions in a key market impacting the overall sector. Despite these challenges, your company has delivered a resilient performance, underscoring our steadfast focus, dynamism and commitment to innovation, sustainability and profitability.

Not just the financial year FY24, we have emerged stronger and maintained leadership in the mass premium category in the dynamic macro-economic environment in the past, including the introduction of GST regime, COVID-19 pandemic and ever evolving state level regulations among others. Your company has successfully navigated varied challenges over the past several years and come a long way. I believe the outlook looks only onwards and upwards from hereon.

As India aims to become a manufacturing hub of the world, we endeavour to create **Brands from India, for the World.**

## **Creating Value Through Innovation, Branding and ESG Initiatives**

Our track record of successful launches over the years has helped us in cementing our position in the market. This year was another such year of

leading with innovation. Our whisky brand ICONiQ White has been a runaway success, achieving millionaire status and becoming the fourth in our portfolio to achieve this milestone.

We also made a strategic entry into the luxury market with the launch of Zoya. The brand pays homage to the art of fine spirits, showcasing opulence and artisanal excellence.

These successes have been driven by our ability to create blends in-line with consumer preferences and the strong pan India distribution network in place along with robust branding initiatives. As a testament to our efforts, several awards and recognitions continued to pour in last year. ICONiQ White has been recognised as the fastest-growing spirits brand globally, and Zoya has also been well-received by consumers. Our flagship brand, Officer's Choice Whisky, maintains its spot amongst the top-selling whisky brands globally.

While we have always endeavoured for sustainability however, recently, it has become one of the core pillars of our operations. Our sustainability efforts are centred on achieving zero harm, zero waste, and zero discharge. We are committed to reducing fossil fuel consumption, increasing aseptic packaging, implementing solar energy in our manufacturing operations, and minimising water usage in distilling and IMFL bottling operations. Last year, we achieved a 25 per cent reduction in specific water usage in our Rangapur distillery through process improvements and targeted investments. We also invested in an alternate biomass fuel handling system to increase the use of renewable energy sources at the distillery.

We are committed to creating a social impact while growing as a profitable business. It is our utmost priority to ensure the welfare of every person working with us and to make a positive environmental footprint. As part of our social initiatives, we will continue to train our workers on quality and knowledge management and ensure inclusive participation.

## LOOKING AHEAD

Our focus will be on achieving operational excellence and building a sustainable growth momentum by focusing on improving the market share of our millionaire brands, premiumisation, backward integration, robust compliance and corporate governance.

The current market environment is particularly exciting, with a growing demand for premium products. The premiumisation trend is prevalent across the value chain, from product launches to shelf space in outlets to customer engagement. Rising disposable incomes, growing urbanisation, social media influence, favourable demographics, and accessibility are the factors driving this trend.

As we expand our capabilities, backward integration will be integral to our strategy. We continuously evaluate strategic options to identify assets that align with our objectives. Manufacturing is the backbone of our existence and we stay open to adopting the latest cutting-edge technologies to make our units more efficient. Furthermore, we look forward to becoming brand partners with global firms in times to come and drive growth.

Compliance and corporate governance are indispensable for sustained growth in this industry, which has witnessed increasingly stringent regulations over the years. We have grown to be a leader while complying with the rules and regulations. The reconstitution of our board including myself taking up non-executive role to segregate ownership and professional management, onboarding of professionals for independent board oversight, strengthening senior leadership team having industry and multi sector experience, and other compliance

measures would further strengthen the overall governance framework.

From exports perspective, while we are one of the leading exporters of Indian Made Foreign Liquor (IMFL) to 14 countries, there exists significant opportunities for further growth. I would like us to be known as a leading **'Indian Multinational'** in the alcohol beverage sector, delivering world-class brands which are **'Made in India'** and creating employment opportunities that benefit our society and the Indian economy.

With our recent listing in July, 2024 on the Indian stock exchanges, we have entered the next phase of transformation journey of profitable growth. With our strengthened balance sheet and clear growth roadmap positioning us to capitalize on our strengths, address consumer demand, and leverage significant tailwinds, we remain committed to enhancing shareholder value creation.



**KISHORE R. CHHABRIA**  
CHAIRMAN





Allied Blenders & Distillers

# AGILE BUOY



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# BRAND PORTFOLIO

A diverse collection of innovative and premium brands that cater to a wide range of people.

WHISKY

BRANDY

PREMIUM



SEMI-PREMIUM



PRESTIGE



MASS PREMIUM





RUM

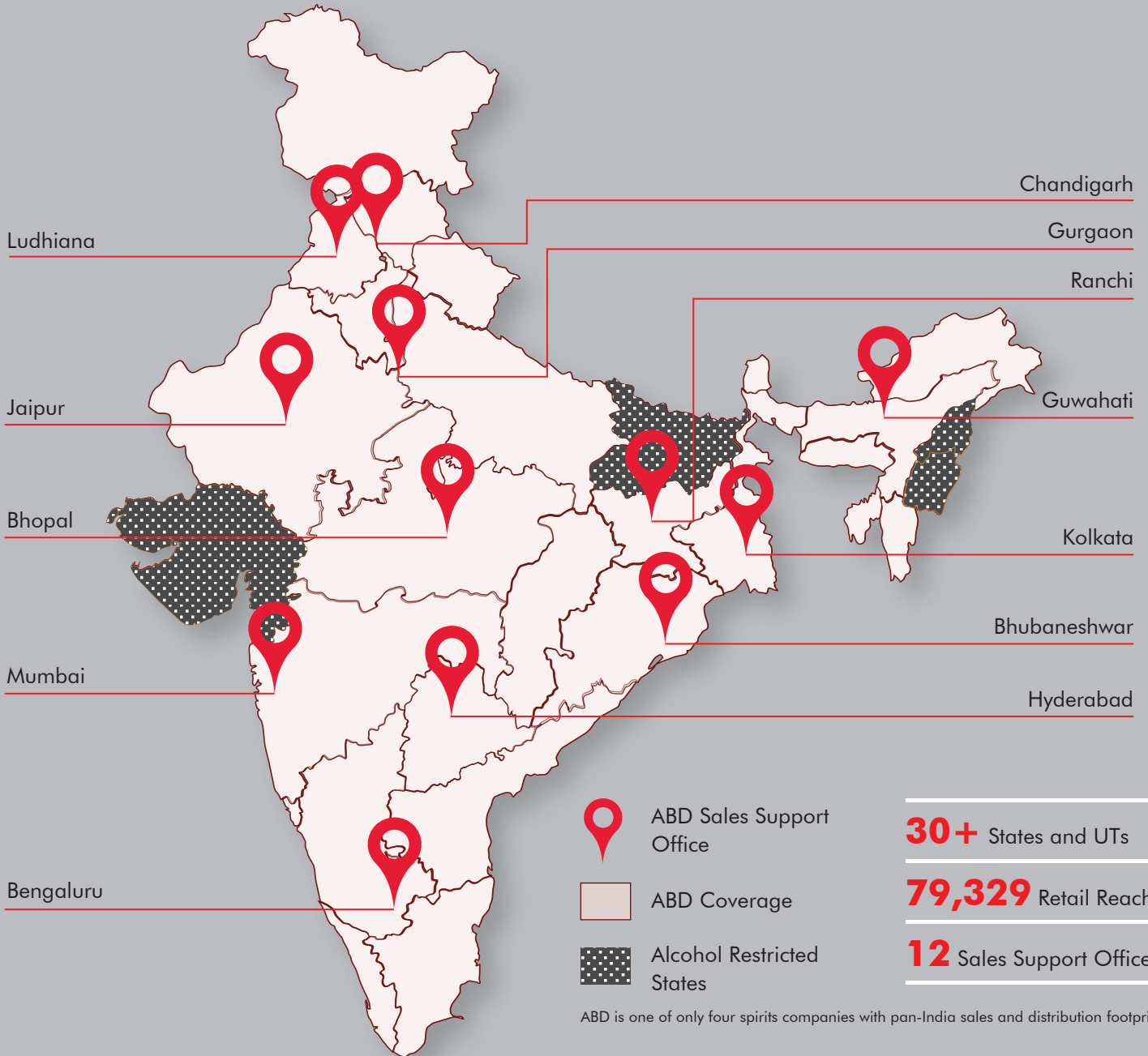
VODKA

GIN



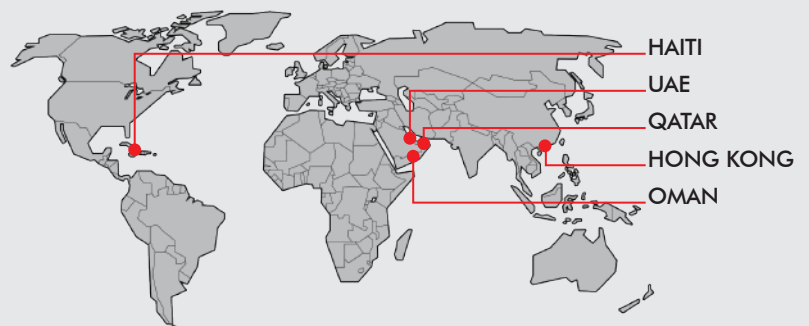
# PAN INDIA DISTRIBUTION

Seamlessly connecting every corner of India with our extensive and reliable distribution network.



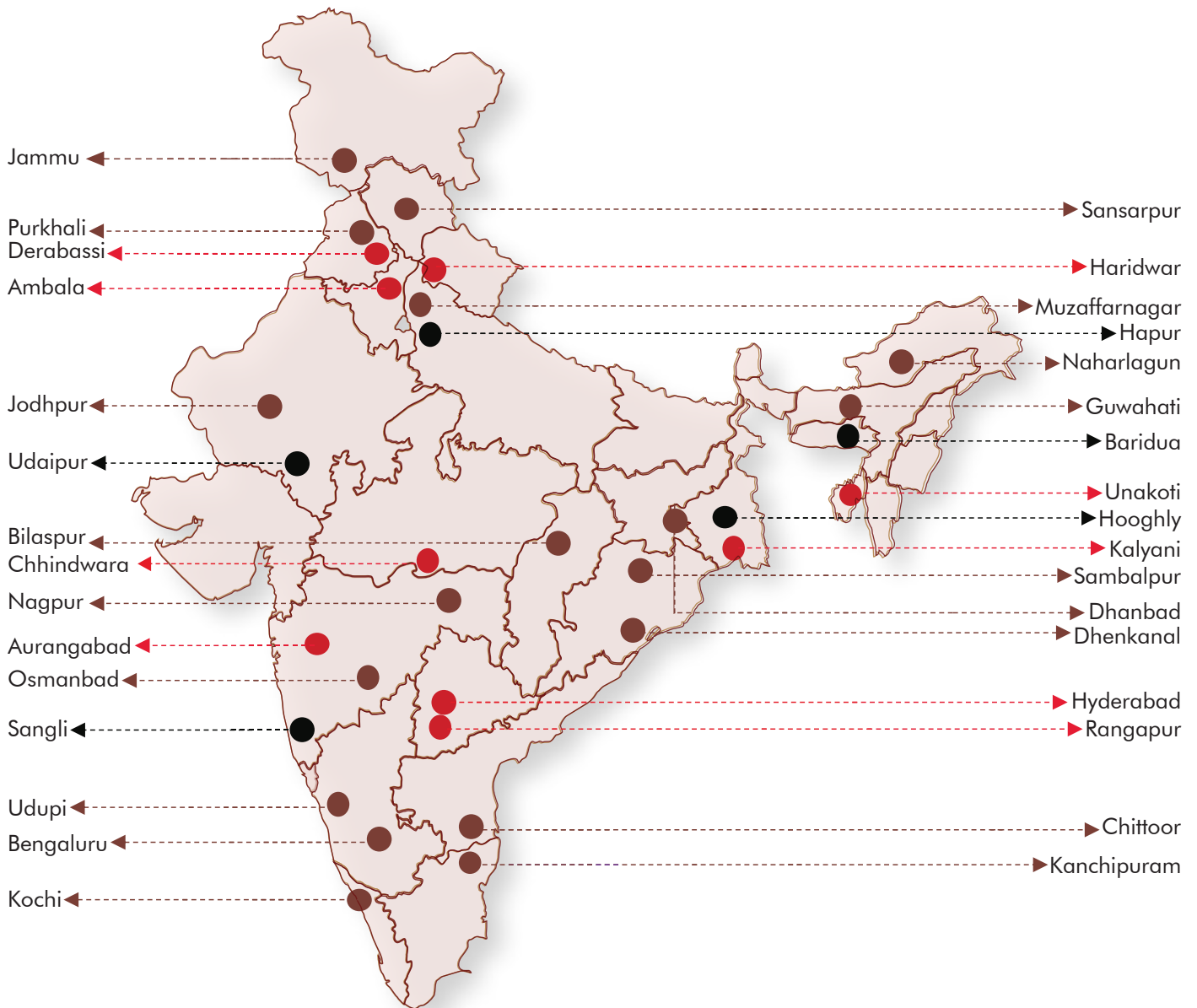
## Leading exporter of IMFL

Exports to 14 countries including United Arab Emirates, Haiti, Oman, Hong Kong and Qatar



# PAN INDIA MANUFACTURING FOOTPRINT

A robust manufacturing presence across India, ensuring quality and consistency at every step.



**1 DISTILLERY**  
**60.00 Mn liters**  
 Annual Distillation Capacity

**32 Bottling Units**  
**25.8 Mn, 64.9%**  
 OWNED

**7.6 Mn, 56.5%**  
 Third Party Exclusive

Licensed capacity in cases, Capacity utilization (FY24)

**BOTTLING UNITS**

- 9 ● Own unit
- 5 ● Third Party Exclusive
- 18 ● Third Party Non Exclusive

# BOARD OF DIRECTORS

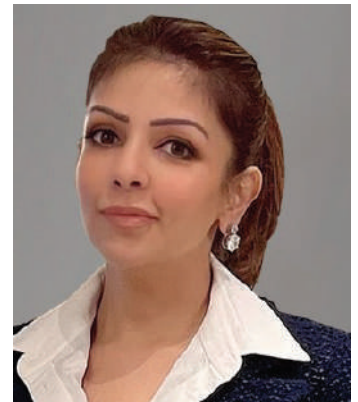
## STEWARDSHIP & EXPERTISE



**Kishore Rajaram Chhabria**  
Chairman  
& Non-Executive Director



**Bina Kishore Chhabria**  
Co-Chairperson  
& Non-Executive Director



**Resham Chhabria  
Jeetendra Hemdev**  
Vice-Chairperson



**Shekhar Ramamurthy**  
Executive Deputy Chairman



**Alok Gupta**  
Managing Director



**Maneck Navel Mulla**  
Non-Independent,  
Non-Executive Director



**Narayanan Sadanandan**  
Independent Director



**Arun Barik**  
Executive Director



**Balaji Viswanathan Swaminathan**  
Independent Director



**Rukshana Jina Mistry**  
Independent Director



**Vivek Anilchand Sett**  
Independent Director



**Paul Henry Skipworth**  
Independent Director



**Vinaykant Gordhandas Tanna**  
Independent Director



**Mehli Maneck Golvala**  
Independent Director



# LEADERSHIP TEAM

## INDUSTRY & MULTI SECTOR EXPERIENCE



### **Alok Gupta**

**Managing Director**

Joined ABD In 2023,  
work experience ~34 years

- Dabur Ltd
- United Spirits Ltd
- Whyte & MacKay Ltd
- Café Coffee Day
- Essar Retail
- Essar Capital Advisory India Pvt Ltd



### **Bikram Basu**

**Chief Strategy and  
Marketing Officer**

Associated with ABD 9+ years,  
work experience 32 years

- Pernod Ricard India (P) Ltd.
- United Spirits Ltd



### **Rajesh Parida**

**Director – Corporate Affairs & CSR**

Joined ABD In 2023,  
work experience 27+ years

- Pernod Ricard India (P) Ltd.
- BEML Ltd.
- Goa Shipyard Ltd.
- Reliance Engineering Associates Ltd.
- Indian Charge Chrome Ltd.





**Ramakrishnan Ramaswamy**

Chief Financial Officer

- Joined ABD In 2010,  
work experience 36 years
- Essel Propack Ltd.
  - Jubilant Oil & Gas Pvt. Ltd.
  - JBF Industries
  - Hindustan Hardy Spicer Limited



**Ankur Sachdeva**

Chief Revenue Officer

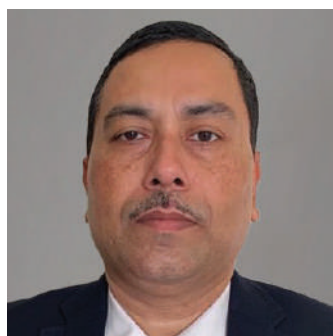
- Joined ABD In 2023,  
work experience 23+ years
- Radico Khaitan Ltd.
  - William Grant & Sons International Ltd.
  - Kajaria Plywood Pvt. Ltd.



**Jayathirtha Mukund**

Head – Investor Relations  
and Chief Risk Officer

- Joined ABD In 2023,  
work experience 22+ years
- Raymond Ltd.
  - Reliance Communications Ltd.
  - Adventity Global Services Pvt. Ltd.
  - Vodafone Essar Ltd.
  - Stratcap Securities (India) Pvt. Ltd.
  - Zuari Cement Ltd.



**Mithun Kumar Das**

Head - Manufacturing & Technical

- Associated with ABD 13+ years,  
work experience 27+ years
- Shaw Wallace Distilleries Ltd.
  - Pampasar Distillery Ltd.
  - McDowell & Company Ltd.
  - United Spirits Ltd.
  - Diageo India Pvt. Ltd.
  - Lexcel Management Services Ltd.



**Ralin Da Cunha Gomes**

Chief Human Resources Officer

- Joined ABD In 2022,  
work experience 28+ years
- Indian Hotels Company Ltd.
  - IIAS School of Management, Goa
  - Taj Holiday Village, Goa
  - The Leela Beach, Goa



**Ritesh Ramniklal Shah**

Company Secretary &  
Chief Legal Officer

- Joined ABD In 2015,  
work experience 24+ years
- Firestorm Finance & Trading Private Ltd.
  - Shaw Wallace & Company Ltd.
  - United Spirits Ltd.
  - McDowell Holdings Ltd.
  - Haria Exports Ltd.

AGGIL  
BUOYAN  
DIVERS

P E R F O R M A N C E



FE  
SE



A N D O U T L O O K

# MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

As we reflect on the past year, we must acknowledge the broader economic landscape that has shaped our journey. The Indian economy has demonstrated remarkable resilience and adaptability amidst global uncertainties. With a robust GDP growth rate and significant strides in digital transformation, India continues to be a beacon of economic dynamism. This positive economic environment has provided a fertile ground for our company to thrive and achieve new milestones.

## Consolidated Financial Performance

In FY24, our company has shown commendable financial performance. Our revenue grew by 5.6%, reaching ₹3,334 crores. We achieved a healthy 26.7% increase in EBITDA, amounting to ₹248 crores. Additionally, our net profit rose by 14.3%, totalling ₹1.8 crores.



## Topline Performance Analysis

In H1FY24, we witnessed growth across mass premium and P&A categories, led by Officer's Choice and ICONiQ White. Regional growth was seen in states like Uttar Pradesh, Punjab, Assam, Odisha, Madhya Pradesh, and Telangana. In H2FY24, despite strong demand, we faced challenges due to delayed payments from a southern state government corporation, affecting our volume growth. However, this issue is being resolved, and we expect normalisation in the financial year FY25.

## Strong EBITDA Performance

Our EBITDA grew by 26.7%, from ₹196 crores in FY23 to ₹248 crores in FY24, despite an inflationary environment. This growth was driven by cost savings initiatives and non-recurring operating costs charges. Despite a rise in ENA prices, our gross margins only slightly decreased by 0.3% to 37.0%. Operational expense savings were driven by employee cost reductions and non-recurring charges from Board restructuring.

## Successful Initiatives in FY24

FY24 has been a year of strategic initiatives and significant achievements. The momentum of premiumisation continued, driving our brand's success. ICONiQ White International Whisky, our latest addition to the millionaire portfolio alongside Officer's Choice and Sterling Reserve, achieved remarkable milestones. By September 2023, it sold 1 million cases within 12 months of launch. Drinks International magazine recognized it as the fastest-growing spirits brand in the world for CY2023. By March 2024, it sold over 2 million cases in its first full year. We also entered the luxury segment with the launch of Zoya Gin, which has been very well received, and currently under national roll out.

In FY24, we have been one of the largest exporters of alcoholic beverages with Officer's Choice being the largest exported whisky brand in terms of volume. We have exported to 14 countries including new countries such as Uganda and Democratic Republic of the Congo

**ALOK GUPTA**  
MANAGING DIRECTOR

## Digitisation and Digital Transformation

We have focused on enhancing our core business and operational efficiency through digital transformation. We have implemented Board portals for paperless meetings and Directors' evaluations. Currently, we are implementing an enterprise-wide compliance management tool across all manufacturing facilities. In FY25, our focus will be on enhancing on enhancing cyber security for our expanding digital and cloud infrastructure, upgrading applications and transitioning business-critical applications to the cloud.

## Board Restructuring and Corporate Governance

We have continued to strengthen our corporate governance. Our Board includes seven Independent Directors, including three global executives, who oversee global best practices, corporate governance and risk management. Our Chairman transitioned to a non-executive director role from July 1, 2023 segregating the ownership and professional management hence further strengthening the overall corporate governance framework. At the heart of our success lies a commitment to fostering a culture of excellence. We have implemented Board portals and compliance management tools, embracing accountability, encouraging collaboration, and driving innovation, empowering our team to achieve remarkable results and set new standards in our industry

## Leveraging Manufacturing Capabilities

Our manufacturing network includes 32 bottling units and one distillery. We have focused on sourcing and manufacturing footprint optimisation to reduce delivery costs. Significant water conservation efforts in our distillery have reduced specific water usage by 25% compared to FY23. Our distillery achieved the milestone of producing highest ever volumes of 59.5 million bulk litres of Extra Neutral Alcohol (ENA) operating at near full capacity during the year

## Outlook

Looking ahead, we anticipate mid single-digit volume growth in the IMFL sector, driven by experience-led consumption.

Post listing in July, 2024, with strengthening of our balance sheet, we are now geared up to cater to the consumer demand. Our agility will enable us to adapt swiftly to market changes and technological advancements. Our buoyancy will drive us to expand and premiumize our products, keeping an eye on the global markets, ensuring we remain at the forefront of the industry. Our diversity will empower us to innovate and cater to a wide range of consumer preferences, positioning us in a league of our own.

Our company will focus on driving volume growth ahead of the industry, growing market share in the whisky segment with our millionaire brands, and strengthening our presence in the luxury segment and non-whisky categories. We aim to improve profitability through cost-saving initiatives and process efficiencies, and optimise our working capital cycle by enhancing supply chain efficiencies.

## Forward Peek into Luxury Portfolio

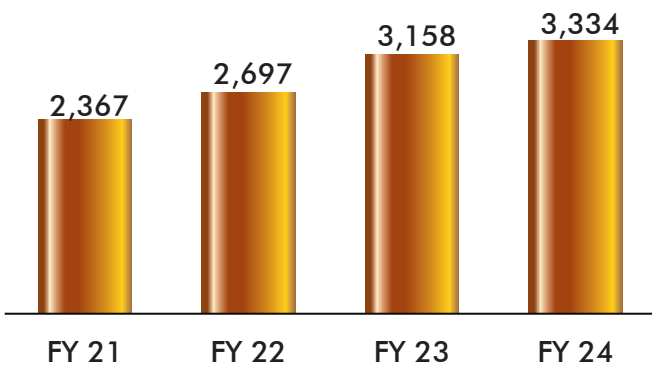
We are excited about our future in the luxury segment. Zoya Gin, our first non-whisky brand in the high-growth, high-margin category, has already begun its national roll out. In the premium brandy category, Kyron Brandy will see deeper market penetration and a limited edition launch in Q3FY25. We also expect to launch new brands in FY25, including Bottled in Origin (BIO), Blended Malt Scotch, Bottled in India (BII) Blended Scotch, Single Malt and Luxury Vodka, further strengthening our marketing and sales network.

In conclusion, FY24 has been a year of significant achievements and strategic initiatives. Our continued focus on innovation, efficiency, and excellence will drive our growth and success in the coming years. Thank you for your unwavering support and commitment.

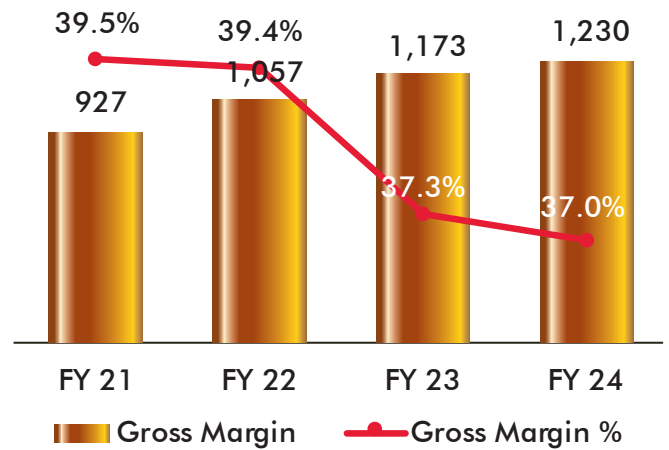
With an experienced board and senior management team at the helm, your company is slated to reach greater heights in years to come, guided by the highest standards of corporate governance. With agility, buoyancy and diversity, we will continue to create value for shareholders while achieving our long-term growth objectives.

# CONSOLIDATED FINANCIAL SUMMARY

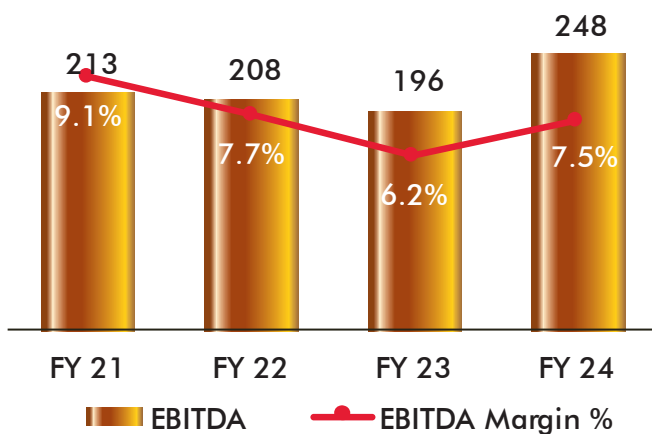
Income from Operation (₹ Cr.)



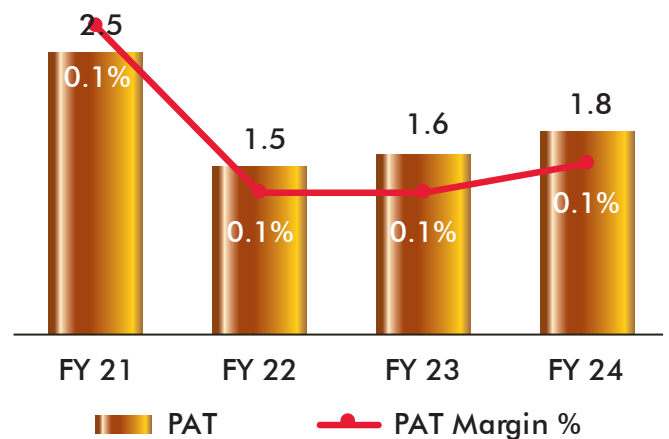
Gross Margin (₹ Cr.)



EBITDA (₹ Cr.)



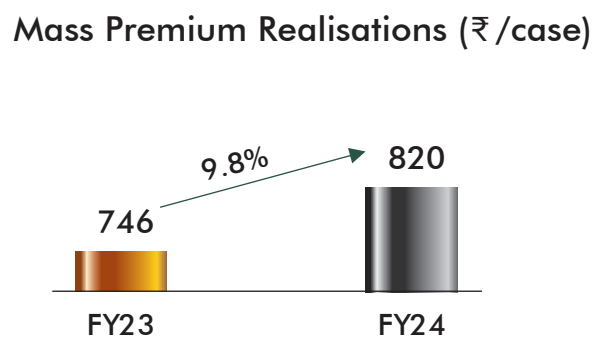
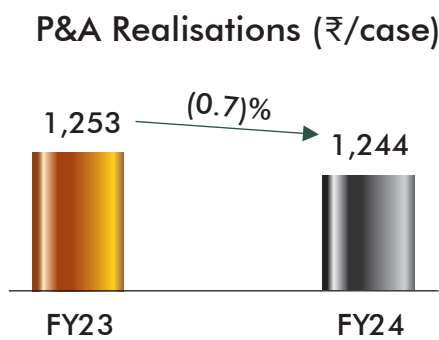
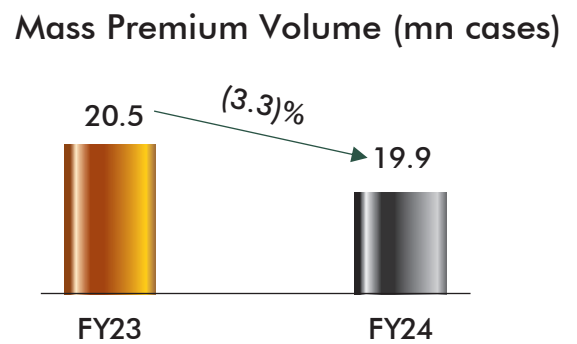
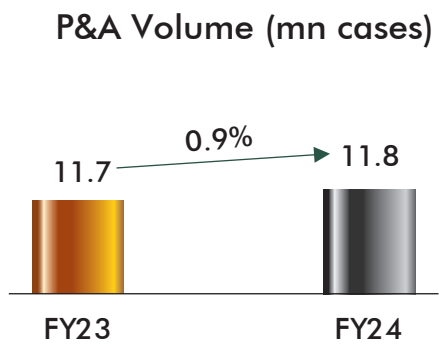
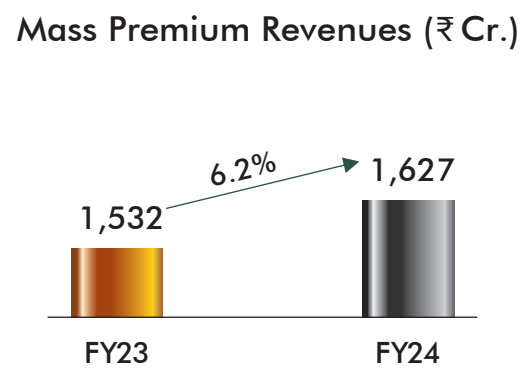
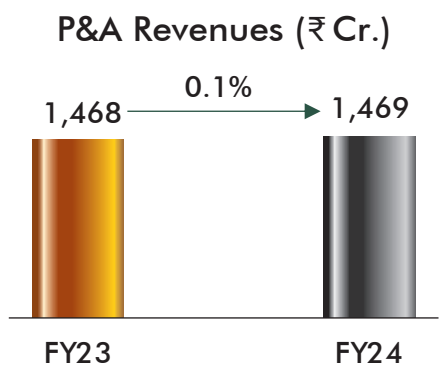
PAT (₹ Cr.)



**Note:** Gross Margin defined as Revenue from Operations less (Excise Duty & Cost of Goods Sold)  
Income from Operations is calculated as Total Income less Excise Duty

# KEY SEGMENTAL HIGHLIGHTS

Improved state brand mix driving overall realisations in mass premium category...



... Along with P&A Salience improvement from 36.3% in FY23 to 37.3% in FY24



# STRATEGIES FOR FUTURE GROWTH

India is one of the fastest growing alco-beverage consumption markets among the top economies in the world. Experience led consumption continues to drive P&A demand leading to high growth. By aligning our objectives with trends and consumer demands, we aim to strengthen our position as a market leader and drive volume and value growth ahead of the industry.

## 1. Growing Officer's Choice Whisky's Market Share

The Indian market is dominated by brown spirits, predominantly whisky. Focus on enhancing the market share and sustain profitable growth in our flagship product – Officer's Choice Whisky.

### • Brand Expansion:

- o Aim to expand the horizons of Officer's Choice and make it more inclusive.
- o Establish Officer's Choice as a brand that resonates with youth.

- o Position it as the go-to choice for new entrants in the branded alcohol beverage category.

### • Target Market:

- o Identify the population looking to upgrade from country liquor to Indian-made Indian liquor (IMIL).
- o Rising disposable incomes present an opportunity to capture this mass market.

### • Brand Positioning:

- o Officer's Choice Whisky is well-positioned to capture these segments.
- o Leverage established infrastructure, relationships, and distribution capabilities.
- o Take advantage of regulatory entry barriers to achieve scale for new players to maintain a competitive edge.



## **2. Introduce new products in luxury to premium, semi-premium and deluxe segments.**

In addition to growing our market share through 4 millionaire brands of Officer's Choice Whisky in mass premium category, Officer's Choice Blue and ICONiQ White in the prestige category and Sterling Reserve Blend 7 in semi-premium category, we aim to strengthen our presence in high margin luxury segment and non-whisky categories with new brand launches through own brands and partnership model. The new offerings to include blended malt Scotch, single malt Scotch, blended Scotch whisky, vodka, rum and partnering for distributing bottled-in-origin products.

We also aim to attract young adults by introducing flavoured spirits, craft spirits, low-alcohol content beverages and ready mixes.

## **3. Continue to focus on operating efficiencies and driving profitability.**

We strive for operational excellence and improve profitability through optimization of state brand mix, continued cost saving initiatives in input cost, building process efficiencies and driving automation. Key initiatives include:

- Modernisation of our facilities critical for efficient production, retain and build on consistently good quality, and a competitive edge in the industry.
- Focus on economies of scale, which will help us in getting better procurement deals and operating leverage.
- We aim to enter into contract manufacturing agreements and lease bottling units to expand production.

## **4. Evaluate growth opportunities through selective acquisitions.**

We are always scouting for opportunities for acquisitions or partnerships to grow our portfolio or customer base. Also, our focus is towards backward integration mainly by acquiring or building additional distilleries in strategic locations. This measure will help us improve our margins due to assured supplies and enhance our competitive

positioning. We have taken active steps towards this and have been evaluating various opportunities from time to time.

## **5. Focus on environment and social practices.**

Environmental sustainability is a key focus area for us. We ensure the necessary protocols are followed across our operations. Our plans to contribute towards a better environment include:

- Reducing fossil fuel consumption.
- Greater use of aseptic packaging.
- Implementing solar energy in manufacturing.
- Lower use of water in distilling and bottling.

As part of our social initiatives, we ensure the holistic growth of the workers associated with us by taking steps towards their personal and professional development. Our Rangapur facility is a women-majority factory, and we believe in equality and diversity. In the future, we will continue demonstrating our commitment to inclusion and diversity in our workforce.

## **6. Enhance brand awareness and engagement through digital marketing.**

The alcohol business is all about consumers. In today's world, digital and social marketing are one of the best ways to connect with consumers. We plan to reach specific consumer cohorts with targeted content. The objective is to build and consolidate on brand engagement in identified geographies with existing and potential consumers, sliced closely from insights of interest areas and other relevant parameters. We will work towards generating more organic user generated content and virality in what we do. Our work in Digital and Social should best position our brands with consumers, though we cannot do any form of performance marketing given media restrictions in the industry. In states where online app-based delivery sales are allowed, as with West Bengal and Odisha presently we will ensure that we access consumers to our best. Artificial intelligence, machine learning, virtual reality, and other new-age technologies will provide sharper and quicker ways to connect with consumers and throw valuable data and insights into consumer behaviour.

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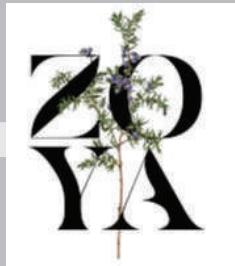


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Allied Blenders  
& Distillers

# KEY BRANDS



**3<sup>rd</sup> largest selling whisky brand globally in CY2023, as listed by Drinks International.**

### Introduction:

Officer's Choice Whisky, our flagship brand, holds a special place with Indian and global consumers. It is the third-largest whisky brand globally by sales and dominates the mass-premium whisky segment nationally. The brand has expanded its reach with enhanced retail visibility, extensive on-ground displays and targeted consumer engagement programmes. With its consistently good quality, Officer's Choice Whisky prevails as the trusted choice for mass-premium whisky consumers.

### USP:

- Officer's Choice continued its global ranking of being the 3<sup>rd</sup> largest whisky brand by volume and the 6<sup>th</sup> largest spirits brand as per the listing by Drinks International.
- Highest gross margin brand in the existing portfolio.



### FY24 Performance:

- Achieved sales figures of 18.7 million cases and continues to be the market leader in the mass-premium whisky segment with a share of 35.3%.
- Major move towards sustainability by shifting considerable sales from glass to food grade PET and aseptic packaging. This move has also helped in improving business margins significantly for the brand.

### Outlook:

Consolidating and reimagining growth strategies with innovations, driving better value.

### Key awards & Recognitions:



**THE MILLIONAIRES' CLUB**



**Millionaire brand in the prestige category offering a thrilling choice.**

**Introduction:**

Officer's Choice Blue is a masterful blend of fine Scotch malts and select Indian grain spirits, known for its smoothness and woody flavours with a hint of peat. The brand resonates with young adults who seek excitement and experiences.

**USP:**

- Officer's Choice Blue is a higher deluxe segment product vis-a-vis the mass-premium Officers Choice Whisky.
- Smart contemporary packaging is a standout feature.

**FY24 Performance:**

Officer's Choice Blue, the deluxe whisky offering, clocked sales of 4.3 million cases in FY24.

**Outlook:**

Building depth and gaining market share in its stronger markets in the largest volume pool of the Deluxe whisky segment. Work towards a new avatar with Officer's Choice Blue.

**Key awards & Recognitions:**





Allied Blenders & Distillers



**Millionaire brand and the 14<sup>th</sup> Largest selling whisky globally in CY2023, as listed by Drinks International**

**Introduction:**

Since its launch in 2017, Sterling Reserve has swiftly risen as a symbol of success and excellence in the whisky industry. Sterling Reserve Blend 7 is crafted from a masterful blend of Scotch malts and carefully selected Indian grain spirits, offering a luxurious texture with seven distinctive tasting notes. Sterling Reserve’s success extends beyond its craftsmanship to its vibrant market presence. Deep consumer engagement, a strong digital footprint, enhanced visibility and a vibrant, contemporary vibe has made the brand win the Brand Champion: Indian Whisky by The Spirits Business, London for four consecutive years from 1998-2022.

**USP:**

- Amongst the fastest brands to cross the million-case mark and reach 5 million cases
- The innovative ‘Hippy’ pack is attracting new consumers, being the only brand in its segment with such unique packaging.



**FY24 Performance:**

- Sterling Reserve Premium Whiskies clocked sales of 4.8 million cases in FY24.
- Sterling Reserve B7 Whisky is the third-largest brand in the segment nationally.

**Outlook:**

Strengthening market presence and consumer acquisition with focus on premium quality. The ‘All New Sterling Reserve B7’ is on the anvil to build further equity and gain share in a large and growing market.

**Key awards & Recognitions:**



**THE MILLIONAIRES' CLUB**





**The Fastest Growing Spirits Brand in the World for CY2023, as listed by Drinks International**

**Introduction:**

ICONiQ White Whisky stands out for its great blend, smart and contemporary packaging, and strategic young adult, unisex positioning. Crafted with precision, it is designed in clutter-breaking white for the segment with a minimalistic design approach.

**USP:**

- Sold 2+ Million cases of 9 litres each in its 1st full year of launch (FY24)
- Considered the most successful launch in the industry in the past decade and follows Sterling Reserve from ABD in a span of 6 years.

**FY24 Performance:**

- Touched 1 Mn cases in Sep'23 – 1 year after it was progressively launched in different states.
- ICONiQ White Whisky won the Gold Quality Award at Monde Selection, Brussels, and Gold for Packaging Design at Spiritz Achiever's Awards.

Launched in September 2022 in phases starting with Assam, West Bengal, Uttar Pradesh, Punjab, Arunachal Pradesh, Jharkhand, and Tripura, ICONiQ White made an immediate impact. The launch was supported by a smart amplification of both offline and online brand assets, ensuring the brand's message reached its target audience effectively. This strategic approach was further enhanced by a series of



below-the-line initiatives aimed at driving trial generation and establishing a strong on-ground presence, leading to premium visibility in a competitive market. The brand continues to be successful in newer markets of launch and the consumer price has been taken higher in many markets from the established segment players.

- Clocked sales volume of 2.3 million cases in FY24.

**Outlook:**

- Pioneering new design and a contemporary blend. Poised for strong growth in the market landscape.
- Brand to be available Pan India by Q3FY25.

**Key awards & Recognitions:**





Allied Blenders  
& Distillers



**Uniquely positioned, stylishly packaged as ABD's premium brandy.**

**Introduction:**

Kyron is a premium brandy that brings to consumers the elegance and style of its French lineage.

**USP:**

- Expertly crafted, this exquisite blend combines premium grape spirits from France's renowned Cognac region with carefully selected ingredients, resulting in a drink of unmatched quality and taste.
- Kyron's bottle with its stylish and unique design, stands out on shelves.

**FY24 Performance:**

- Since its introduction, Kyron has made significant strides in key brandy-drinking markets such as Andhra Pradesh, Kerala, and Telangana. The brand has established itself as one of the favourites, achieving a sales volume of 1.4 lakh cases for the year – highlighting its growing popularity and strong market presence.
- Clocked sales volume of 0.15 million cases in FY24.



**Outlook:**

- Renewed focus to improve brand visibility, consumer engagement in key South Indian markets.
- Launch in a few more markets where premium brandy has potential to grow.
- Limited edition Kyron to be launched in Q3.

**Key awards:**

- 2021-2024: Kyron Premium Brandy rated as 'Notable Product' at the Superior Taste Award; International Taste Institute, Brussels.
- 2022: Kyron won the Spiritz Selection Packaging Gold Award.

**Key awards & Recognitions:**





**ABD's foray into the World of Luxury Spirits**

**Introduction:**

The launch of Zoya Special Batch Gin marked a significant milestone as our first play in the super-premium or luxury spirits' market. . It also signalled a change from being a largely brown spirits and whisky company with the launch of a focused high-end white spirit.

**USP:**

- 1<sup>st</sup> non whisky brand launched in a current niche but high growth, high margin category.
- Gross Margin% ~2x of the existing product portfolio highlighting the brand's positioning and the targeted consumer set.

**FY24 Performance:**

- Launched in key market of Haryana

Zoya Special Batch Gin was first launched in Gurgaon, where it met with quality response from consumers who appreciate the distinct blend and artisanal craftsmanship. Zoya is testament to our commitment to innovation and excellence, catering to the tastes of a discerning and largely female audience. This strategic move not only diversifies our portfolio but also positions us as a competitive player in the premium spirits market, ready to meet the growing demand for high-quality, luxurious experiences.



**Outlook:**

- Expand horizons, innovate with unique flavours, build "ZoyaTales" as a cocktail storyboard and curated experiences, work with bartenders and influencers, build communities which advocate the brand.
- To be rolled out in 8 states and Exports during FY25.
- Zoya will add two unique flavours, one a first for India, in Q3FY25.

**Key awards:**

- Won "Product of the Year" at INDSpirit Awards in March 2024.
- Won "Campaign of the Year" at ICONS of GIN AWARDS in April 2024.

**Key awards & Recognitions:**





# OTHER BRANDS

## Class 21 Vodka

Class 21 Vodka is a celebration of youthful exuberance and timeless elegance. Crafted to evoke a sense of vitality, this grain vodka stands out with its delicate, pristine, blend. It captures the essence of freedom and vibrancy.



## Jolly Roger Rum

Jolly Roger Rum takes pride in offering an extraordinary experience, characterized by meticulously matured special spirits. The brand's communication reflects the unparalleled taste and quality of its offerings, appealing to a young, discerning consumer who value the company of good friends with a superb rum.



## Officer's Choice Star Whisky

Officer's Choice Star, launched in July 2018, is a contemporary blend appreciated for its rich and smooth taste. Catering to the value consumer seeking branded quality, this whisky has seen significant progress, especially in Karnataka.



## Officer's Choice Brandy

Officer's Choice Brandy showcases exquisite craftsmanship. This delightful blend is created using carefully matured grape spirits and handpicked natural ingredients, ensuring that every sip delivers a burst of great taste and genuine character. Continuing its legacy, Officer's Choice Brandy reached an impressive volume of 0.7 million cases in FY24.



## Officer's Choice Rum

Officer's Choice Rum offers an experience with its harmonious blend of sweet, robust, and woody flavours. The brand sells mostly in the state of Kerala.







## Srishti Premium Whisky

Launched in 2022, Srishti is a groundbreaking innovation in the whisky category. This unique blend fuses Scotch malts with carefully selected Indian grain spirits, crafted and enhanced with Curcumin. Notably, the Curcumin does not alter the whisky's taste, aroma, or colour, resulting in a seamless integration. The name Srishti, meaning "Made of Good," signifies the brand's commitment to natural ingredients and positive experiences. With a robust marketing strategy, Srishti has captured the attention of whisky enthusiasts in Uttar Pradesh, Haryana, West Bengal, and Tripura.



## X&O Barrel Whisky

X&O Barrel Whisky is a distinctive blend of premium Scotch malts aged in American bourbon barrels and the finest Indian grain spirits. Each sip promises a uniquely harmonized flavour and a smooth aftertaste. Drawing inspiration from the contemporary language of millennials, where "X" symbolizes kisses and "O" represents hugs, the brand's proposition, "Get Closer," encourages building meaningful connections. Introduced in Assam and Haryana and working on generating brand's fair share of awareness and consumer trials in these markets.



## Sterling Reserve (Hippy - 180 ML)

"Hippy" is a stylish and convenient packaging solution designed with the for today's young adults. Inspired by the timeless hip flask, its sleek, compact shape easily fits in the pocket, ensuring that enjoyment is always within reach.



## Sterling Reserve B7 Whisky Cola Mix

Sterling Reserve B7 Whisky Cola is an exciting innovation designed for young adults who enjoy a flavour twist to their whisky. This creation infuses the delightful taste of cola into whisky, offering a vibrant drinking experience. The product stands out for its unique appearance, with the rich colour of the whisky with cola retaining its golden hue even when mixed with water or soda.



## Sterling Reserve Premium Cellar Brandy

Sterling Reserve Premium Cellar Brandy is an exclusive offering crafted for discerning consumers. Made using imported French grape spirits from the scenic foothills of France, this brandy undergoes meticulous maturation in oak barrels, resulting in an exceptionally refined product. Its superior quality and rich heritage make it a distinguished choice for brandy connoisseurs. The product is available in the state of Kerala.


# HUMAN RESOURCES

## Our People Philosophy: Nurturing Growth and Building Trust


At ABD, our people philosophy is the cornerstone of our commitment to our employees. We focus on nurturing and accelerating their growth through continuous learning and fostering healthy relationships built on trust, transparency, and mutual respect. Our goal is to cultivate a meritocratic culture with an engaged and skilled talent pool, capable of meeting stakeholder commitments. This approach ensures that we remain agile, buoyant, and diverse in every aspect—culturally, financially, and structurally.

### Key Initiatives

#### Training and Development


- 
**LinkedIn Learning:** ABD has partnered with LinkedIn Learning, an online educational platform with a vast library of video courses covering various topics, including business, technology, and creative skills. This platform allows employees to learn at their own pace, with courses taught by industry experts. Supervisors assign specific modules to employees to help build skills and enhance performance.
- Range Selling Workshop:** As part of ABD's focus on premiumization, a specialized workshop was conducted to train a number of sales executives and managers on selling a diverse range of products. This program was led by an expert with extensive experience in sales and training, equipping participants with the knowledge and skills needed to excel in premium product sales.
- Safety Training:** ABD places a high priority on workplace safety. To ensure a safe working environment across all manufacturing units, an annual safety training calendar has been implemented. The progress of these trainings is monitored monthly to ensure compliance and effectiveness.

#### Employee Wellbeing


**AMAHA:** ABD has partnered with Amaha, a mental health platform developed by therapists and psychiatrists with

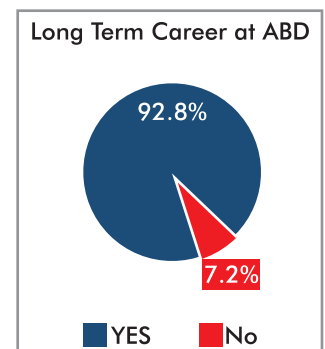
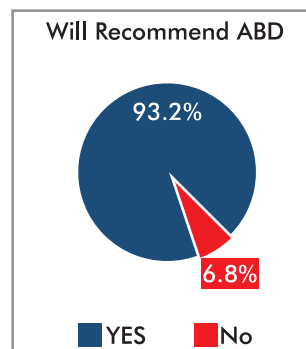
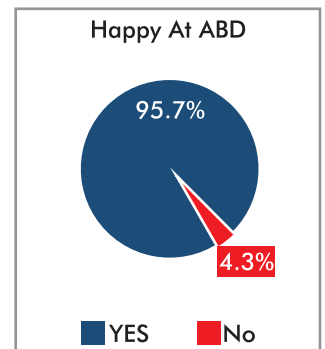
global experience. Through Amaha's unified platform, employees can easily access mental health assistance, including self-care resources, peer support, therapy sessions, and psychiatric care. This support is available not only for employees but also for their families.

#### Social Media Ratings

- 
**Ambition Box:** Ambition Box, a social media platform by Naukri, allows current and former employees to leave feedback on their experiences at their organizations. As of March 2024, ABD has an employee satisfaction index of 4.14, which is higher than the pan-India peers average of 4.0.

#### Employee Engagement

- Employee Engagement Survey:** ABD conducted an anonymous Employee Engagement survey to measure satisfaction on key engagement drivers and initiatives. 95.7% of employees rates "Yes": to the question "I am Happy to be working at ABD". 93.2% of the employees also gave a "Yes" to the question "I will recommend ABD to my friends as a place to build a meaningful career" and 92.8% of the employees confirmed to the question "I see myself having a long-term career with the organization".





## Enabling Ease of Doing Business

**yatra for Business** • **Yatra for Business:** Recently, ABD partnered with Yatra to simplify and streamline the process of booking airline tickets and making hotel arrangements. This platform not only enhances the employee travel management experience, making it more efficient and user-friendly, but also provides ABD with valuable data to optimize travel costs. This partnership is part of our broader strategy to leverage technology for operational efficiency and cost management.

- **Uber for Business:** ABD also partnered with Uber to offer convenient and safe transportation services for all employees. A dedicated dashboard allows the organization to track usage and access quality data for analysis and continuous improvement.

**Employee Engagement Activities:** Various activities such as Cricket & Badminton Matches, National Safety Week, World Food Safety Day, Quality Week Celebration, World Environment Day, International Yoga Day, International Women’s day and more are regularly organized across ABD’s Corporate Office, Zonal Offices, and Manufacturing units to foster a sense of community and engagement.

These initiatives reflect ABD's ongoing commitment to creating a supportive, efficient, and fulfilling work environment for all employees.



# K E Y A W A R D S &



INTERNATIONAL  
TASTE INSTITUTE  
BRUSSELS



MONDE  
SELECTION  
BRUSSELS



ZOYA  
SPECIAL BATCH GIN



# R E C O G N I T I O N S



Our 3 premium products bag the Remarkable Product Award at ITI Brussels, a standout among 9 wins.



**WINNING  
Gold and Silver  
Monde Selection  
2024**



- o Icons of Gin – Campaign Innovator of the Year 2024
- o Ambrosia IND SPIRIT Awards - Product of the Year



# SUSTAINABILITY INITIATIVES

In recent years, corporate sustainability has become a key focus for companies committed to reducing their environmental impact. As part of our ongoing efforts to embrace sustainable practices, we have made significant strides in minimizing our ecological footprint. A notable change from the last year onwards has been the transition to PET bottles for Officer's Choice Whisky (OCW) brand across PAN India. This strategic shift has led to substantial environmental benefits and advancements in resource conservation, outlined as follows:

## 1. Reduction in Greenhouse Gas (GHG) Emissions:



- o The switch from glass to PET bottles for OCW brand has led to a significant decrease in our total GHG footprint. This includes both glass and PET bottle usage. The transition has resulted in a total GHG emission reduction of 16,529 MT for FY24, using FY23 as the baseline
- o The ratio of glass to PET bottle usage shifted from 65:35 in FY23 to 43:57 in FY24.

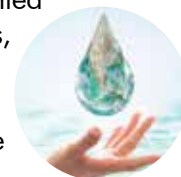
## 2. Optimization of Packaging Materials:



- o By optimizing outer cartons and partitions due to the shift to PET, we have achieved a reduction in the quantity of paper used. This has not only decreased our environmental impact but also contributed to overall resource efficiency.
- o Through combination of outer cartons and partition optimization along with monocartons removal, we have been able to reduce our paper consumption by 3,559 MT in FY24. This reduction in paper consumption reduces our GHG emission footprint by 3,380 MT and saved 88,964 trees.

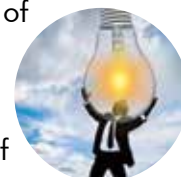
## 3. Water Conservation Initiatives:

- o Our distillery operations have implemented various water conservation measures, leading to a 25.6% reduction in specific water consumption. This equates to an annualized water saving of 16.71 crore liters.



## 4. Initiatives undertaken for Conservation of Energy:

- o Installation of LED Tube lights instead of conventional fluorescent tubes.
- o Installation of Motion sensor lights
- o VFD installation to throttle the speed of belt conveyors
- o Process modification to reduce Steam Consumption
- o Minimization of unplanned downtime and improving overall production continuity
- o Reduction of air consumption in all unscramblers
- o Guala cap hopper modification to reduce air consumption



## 5. Initiatives undertaken for using alternate sources of energy:

In our Rangapur distillery, we have invested on Fuel handling system so that we can use more biomass (husk) as fuel. Through this we are able to use 21.17% of husk in our Boiler mix compared to 14% in FY23 and 6,692 MT of incremental husk consumed which is equivalent to reduction of 4,461 MT of coal consumption.



Through these initiatives, we continue to make meaningful progress in our sustainability journey, demonstrating our commitment to reducing our environmental impact while enhancing operational efficiency.

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have pleasure in presenting their 16th Annual Report on the business performance and operations of the Company and Audited Financial Statements of the Company for the financial year ended March 31, 2024 ('the Year' or 'FY 2024')

### 1. FINANCIAL SUMMARY & OPERATIONAL HIGHLIGHTS:

The Audited Financial Statements for the Financial Year ended March 31, 2024, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standard (hereinafter referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. The Company's performance during the financial year under review as compared to the previous financial year is summarized below:

(Amount in ₹ Lakhs)

Particulars	Standalone		Consolidated	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from Operations	7,66,857.03	7,10,568.02	7,66,857.03	7,10,568.02
Other Income	729.42	1,208.80	626.04	1,106.90
Total Expenses	7,65,320.47	7,10,849.55	7,65,706.04	7,11,080.38
<b>Profit Before Tax</b>	<b>2,265.98</b>	<b>927.27</b>	<b>1,777.03</b>	<b>594.54</b>
Less : Tax Expenses / (credit)	1,095.79	433.63	1,095.52	434.53
<b>Profit after Tax</b>	<b>671.57</b>	<b>493.64</b>	<b>182.89</b>	<b>160.01</b>
Add : Other Comprehensive	(100.38)	40.06	(100.38)	40.06
Total Comprehensive Income	571.19	533.70	82.51	200.07
Other Equity	38,124.72	37,553.53	35,810.55	35,728.04

### 2. DIVIDEND:

In accordance with the provision of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations, 2015'] and any amendments thereto, your Company has formulated a Dividend Distribution Policy, which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

The Policy is available on the Company's website and can be accessed at <https://www.abdindia.com/>.

The Board of Directors of your Company, after considering the relevant circumstances and in terms of the Dividend Distribution Policy with a view to conserve the resources for future operations, has decided that it would be prudent, not to recommend any dividend on equity shares for the financial year under review.

### 3. TRANSFER TO RESERVES:

During the year under review, no amount was transferred to General Reserve of the Company.

### 4. STATE OF COMPANY'S AFFAIRS AND REVIEW OF OPERATIONS:

Your Company has achieved sales of 31.7 million cases in FY 2023-24.

Officer's Choice Whisky, your Company's flagship brand, achieved sales figures of 18.71 million cases, and continues to be the market leader in the mass-premium whisky segment with a share of 35.3%. Officer's Choice Blue, the deluxe whisky offering, clocked sales of 4.26 million cases. Officer's Choice continued its global ranking of being the 3rd largest whisky brand by volume and the 6th largest spirits brand as per the listing by Drinks International.

ICONiQ White Whisky was launched in the deluxe whisky segment in September 2022 and clocked sales of 2.27 million cases in FY2023, becoming the fastest growing spirits brand globally as per listing by Drinks International. ICONiQ White Whisky won the Gold Quality Award at Monde Selection, Brussels and Gold for Packaging Design at Spiritz Achievers Awards.

## DIRECTORS' REPORT

Sterling Reserve Premium Whiskies clocked sales of 4.8 million cases. Today, Sterling Reserve B7 is the third-largest brand in the segment nationally and ranked at No.14 whisky brands globally. Sterling Reserve BX Hippy built a base with younger consumers with its trendy new format of packaging.

Kyron Premium Brandy clocked sales of 146,895 cases and grew 5% over the previous year. Kyron won the Notable Product rating at Superior Taste Award at the International Taste Institute, Brussels.

Zoya Special Batch Gin was launched in the last quarter of FY24 in the state of Haryana and started building consumer franchise. Zoya, made with delicate juniper and the finest botanicals, has a beautiful, fresh and unique finish. The brand currently is the most premium offering in your Company's portfolio. It won Product of the Year at INDSpirit Awards.

Srishti Premium Whisky, an innovative product marrying the goodness of curcumin with a classic Scotch and Indian grain spirit blend has similarly met with success in key states of initial launch with growth of 130% over the previous year.

The Company consolidated its brand communication, visibility, and consumer promotion initiatives in all priority markets relevant to the brands.

Your Company has completed its Initial Public Offering (IPO) of 53,390,079 equity shares of face value of ₹ 2/- each, at an issue price of ₹ 281 per share comprising fresh issue of 35,596,486 equity shares and offer for sale of 17,793,593 equity shares by selling shareholders, resulting in equity shares of the Company being listed on the National Stock Exchange of India Limited (NSE) and BSE limited (BSE) on July 2, 2024.

### 5. FINANCIAL HIGHLIGHTS AND CHANGE IN NATURE OF BUSINESS:

The Company is engaged in the business of manufacturing and marketing of Indian-Made Foreign Liquor ('IMFL') products. There has been no change in the business of the Company during the financial year ended March 31, 2024.

During the year under review, your Company has recorded revenue of ₹ 7,66,857.03 Lakhs as compared to ₹ 7,10,568.02 Lakhs during the previous year. The total expenses during the year were ₹ 7,65,320.47 Lakhs as compared to ₹ 7,10,849.55 Lakhs during the previous year on standalone basis.

Consequently, your Company's profit before tax for the year under review was ₹ 2,265.98 Lakhs as compared to the previous year's profit before tax of ₹ 927.27 lakhs. After providing for income tax, profit after tax for the year under review was ₹ 671.57 Lakhs as compared to ₹ 493.64 Lakhs during the previous year on standalone basis.

### 6. SHARE CAPITAL:

During the year under review, there has been no change in the Authorized, Issued, Subscribed, and Paid-up Share Capital of the Company.

As of March 31, 2024, the Authorized Share Capital of the Company was ₹ 72,43,00,000/- divided into 36,21,50,000/- equity shares of ₹ 2/- each. Further, the Issued, Subscribed, and Paid-up Share Capital of the Company as of March 31, 2024, is ₹ 48,82,27,330/- divided into 24,41,13,665/- equity shares of ₹ 2/- each.

Pursuant to the Initial Public Offering ('IPO') of the Company, the Issued, Subscribed, and Paid-up Share Capital of the Company as of July 2, 2024, is ₹ 55,94,20,302/- divided into 27,97,10,151/- equity shares of ₹ 2/- each.

### 7. UNPAID DIVIDEND AND IEPF:

During the year under review, neither the Company was liable to, nor the Company has transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company for F.Y. 2023-2024.

### 8. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

There were no such instances during the reporting period, under review.

### 9. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE:

During the year under review, the Company has 8 Subsidiary Companies. The Company has no Joint Venture Agreement for the year under review.

## DIRECTORS' REPORT

Your Company has formulated a Policy for determining 'Material' Subsidiaries pursuant to the provisions of Regulation 16 of SEBI LODR Regulations, 2015.

The said Policy is available on the Company's website <https://www.abdindia.com/> of the Company.

A report on the performance and financial position of the subsidiaries of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to Section 129 of the Companies Act, 2013 in the Form AOC-1 as an '**Annexure A**' which forms part of the Board's Report.

The Financial Statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays, and public holidays up to the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013.

### 10. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

### 11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. An omnibus approval from the Audit Committee is obtained for the related party transactions which are unforeseen in nature, if any.

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in the ordinary course of business and on arm's length basis. During the year, the Company has not entered into any transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There are no materially significant related party transactions entered into by the Company with its Promoters, Directors, KMP's, or Senior Management Personnel that may have a potential conflict with the interest of the Company at large. All related party transactions as required under IND AS are reported in the notes to the financial statement of the Company.

No transactions were carried out during the year which requires reporting in Form AOC - 2 pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has also adopted a related party transaction policy. The policy was approved by the Board and the same was uploaded on the Company's website (<https://www.abdindia.com/>).

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure B** and forms part of this Report.

### 13. ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013, the Annual Return as on March 31, 2024, is available on Company's website at <https://www.abdindia.com/>

### 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The particulars of Loans granted, Guarantees provided, Investments made, or security provided covered under section 186 of the Companies Act, 2013 have been disclosed in Note No. **(9)** of Notes to the Financial Statement.



## DIRECTORS' REPORT

### 15. DISCLOSURE UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

In terms of Section 134(3)(I) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments that could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

### 16. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has its internal financial control systems commensurate with the size and complexity of its operations, to ensure proper recording of financials and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements. The management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records including timely preparation of reliable financial information.

The internal auditor consults and reviews the effectiveness and efficiency of the internal financial control systems and procedure to ensure that all the assets are protected against loss and that the financial and operational information is accurate and complete in all respects. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Company.

### 17. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

The Directors and Key managerial personnel as on March 31, 2024, are as below:

Sr. No.	Name of the Directors / Key Managerial Personnel	Designation
1.	Mr. Kishore Rajaram Chhabria	Non-Executive – Non Independent Director, Chairperson (Promoter)
2.	Mrs. Bina Kishore Chhabria	Non-Executive - Non Independent Director
3.	Mr. Alok Gupta	Managing Director
4.	Mr. Shekhar Ramamurthy	Executive Deputy Chairman
5.	Mrs. Resham Chhabria Jeetendra Hemdev	Vice Chairperson
6.	Mr. Balaji Swaminathan	Independent Director
7.	Mr. Vivek Anilchand Sett	Independent Director
8.	Mr. Paul Henry Skipworth	Independent Director
9.	Ms. Rukshana Jina Mistry	Independent Director
10.	Mr. Vinaykant Tanna	Independent Director
11.	Mr. Arun Barik	Executive Director
12.	Mr. Narayanan Sadanandan	Independent Director
13.	Mr. Mehli Maneck Golvala	Independent Director
14.	Mr. Maneck Navel Mulla	Non-Executive - Non Independent Director
15.	Mr. Ramakrishnan Ramaswamy	Chief Financial Officer
16.	Mr. Ankur Sachdeva	Chief Revenue Officer
17.	Mr. Bikram Basu	Chief Strategy and Marketing officer
18.	Mr. Ritesh Shah	Company Secretary and Chief Legal Officer

#### i. Appointment and change in designation of Directors during the year:

Mr. Mehli Maneck Golvala (DIN: 02234105) was appointed as an Additional Director by the Board of Directors with effect from October 21, 2023 for a period of five years and the said appointment of Mr. Mehli Maneck Golvala as an Independent Director was approved by the members on October 30, 2023.



## DIRECTORS' REPORT

Mr. Alok Gupta (DIN: 02330045) was appointed as an Additional Director for a period of 3 years by the Board of Directors with effect from September 1, 2023 and the said appointment of Mr. Alok Gupta as a Managing Director was approved by the members on September 18, 2023.

Mr. Kishore Rajaram Chhabria (DIN: 00243244), was designated as a Chairman and Non-Executive Director by the Board of Directors with effect from July 1, 2023. Prior to the change, Mr. Kishore Rajaram Chhabria was acting as Chairman and Executive Director.

### ii. Details of resignation of Directors and KMP during the year:

There were no resignation of Directors or KMPs during the Financial Year ended March 31, 2024.

### iii. Retirement by Rotation

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Bina K Chhabria (DIN: 00243376) and Mr. Maneck N Mulla (DIN: 02451544) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your directors recommend their approval.

### iv. Declaration by Independent Directors:

The Company has duly complied with the definition of 'Independence' according to the provisions of Section 149(6) of, read along with Schedule IV to the Companies Act, 2013 i.e., Code of Independent Directors and Regulation 16 (1) (b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended).

All the Independent Director/s have submitted a declaration that he/she meets the criteria of independence and submits the declaration regarding the status of holding other directorship and membership as provided under law.

The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Board and Senior Management as per Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Independent Directors have affirmed that none of them were aware of any circumstance or situation which could impair their ability to discharge their duties in an independent manner.

### v. Evaluation by Independent Directors:

In a separate meeting of independent directors held on March 27, 2024, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

### vi. Disqualification of Directors:

During the financial year under review, the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board has taken the same on record.

### vii. Remuneration / Commission drawn from holding / subsidiary Company:

None of the Directors of the Company have drawn any remuneration/commission from the Company's holding Company/ subsidiary companies.

## 18. FINANCE:

During the year under review the Company availed various credit facilities from the existing Bankers as per the business requirements. Your Company has been regular in paying interest and in repayment of the principal amount of the term lenders.

## DIRECTORS' REPORT

### 19. CREDIT RATING:

The rating given by India Ratings for short-term borrowings and long-term borrowings of the Company is IND BBB+ Rating with developing implication for the financial year ended March 31, 2024.

### 20. RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS:

The Company has well established, comprehensive and adequate internal controls commensurate with the size of the operations, which are designed to assist in identification and management of business risks and ensure high standards of corporate governance. The internal financial controls have been documented, digitized and embedded in the business processes. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Assurance on the effectiveness of internal financial controls is obtained through monthly management reviews, self-assessment and continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of internal auditor to the Audit Committee of the Board.

To further strengthen the compliance processes the Company has an internal compliance tool for assisting statutory compliances. This process is automated and generate alerts for proper and timely compliance. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

As per the requirements of SEBI (LODR) Regulations, 2015, a Risk Management Committee has been constituted with responsibility of preparation of risk management plan. The details of the constitution, authority and terms of reference of the Risk Management Committee is captured in the corporate governance report. 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 a Risk Management Policy which is available on the website of the Company <https://www.abdindia.com>.

### 21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 the Company has complied with the provisions relating to the constitution of the Internal Complaints Committee and also framed and adopted the policy for the Prevention of Sexual Harassment at Workplace.

The following is the summary of Sexual Harassment complaints received and disposed off during the year 2023-2024.

- No. of Complaints Received: 0
- No. of Complaints Disposed off: 1 (received in FY 2022-23)

The Company has submitted its Annual Report on the cases of Sexual Harassment of Women at Workplace to the District Officer, Mumbai pursuant to section 21 of the aforesaid Act and Rules framed thereunder.

### 22. VIGIL MECHANISM

In compliance with Section 177(9) and (10) of the Act and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has established a strong vigil mechanism and adopted a Whistle Blower Policy. This policy enables employees to report concerns related to fraud, malpractice, or any activity contrary to the Company's interests or societal welfare. The policy ensures protection for employees who report unacceptable or unethical practices, fraud, or legal violations, shielding them from retaliation. This Policy is also applicable to the Directors of the Company. All cases reported as part of whistle-blower mechanism are taken to their logical conclusion within a reasonable timeframe. Details of the complaints received and the actions taken, if any, have been reviewed by the Audit Committee. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. The Vigil Mechanism Policy has been uploaded on the website of the Company at <https://www.abdindia.com>.



## DIRECTORS' REPORT

### 23. PERSONNEL / HUMAN RESOURCES DEVELOPMENT

The employees being the most valuable asset for the Company and the Company's thrust area is to attract, develop and retain talent. The Company continues to maintain an open culture, congenial work atmosphere and healthy industrial relations, and is committed to providing the employee with a pragmatic workplace. During the year under review the Company has launched the following new initiatives on the Human Resource front:

#### i) Employee referral program:

The Company recognizes that the success of our operations and the achievement of our business objective are dependent on our employees. Thus, it is imperative for us to improve the speed, quality and cultural fit of our hires, thereby increasing new employee retention. In this regard, the Company has introduced the employee referral program to attract talent through our own employees and reward them for their contribution.

#### ii) Total rewards Mindset:

To build a strong base for this mindset it is essential to understand the external market. A basket of 20+ similar sector companies were handpicked based on revenue, size, focus of work and other parameters and benchmarked for compensation and other best practices. This activity helped the Company to have a robust compensation philosophy which hinges on the pillars of 'Pay for performance' and being 'Open, fair and consistent'.

#### iii) Succession planning:

The Company is working on implementing a succession planning process in the coming year. Critical talent was identified via the potential assessment tool using the 5 box Talent Grid. The identified pool will be part of critical development and retention programs to be initiated in the current financial year.

#### iv) Skill gap matrix:

A skill gap framework was developed with a view to identify and plug skill gaps across the manufacturing facilities. This included the preparation of a skill dictionary, assessment of employees and individual training plans for them. This will also provide the Company with a basis for developing multiskilling plans, job rotation and career pathing.

### 24. STATUTORY AUDITORS AND AUDITORS REPORT:

At the Company's 15<sup>th</sup> Annual General Meeting (AGM) held on July 31, 2023, M/s. Walker Chandiok & Co LLP, Chartered Accountants, Mumbai (Firm Registration Number: 001076N / N500013), Mumbai, were appointed as the Company's Statutory Auditors from the conclusion of the 15<sup>th</sup> AGM till the conclusion of the 20<sup>th</sup> AGM. The Statutory Auditors have confirmed that they satisfy the independence criteria as required under the Act.

The Statutory Auditors fulfill the eligibility and qualification norms as prescribed under the Act, the Chartered Accountants Act, 1949 and rules and regulations issued thereunder. In addition, the auditors hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI), a pre-requisite for issuing Limited Review reports or Audit Reports.

#### a. Observations of Statutory auditors on accounts for the year ended March 31, 2024

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended March 31, 2024 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

#### b. Reporting of frauds by statutory auditors under Section 143(12):

There were no incidents of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

### 25. SECRETARIAL AUDIT AND SECRETARIAL STANDARDS

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from a Practicing Company Secretary.

## DIRECTORS' REPORT

The Board has appointed M/s. B K Pradhan & Associates, Practicing Company Secretary, to conduct secretarial audit for the financial year 2023-24.

The secretarial audit report for the financial year ended March 31, 2024 is annexed herewith marked as **Annexure C** to this report. The secretarial audit report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

### 26. COST AUDITORS

The Company is not required to maintain cost records in terms of the requirements of Section 148 of the Act and rules framed thereunder, hence such accounts and records are not required to be maintained by the Company.

### 27. INTERNAL AUDITOR

Your Company has appointed Mr. P Kulothungan as an Internal Auditor of the Company in the Board meeting held on May 25, 2023 pursuant to provisions of Section 138 of the Act.

### 28. CORPORATE SOCIAL RESPONSIBILITY

The Company has in place a CSR policy which provides guidelines for conducting CSR activities of the Company. The CSR policy is available on the website of the Company <https://www.abdindia.com>. During the year under review, the Company was required to incur CSR expenditure amounting to ₹ 37.56 lakhs. As a part of its CSR activities, the Company has spent a sum of ₹ 51.83 lakhs as eligible CSR spent. After allowing the set off of the short spend of ₹ 3.58 lakhs, the available amount of ₹ 133.99 lakhs has been carried forward for utilizing in subsequent years.

The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('Act'), is annexed to this report as **"Annexure D"** to this Report.

The Corporate Social Responsibility Committee of Directors was constituted pursuant to Section 135 of the Companies Act, 2013. The composition of the Corporate Social Responsibility Committee is in conformity with the provisions of the said section and Regulation. The Corporate Social Responsibility Committee comprises of:

Name of Members	Designation
Resham Chhabria Jeetendra Hemdev	Executive Vice Chairperson (Non-Independent Director)
Vivek Anilchand Sett	(Non-Executive, Independent Director)
Maneck Navel Mulla	(Non-Executive, Non-Independent Director)

The Corporate Social Responsibility Committee met once during the financial year ended on March 31, 2024, at their meeting held on June 14, 2023.

The attendance of the members at the Corporate Social Responsibility Committee meetings held during the year is as follows:

Name of Members	Designation	No. of Meetings held	No. of Meetings Attended
Resham Chhabria Jeetendra Hemdev	Executive Vice Chairperson (Non-Independent Director)	1	1
Vivek Anilchand Sett	(Non-Executive, Independent Director)	1	1
Maneck Navel Mulla	(Non-Executive, Non-Independent Director)	1	1

### 29. BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of the SEBI (LODR) Regulations, 2015, as amended, *inter alia*, provides that the annual report of the top 1000 listed entities based on market capitalization (calculated as on March 31st of every financial year), shall include a business responsibility report (BR Report). Since your Company does not satisfies the criteria, business responsibility report (BR Report) is not required to be presented.



## DIRECTORS' REPORT

### 30. CORPORATE GOVERNANCE:

Your Company is committed to maintaining the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance. The Board considers itself a trustee of its shareholders and acknowledges its responsibilities towards them for the creation and safeguarding of their wealth. In order to conduct business with these principles the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

As per provisions of Regulation 15 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report for the financial year 2023-2024 is presented as **Annexure E** to this Report.

### 31. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as **Annexure F** to this report.

### 32. OTHER DISCLOSURES

#### a. Board Meetings:

The details regarding Board and its committees meetings are provided in **Annexure E** to this report.

#### b. Committees of the Board:

The details of the various committees constituted by the Board are provided in **Annexure E** to this report.

#### c. Consolidated Financial Statements:

Your Company's Board of Directors is responsible for the preparation of the consolidated financial statements of your Company and its subsidiaries (**'the Group'**), in terms of the requirements of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013. The respective Board of Directors of the companies including subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of your Company, as aforesaid. The consolidated financial statements including subsidiaries are provided separately and forms part of the Annual Report.

#### d. Details of significant and material orders passed by the regulator or court or tribunal:

There were no significant and material orders issued against the Company by a regulating authority or court or tribunal that could affect the going concern status and company's operation in future.

#### e. Disclosure under Section 43(A)(II) of the Companies Act, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

#### f. Disclosure under Section 54(1)(D) of the Companies Act, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## DIRECTORS' REPORT

**g. Disclosure under Section 62(1)(B) of the Companies Act, 2013:**

Since, the Company does not have an Employee Stock Option Scheme, it is not required to provide information as stipulated under Section 62(1)(b) of the Act and Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**h. Disclosure under Section 67(3) of the Companies Act, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**i. Disclosure of proceedings pending, or application made under Insolvency and Bankruptcy Code, 2016:**

No application was filed for corporate insolvency resolution process, by a financial or operational creditor or by the Company itself under the IBC before the NCLT.

**j. Disclosure of reason for difference between valuation done at the time of taking loan from bank and at the time of one time settlement:**

There was no instance of a one-time settlement with any Bank or Financial Institution.

**k. Compliances of Secretarial Standards:**

The Company is in compliance with all the applicable secretarial standards issued by the Institute of Company Secretaries of India.

**l. Particulars of Employees:**

The particulars of remuneration to directors and employees and other related information required to be disclosed under Section 197 (12) and sub rule 1 of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Companies Act, 2013 and the Rules made thereunder are given in 'Annexure G' to this Report, detailed information is available on the website of the company at <https://www.abdindia.com/>

The requisite details relating to the remuneration of the specified employees under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this report. Further, this report and accounts are being sent to members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013, the said annexure will be open for inspection by any member. Interested members may write to the [complianceofficer@abdindia.com](mailto:complianceofficer@abdindia.com).

**m. Statement of Deviation(S) or Variation(S):**

During the year under review, there was no instance to report containing statement of deviation(s) or variation(s) as per Regulation 32 of SEBI (LODR) Regulations, 2015.

**n. SEBI Complaints Redressal System (SCORES):**

The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are a centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies, and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during the financial year 2023-2024.

**o. Criteria for making payments to Non-Executive Directors:**

Pursuant to Regulation 46(2)(f) the Board has framed the policy containing the criteria for making the payments to non-executive directors

The policy is available on the website and can be accessed through the link <https://www.abdindia.com/>

## DIRECTORS' REPORT

**p. Disclosure pursuant to Section 197(14) of the Companies Act, 2013, and rules made thereunder:**

The Managing Director and Whole Time Directors of the Company are not in receipt of any remuneration and / or commission from any subsidiary company, as the case may be.

**q. Code of Conduct:**

The Board has laid down a specific code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis.

**r. Insider Trading:**

The Board has laid down the policy to regulate and monitor Insider Trading in the equity shares of the Company. In order to prevent Insider Trading, the transactions are regularly analysed and monitored.

**s. Means of Communication:**

The Board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with its shareholders through multiple channels of communication such as the Company's Website and stipulated communications to the Stock Exchange where the Company's shares are listed for the announcement of Financial Results, Annual Report, Notices, Outcome of Meetings, and Company's Policies etc.

**t. Website:**

The Company has a website addressed as <https://www.abdindia.com/>. Website contains the basic information about the Company - details of its Business, Financial Information, Shareholding Pattern, Contact Information of the Designated Official of the Company who is responsible for assisting and handling investors grievances and such other details as may be required under sub regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015, 2015. The Company ensures that the contents of this website are periodically updated.

**u. Indian Accounting Standards:**

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification your Company has prepared the financial statements to comply in all material respects in accordance with the applicability of Indian Accounting Standards.

**v. Listing on Stock Exchanges:**

The equity shares of the Company were listed on July 02, 2024 on the National Stock Exchange of India Ltd (NSE) Main Board and Bombay Stock Exchange (BSE Limited) Main Board pursuant to the Initial Public Offering ('IPO') of the Company.

**w. Depository System:**

Your Company's equity shares are in Demat form only and we have established connectivity with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") through Link Intime India Pvt Ltd., Registrar and Transfer Agents ("RTA"). The Company has appointed National Securities Depository Limited (NSDL) as designated depository to the Company.

### 33. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during FY2024. To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Act:

- (i) In the preparation of the Annual Accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;

## DIRECTORS' REPORT

- (ii) The Board has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and the profit of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis;
- (v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 34. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors' wish to place on record their sincere appreciation for the continued cooperation and support of the customers, suppliers, bankers and Government authorities. Your Directors' also wish to place on record their deep appreciation for the dedicated services rendered by the Company's executives, staff and workers.

By order of the Board

**For Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

**Arun Barik**

Executive Director

DIN:07130542

Date: August 13, 2024

Place: Mumbai

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures PART - A SUBSIDIARIES

Name of the subsidiary		(Amount in Lakhs except otherwise stated)									
1		ABD Dwellings Private Limited	Chitwan Blenders & Bottlers Private Limited	Deccan Star Distilleries India Private Limited	Madantal Estates Private Limited	NV Distilleries & Breweries (AP) Private Limited	Sarthak Blenders Bottlers Private Limited	ABD Foundation	Allied Blenders and Distillers (UK) Limited		
2	The date since when subsidiary was acquired	15.07.2021	15.03.2016	06.11.2014	15.07.2021	17.06.2014	26.05.2017	04.09.2020	07.11.2022		
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
5	Share capital	<b>Authorised Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each  <b>Issued &amp; Paid-up Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each	<b>Authorised Share Capital:</b> ₹ 25,00,000/- divided into 20,000 Equity shares of ₹ 100/- each and 5000, 12.5% Cumulative Redeemable Preference Share of ₹ 100/- each  <b>Issued &amp; Paid-up Share Capital:</b> ₹ 24,98,000/- divided into 19,980 Equity shares of ₹ 100/- each and 5000, 12.5% Cumulative Redeemable Preference Share of ₹ 100/- each	<b>Authorised Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each  <b>Issued &amp; Paid-up Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each	<b>Authorised Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each  <b>Issued &amp; Paid-up Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each	<b>Authorised Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each  <b>Issued &amp; Paid-up Share Capital:</b> ₹ 1,00,000/- divided into 10,000 Equity shares of ₹ 10/- each	<b>Authorised Share Capital:</b> ₹ 1,30,00,000/- divided into 13,00,000 Equity shares of ₹ 10/- each  <b>Issued &amp; Paid-up Share Capital:</b> ₹ 52,21,000/- divided into 5,22,100 Equity shares of ₹ 10/- each	<b>Authorised Share Capital:</b> NA – Section 8 Company Limited by Guarantee  <b>Issued &amp; Paid-up Share Capital:</b> NA – Section 8 Company Limited by Guarantee	<b>Authorised Share Capital:</b> 100 Ordinary Shares of 1 GBP		
6	Reserves and surplus	₹ 4,110.82	(₹ 421.76)	(₹ 4.12)	₹ 3,732.52	(₹ 649.05)	(₹ 963.49)				
7	Total assets	₹ 4,121.22	₹ 20.07	0	₹ 3,742.09	₹ 1428.71	₹ 705.70				
8	Total Liabilities	₹ 9.4	₹ 421.85	₹ 3.12	₹ 8.57	₹ 2076.76	₹ 1,616.98				
9	Investments	₹ 4,118.15	-	-	₹ 3,741.72	-	-				
10	Total Income	-	₹ 0.65	0	0	0	₹ 14.73				
11	Profit before taxation	(₹ 82.48)	(₹ 1.99)	(₹ 0.68)	(₹ 66.66)	(₹ 114.42)	(₹ 86.33)				
12	Provision for taxation	-	-	0	0	0	₹ 0.27				
13	Profit after taxation	(₹ 82.48)	(₹ 1.99)	(₹ 0.68)	(₹ 66.66)	(₹ 114.42)	(₹ 86.06)				
14	Proposed Dividend	-	-	-	-	-	-				
15	Extent of shareholding (in percentage)	100	100	100	100	100	100				

1. Names of subsidiaries which are yet to commence operations: None

2. Names of subsidiaries which have been liquidated or sold during the year: None



## DIRECTORS' REPORT

### PART - B ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	
<b>1. Latest audited Balance Sheet Date</b>	
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	
<b>3. Shares of Associate or Joint Ventures held by the Company on the year end</b>	
No. of Shares	
Amount of Investment in Associates or Joint Venture	
Extent of Holding (in percentage)	
<b>4. Description of how there is significant influence</b>	
<b>5. Reason why the associate/joint venture is not consolidated</b>	
<b>6. Networth attributable to shareholding as per latest audited Balance Sheet</b>	
<b>7. Profit or Loss for the year</b>	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

01. Names of associates or joint ventures which are yet to commence operations – Not Applicable

02. Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable

For **Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

**Arun Barik**

Executive Director

DIN:07130542

## DIRECTORS' REPORT

### ANNEXURE – B

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

**Information pursuant to section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2024.**

#### A) Conservation of energy:

Steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>• Installation of LED Tube lights instead of conventional fluorescent tubes.</li> <li>• Installation of Motion sensor lights</li> <li>• VFD installation to throttle the speed of belt conveyors</li> <li>• Process modification to reduce Steam Consumption</li> <li>• Minimization of unplanned downtime and improving overall production continuity</li> <li>• Reduction of air consumption in all unscramblers</li> <li>• Guala cap hopper modification to reduce air consumption</li> <li>• Conversion of glass bottles to Pet bottles has led to 16529 L MT Carbon Di Oxide equivalent Green House gas emission reduction.</li> <li>• Reduction of paper consumption through packaging optimization to reduce Green House Gas emission by 3380 MT equivalent Co<sub>2</sub></li> </ul> <p>Saving in Energy through steps mentioned above compared to FY23: Distillery -1349067 KWH Bottling units - 52000 KWH</p>
Steps taken by the Company for utilizing alternate sources of energy	In our Distillery we have invested on Fuel handling system so that we can use more biomass (husk) as fuel. Through this we are able to use 21.17% of husk in our Boiler mix compared to 14% in FY23 and 6692 MT of incremental husk consumed which is equivalent to reduction of 4461 MT of coal consumption.
Capital investment on energy conservation Equipment's	Distillery – ₹ 903 Lac on Fuel handling system Other energy initiative measures – ₹ 17.0 Lakhs Bottling units – ₹ 10.0 Lac on Waterless Urinal, LED Light & SS Cone

#### (B) Technology absorption:

Efforts made towards technology absorption	We have done a successful pilot scale Proof of Concept in Distillery for bypassing Steam jet cooking of Grain through use of new age Enzyme which has resulted in a energy saving of 30 MT steam Per day (equivalent to approx. 7.5 MT of fuel saving).
Benefits derived like product improvement, cost reduction, product development or import substitution	We will fully deploy this technology by FY25.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
• Details of technology imported	NA
• Year of import	NA

## DIRECTORS' REPORT

• Whether the technology has been fully absorbed	NA
• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
Expenditure incurred on Research and Development	₹ 138.76 lakhs

### (C) Foreign exchange earnings and Outgo:

	April 01, 2023, to March 31, 2024 [2023-2024]	April 01, 2022, to March 31, 2023 [2022-2023]
	Amount in Lakhs (₹)	Amount in Lakhs (₹)
Actual Foreign Exchange earnings	17,803.70	12,996.60
Actual Foreign Exchange outgo	756.55	810.84

For **Allied Blenders and Distillers Limited**

**Alok Gupta**  
Managing Director  
DIN: 02330045

**Arun Barik**  
Executive Director  
DIN:07130542

## DIRECTORS' REPORT

### ANNEXURE – C

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Allied Blenders and Distillers Limited**  
394-C Lamington Chambers Lamington Road,  
Mumbai - 400004.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Allied Blenders And Distillers Limited** ('the Company') having \*CIN: L15511MH2008PLC187368 (Formerly having CIN: U15511MH2008PLC187368) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 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:

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

- (i) The Companies Act, 2013 ('the Act') and Rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **were not applicable to the Company during the Audit Period:**

\* Pursuant to the listing of Equity Shares of the Company on BSE Limited and National Stock Exchange of India Limited on July 02, 2024, the CIN of the Company has changed from U15511MH2008PLC187368 to L15511MH2008PLC187368.

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

## DIRECTORS' REPORT

(vii) I, based on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company, further report that, the Company has complied with the following laws applicable specifically to the Company;

- a) The Trade Marks Act, 1999;
- b) Food Safety and Standards Act, 2006;
- c) The Indian Boiler Act, 1923;
- d) Legal Metrology Act, 2009;
- e) Various State Excise Laws to the extent applicable to brewing/alcohol industry;
- f) All other Labour, Employee and Industrial or factory and environmental Laws to the extent of necessary permissions, licenses, compliance mechanisms, controls and any violations noted by the respective authorities as applicable to the Company;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

### **I further report that:**

The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in due course of time, and 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.

Majority of the decision being carried through were captured and recorded as part of the minutes.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable Financial Laws, like Direct and Indirect Tax Laws, and maintenance of financial records and books of accounts have not been reviewed in this Audit, since the same is subject to review by designated professional/s during the course of statutory financial audit.

### **FOR B. K. PRADHAN & ASSOCIATES**

Company Secretaries

Sd/-

**Balkrishan Pradhan**

(Proprietor)

M. No. F8879

C. P. No. 10179

Firm Unique Identification No. -S2012MH172500

Peer Review Certificate No:- 2022/2022

UDIN: F008879F000961259

Place: Mumbai

Date: 13.08.2024

*Note: This Report is to read with our letter of even date which is annexed and forms an integral part of this report.*





**Allied Blenders  
& Distillers**

## DIRECTORS' REPORT

To,  
The Members,  
**Allied Blenders and Distillers Limited**  
394-C Lamington Chambers Lamington Road,  
Mumbai - 400004.

Our report of even date is to be read along with this letter.

- 1) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR B. K. PRADHAN & ASSOCIATES**

Company Secretaries

**Balkrishan Pradhan**

(Proprietor)

M. No. F8879

C. P. No. 10179

Firm Unique Identification No. -S2012MH172500

Peer Review Certificate No:- 2022/2022

Place: Mumbai

Date: 13.08.2024

## DIRECTORS' REPORT

### ANNEXURE – D

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Policy Rules, 2014]

#### 1) Brief outline on CSR policy of the Company:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company at <https://www.abdindia.com/investor-relations/corporate-social-responsibility/policies/>

The guidelines for the Corporate Social Responsibility are outlined in the Policy.

#### 2) Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Resham Chhabria J Hemdev	Executive Director	1	1
2	Mr. Vivek Sett	Non-Executive - Independent Director	1	1
3	Mr. Maneck Navel Mulla	Non-Executive - Non Independent Director	1	1

#### 3) Web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.abdindia.com/investor-relations/corporate-social-responsibility/committee-member-details/>

#### 4) Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

(₹ in lakhs)

5)	(a) Average net profit of the company as per section 135(5)	1,878.19
	(b) Two percent of average net profit of the company as per section 135(5)	37.56
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	(133.99)
	(e) Total CSR obligation for the financial year (b + c – d).	(96.43)

6)	(a) Amount spent on CSR Projects:	
	• Ongoing Project	Nil
	• Other than Ongoing Project	INR 51.83
	(b) Amount spent in Administrative Overheads.	Nil
	(c) Amount spent on Impact Assessment, if applicable.	Nil
	(d) Total amount spent for the Financial Year [ (a)+(b)+(c)	INR 51.83

#### (e) CSR amount spent or unspent for the Financial Year 2023-24

(₹ in lakhs)

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
51.83	Nil	-		NA	



## DIRECTORS' REPORT

**(f) Excess amount for set off, if any**

(₹ in lakhs)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	37.56
(ii)	Total amount spent for the Financial Year	51.83
(iii)	Excess amount spent for the financial year ((ii)-(i))	14.27
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	14.27

**7) Details of Unspent CSR amount for the preceding three financial years:**

(₹ in lakhs)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance amount in unspent CSR amount under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2022-23	Nil	Nil	30.00	Nil	Nil	(119.72)	NA
2	2021-22	Nil	Nil	34.87	Nil	Nil	(123.30)	NA
3	2020-21	Nil	Nil	183.63	Nil	Nil	(136.75)	NA
<b>TOTAL</b>		<b>Nil</b>	<b>Nil</b>	<b>248.50</b>	<b>Nil</b>	<b>Nil</b>	<b>(379.77)</b>	<b>NA</b>

**8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Not Applicable

If yes, enter the number of Capital assets created / acquired: Not Applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

**9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

Not Applicable.

For **Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director  
DIN: 02330045

**Arun Barik**

Executive Director  
DIN:07130542

## DIRECTORS' REPORT

### ANNEXURE - E

## REPORT ON CORPORATE GOVERNANCE FOR FINANCIAL YEAR 2023-24

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on corporate governance is 'to attain right results through right means' by conducting business in the most efficient, responsible, honest, transparent and ethical manner. Corporate governance goes beyond compliance, and it involves Company-wide commitment. The Company believes that sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company is essential for the long-term enhancement of the shareholders/ stakeholder's value and interest. It encompasses achieving the balance between shareholders' interest and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations.

Corporate governance is about commitment to values and about the ethical business conduct. The commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all its stakeholders. The Board has adopted a Board charter spelling out the role and responsibilities of the Board.

Our endeavour is to adopt the best governance and disclosure practice by providing the timely and accurate information regarding the financial situation, performance, ownership and governance of the Company. We believe that the good corporate governance practices, is a key driver to sustainable corporate growth and long-term value creation for the shareholders/ stakeholders.

### 2. BOARD OF DIRECTORS:

As on March 31, 2024, the Company's Board consists of 14 members. The composition of the Board, as on March 31, 2024, is in conformity with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) as amended enjoining specified combination of executive and non-executive directors with at least one Woman Independent director and at least one-half of the Board comprising of independent directors for a Board chaired by an Non-Executive - Non Independent Director related to promoter.

The constitution of Board is in compliance with the requirements of the Companies Act, 2013 and Securities Exchange and Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

A brief profile of Directors seeking appointment / reappointment has been given in the notice convening the 16th Annual General Meeting of the Company.

The summary of the composition of the Board of Directors as on March 31, 2024, is given below:

Sr. No.	Name of the Directors	Designation
1.	Mr. Kishore Rajaram Chhabria	Non-Executive - Non Independent Director, Chairperson (Promoter)
2.	Mrs. Bina Kishore Chhabria	Non-Executive - Non Independent Director
3.	Mr. Alok Gupta	Managing Director
4.	Mr. Shekhar Ramamurthy	Executive Deputy Chairman
5.	Mrs. Resham Chhabria Jeetendra Hemdev	Vice Chairperson
6.	Mr. Balaji Swaminathan	Independent Director
7.	Mr. Vivek Anilchand Sett	Independent Director
8.	Mr. Paul Henry Skipworth	Independent Director
9.	Ms. Rukhshana Jina Mistry	Independent Director
10.	Mr. Vinaykant Tanna	Independent Director
11.	Mr. Narayanan Sadanandan	Independent Director
12.	Mr. Mehli Maneck Golvala	Independent Director
13.	Mr. Maneck Navel Mulla	Non-Executive - Non Independent Director
14.	Mr. Arun Barik	Executive Director

## DIRECTORS' REPORT

### **Appointment and change in designation of Directors during the year:**

Mr. Mehli Maneck Golvala (DIN: 02234105) was appointed as an Additional Director by the Board of Directors with effect from October 21, 2023 for a period of five years and the said appointment of Mr. Mehli Maneck Golvala as an Independent Director was approved by the members on October 30, 2023.

Mr. Alok Gupta (DIN: 02330045) was appointed as an Additional Director for a period of 3 years by the Board of Directors with effect from September 1, 2023 and the said appointment of Mr. Alok Gupta as a Managing Director was approved by the members on September 18, 2023.

Mr. Kishore Rajaram Chhabria (DIN: 00243244), was designated as a Chairman and Non-Executive Director by the Board of Directors with effect from July 1, 2023. Prior to the change, Mr. Kishore Rajaram Chhabria was acting as Chairman and Executive Director.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity, and independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency, and disclosure. The Company's business is conducted by its employees under the overall supervision of the Board.

During the year under review, the Board of Directors met 9 times. The necessary quorum was present for all the meetings.

### **INDEPENDENT DIRECTORS:**

Independent directors play a key role in the decision-making process of the Board as they approve the overall strategy of the Company and oversee the performance of the management. The Independent Directors are committed to acting in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking, and other allied fields. This wide knowledge of their fields of expertise, as well as the boardroom practices, helps foster varied, unbiased, independent, and experienced perspectives. The Company benefits immensely from its inputs in achieving its strategic direction.

### **A separate meeting of Independent Directors:**

In accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and (4) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards, a separate meeting of the Independent Directors of the Company was held on March 27, 2024. All Independent Directors were present at the meeting with no presence of Non-Independent Directors and Members of the Management for transacting the following agenda:

- i. Review the performance of Non-Independent Directors and the Board as a whole.
- ii. Review the performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors.
- iii. Assess the quality, quantity, and timeliness 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.

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) and (7) of the Act read with Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Board based on the declarations received from the Independent Directors has verified the veracity of such disclosures. In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the SEBI (LODR) Regulations, 2015 and they are independent of the management of the Company.

### **Confirmation that Independent Directors fulfil the conditions as specified in these regulations:**

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations



## DIRECTORS' REPORT

received from the IDs, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that they are independent of the management. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the IDs of the Company have included their names in the Independent Director's Database maintained with the Indian Institute of Corporate Affairs.

### Detailed reasons for resignation of Independent Directors:

During the Financial Year 2023-2024 there was no resignation of any Independent Director.

### Limit on the number of directorships:

None of the Directors is a director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an independent director in more than 7 listed companies or 3 listed companies in case he/ she serves as whole-time director in any listed Company (as specified in regulation 17A of SEBI (LODR) Regulations, 2015). None of the executive directors are serving as an independent director in any other listed entity.

### Disclosure of relationship between directors:

Except as disclosed below, none of our Directors are related to each other.

- Kishore Rajaram Chhabria and Bina Kishore Chhabria are husband and wife; and
- Resham Chhabria Jeetendra Hemdev is the daughter of Kishore Rajaram Chhabria and Bina Kishore Chhabria.

### Shares and convertible instruments held by non-executive director:

Sr. No.	Name of the Non-Executive Directors	No. of Shares
1.	Bina Kishore Chhabria	176,142,969*
2.	Kishore Rajaram Chhabria	1**

\*On July 2, 2024, the Company's shares were successfully listed on the Stock Exchanges following the Initial Public Offering (IPO) and the Offer for Sale by the selling shareholders. As a result of the offer, Mrs. Bina Kishore Chhabria, one of the selling shareholders, now holds 16,27,97,774 equity shares.

\*\*Held jointly with Bina Kishore Chhabria

### Familiarization programme:

As a part of familiarization programme, the Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and committee meetings on business and performance updates of the Company including finance, sales, marketing of the Company's major business segments, overview of business operations of major subsidiaries, global business environment, business strategy and risks involved.

A policy on familiarisation of independent directors is formed and is available under the investor section on the Company's website [https://www.abdindia.com/media/erkhcn4v/policy\\_familiarisation\\_programme\\_id.pdf](https://www.abdindia.com/media/erkhcn4v/policy_familiarisation_programme_id.pdf)

### Board Performance Evaluation:

The Company devised a formal Policy for performance evaluation of the Board, committees and other individual Directors (including independent directors) which include criteria for performance evaluation of non-executive directors and executive directors. In the meanwhile, the Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy etc.

### Succession Plan:

In the current financial year, the Board of Directors in consultation with the Nomination & Remuneration Committee, will design the succession plans for orderly succession for outgoing members of the Board of Directors and senior management personnel.

## DIRECTORS' REPORT

### Review of Legal Compliance Reports:

During the year under review, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared by the Management.

### Board Meeting and Agenda:

The Board has the complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review among other things, quarterly performance of the Company and financial results. The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Whenever it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and / or the presentations are made in respect thereof. The information as specified in regulation 17(7) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) is regularly made available to the Board, whenever applicable, for discussion and consideration.

The Board has also adopted an effective post-meeting follow-up process wherein in the status of action taken reports of the previous meeting were placed in every meeting for the information of the Board members.

### Meeting and attendance:

During the year under review, 9 meetings of the Board of Directors were held on 25/05/2023, 14/06/2023, 21/06/2023 (adjourned meeting of 14/06/2023), 03/07/2023, 01/09/2023, 14/09/2023, 27/10/2023, 14/11/2023, 11/01/2024 and 15/01/2024. Details of the Directors and their attendance at the above-mentioned Board meetings and last Annual General Meeting held on July 31, 2023 are given below:

Director	Category	Attendance Particulars		
		Board Meetings		Attendance at the last AGM held on 31/07/2023
		Held	Attended	
Mr. Kishore Rajaram Chhabria	Non-Executive – Non-Independent Director, Chairperson related to Promoter	9	6	No
Mrs. Bina Kishore Chhabria	Non-Executive – Non-Independent Director	9	1	No
Mr. Alok Gupta	Managing Director	6*	6	N.A
Mr. Shekhar Ramamurthy	Executive Deputy Chairman	9	9	No
Mrs. Resham Hemdev	Vice Chairperson	9	7	Yes
Mr. Balaji Swaminathan	Independent Director	9	8	No
Mr. Vivek Anilchand Sett	Independent Director	9	9	No
Mr. Paul Henry Skipworth	Independent Director	9	8	No
Ms. Rukshana Jina Mistry	Independent Director	9	9	No
Mr. Vinaykant Tanna	Independent Director	9	8	No
Mr. Arun Barik	Executive Director	9	7	Yes
Mr. Narayanan Sadanandan	Independent Director	9	9	No
Mr. Mehli Maneck Golvala	Independent Director	4**	4	N.A
Mr. Maneck Navel Mulla	Non-Executive – Non-Independent Director	9	8	Yes

\*Mr. Alok Gupta was appointed as Managing Director w.e.f. September 01, 2023

\*\*Mr. Mehli Maneck Golvala was appointed as Independent Director w.e.f. October 21, 2023

## DIRECTORS' REPORT

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Names of Directors	No. Directorship in other listed companies	Directorship in other unlisted companies	No. of committee* positions held in other listed companies		Names of other listed entities
				Member	Chairman	
1.	Mr. Kishore Rajaram Chhabria	-	10	-	-	-
2.	Mrs. Bina Kishore Chhabria	-	20* (*including One Section 8 company)	-	-	-
3.	Mr. Alok Gupta	-	-	-	-	-
4.	Mr. Shekhar Ramamurthy	-	-	-	-	-
5.	Mrs. Resham Hemdev	-	19	-	-	-
6.	Mr. Balaji Swaminathan	-	1	-	-	-
7.	Mr. Vivek Anilchand Sett	-	5	-	-	-
8.	Mr. Paul Henry Skipworth	-	-	-	-	-
9.	Ms. Rukshana Jina Mistry	1	1	1	1	1. Sterling And Wilson Renewable Energy Limited
10.	Mr. Vinaykant Tanna	-	-	-	-	-
11.	Mr. Arun Barik	-	5	-	-	-
12.	Mr. Narayanan Sadanandan	2	1	-	-	1. Infibeam Avenues Limited. 2. MAS financial services limited
13.	Mr. Mehli Maneck Golvala	-	-	-	-	-
14.	Mr. Maneck Navel Mulla	-	-	-	-	-

\* only Audit Committee and Stakeholders Relationship Committee are considered for the purpose.

Dates for the Board meetings are decided well in advance and communicated to the Directors. In case of exigencies or urgency of matters, resolutions are passed by circulation, for such matters as permitted by law. The Board takes note of the resolutions passed by circulation at its subsequent meeting.

### 3. COMMITTEES OF THE BOARD COMMITTEES:

To enable better and more focused attention to the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. These committees prepare the groundwork for decision-making and report the same to the Board at the subsequent meetings.

**The following committees have been formed in compliance with the corporate governance norms:**

- A. Audit Committee
- B. Stakeholder Relationships Committee
- C. Nomination and Remuneration Committee

## DIRECTORS' REPORT

### i. Audit Committee:

The present composition of the Audit Committee and the attendance of each member at the Audit Committee meetings held during the financial year under review is as follows:

#### Composition of Audit Committee:

Name of the Director	Designation	Nature of Directorship	No. of Committees Meetings	
			Held	Attended
Mr. Balaji Swaminathan	Chairperson	Non-Executive Independent Director	5	5
Ms. Rukshana Jina Mistry	Member	Non-Executive Woman Independent Director	5	5
Mr. Maneck Navel Mulla	Member	Non-Executive Non-Independent Director	5	4

All the members of the Committee are financially literate and envisage adequate knowledge, experience, and expertise in accounts and finance. The Company Secretary is the Secretary to the Audit Committee.

Meetings of the Audit Committee:

Five Audit Committee meetings were held on 24/05/2023, 14/06/2023 (adjourned), 21/06/2023, 26/10/2023, 14/11/2023 and 11/01/2024

The terms of reference of the Audit Committee comply with the requirements of the Companies Act, 2013, and Securities Exchange and Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and its terms of reference are as follows:

#### (i) The Audit Committee shall have powers, which should include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee of the Company;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise if it considers necessary; and
- Such powers as may be prescribed under the Companies Act and SEBI (LODR) Regulations, 2015.

#### (ii) The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;

## DIRECTORS' REPORT

- (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI (LODR) Regulations, 2015 and/or the applicable Accounting Standards and/or the Companies Act, 2013.
- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (p) Discussion with internal auditors of any significant findings and follow up thereon;
- (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;



## DIRECTORS' REPORT

- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (w) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or as provided under the provisions of the Companies Act, the SEBI (LODR) Regulations, 2015 and other applicable laws;
- (x) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - (aa) Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - (bb) To consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and;
  - (cc) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties."

**(iii) The Audit Committee shall mandatorily review the following information:**

- (a) Management's discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- (f) Statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015; and
  - ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/ notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015;
- (g) To review the financial statements, and the auditors' report thereon, in particular, the investments made by any unlisted subsidiary; and
- (h) Such information as may be prescribed under the Companies Act and SEBI (LODR) Regulations, 2015.

## DIRECTORS' REPORT

### ii. Nomination & Remuneration Committee:

The present composition of the Nomination and Remuneration Committee and the attendance of each member at the Nomination and Remuneration Committee meetings held during the year is as follows:

Name of the Director	Designation	Nature of Directorship	No. of Committees Meetings	
			Held	Attended
Mr. Paul Skipworth	Chairperson	Non-Executive Independent Director	1	1
Ms. Rukshana Jina Mistry	Member	Non-Executive Woman Independent Director	1	1
Mr. Maneck Navel Mulla	Member	Non-Executive Non-Independent Director	1	1

Meetings of Nomination & Remuneration Committee:

One meeting of the Nomination & Remuneration Committee was held on August 23, 2024, during the financial year ended March 31, 2024.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act read with Regulation 19 of the SEBI (LODR) Regulations, 2015 and its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
- (c) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (d) Devising a policy on Board diversity;
- (e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (f) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

## DIRECTORS' REPORT

- (g) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (h) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- (i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (ii) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (l) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
- i. Determining the eligibility of employees to participate under the ESOP Scheme;
  - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - iii. Date of grant;
  - iv. Determining the exercise price of the option under the ESOP Scheme;
  - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/ cancellation of options granted;
  - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

## DIRECTORS' REPORT

- (m) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (n) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;
- (o) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and
- (p) Such terms of reference as may be prescribed under the Companies Act, SEBI (LODR) Regulations, 2015 or other applicable laws or by any other regulatory authority."

### iii. Stakeholder Relationship Committee:

The present composition of the Stakeholder Relationships Committee and the attendance of each member at the Stakeholder Relationships Committee meetings held during the year is as follows:

Name of the Director	Designation	Nature of Directorship	No. of Committees Meetings	
			Held	Attended
Mr. Vinaykant Tanna	Chairperson	Non-Executive Independent Director	0	0
Mr. Balaji Swaminathan	Member	Non-Executive Independent Director	0	0
Mr. Manek Navel Mulla	Member	Non-Executive Non Independent Director	0	0

No meeting of the Stakeholder Relationship Committee was held during the financial year ended on March 31, 2024.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, and Regulation 20 of the SEBI (LODR) Regulations, 2015 and its terms of reference are as follows:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, issue of new/duplicate certificates, general meetings, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

## DIRECTORS' REPORT

- (f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
- (g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI (LODR) Regulations, 2015, or by any other regulatory authority;
- (h) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- (i) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- (j) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and
- (k) Such terms of reference as may be prescribed under the Companies Act and SEBI (LODR) Regulations, 2015.

#### iv. Risk Management Committee:

The present composition of the Risk Management Committee and the attendance of each member at the Risk Management Committee meetings held during the year is as follows:

Name of the Director	Designation	Nature of Directorship	No. of Committees Meetings	
			Held	Attended
Mr. Alok Gupta	Chairperson	Executive Director	1	1
Mr. Maneck Navel Mulla	Member	Non-Executive Non-Independent Director	1	1
Mr. Vivek Sett	Member	Non-Executive - Independent Director	1	1
Mr. Vinaykant Tanna	Member	Non-Executive - Independent Director	1	1

During the year under review, one meeting of the Risk Management Committee was held on March 11, 2024.

The terms of reference of the Risk Management Committee are as follows:

- (a) To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (b) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes;
- (c) The policy shall include:
  1. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
  2. Measures for risk mitigation including systems and processes for internal control of identified risks;
  3. Business continuity plan.
- (d) To approve the process for risk identification and mitigation;
- (e) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- (f) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- (g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;



## DIRECTORS' REPORT

- (h) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (i) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (j) To consider the effectiveness of decision making process in crisis and emergency situations;
- (k) To balance risks and opportunities;
- (l) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (m) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (n) To consider the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
- (o) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (p) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- (q) To attend to such other matters and functions as may be prescribed by the Board from time to time; and
- (r) Such terms of reference as may be prescribed under the Companies Act and SEBI (LODR) Regulations, 2015.

### v. Corporate Social Responsibility Committee

The present composition of the Corporate Social Responsibility Committee and the attendance of each member at the Corporate Social Responsibility Committee meetings held during the year is as follows:

Name of the Director	Designation	Nature of Directorship	No. of Committees Meetings	
			Held	Attended
Mr. Resham Chhabria J Hemdev	Chairperson	Executive Director	1	1
Mr. Maneck Navel Mulla	Member	Non-Executive Non-Independent Director	1	1
Mr. Vivek Sett	Member	Non-Executive - Independent Director	1	1

During the year under review, one meeting of the Corporate Social Responsibility Committee was held on June 14, 2023.

The terms of reference of the Corporate Social Responsibility & Environmental, Social, and Governance Committee framed in accordance with Section 135 of the Companies Act, are as follows:

- (a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time;
- (d) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

## DIRECTORS' REPORT

- (e) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (f) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (g) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act;
- (i) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;
- (j) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
  - (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company; and
- (k) Such terms of reference as may be prescribed under the Companies Act and SEBI (LODR) Regulations, 2015.

#### 4. INVESTOR GRIEVANCE REDRESSAL:

The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are the centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies, and online viewing by investors of actions taken on the complaint and its current status. There were no such instances of receiving Compliant through SCORES Portal during the year under review.

The Company shall maintain continuous interaction with the R & T Agent and updations on SCORES Portal taking proactive steps and actions for resolving complaints/queries of the shareholders/ investors and also will take initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

**Name, designation, and address of the compliance officer:**

Ritesh Ramniklal Shah

Company Secretary & Compliance Officer

Address: 394-C Lamington Chambers, Lamington Road, Mumbai, Maharashtra, India, 400004

Email Id: [complianceofficer@abdindia.com](mailto:complianceofficer@abdindia.com)

Tel. No.: 022 67779777

## DIRECTORS' REPORT

### 5. PARTICULARS OF SENIOR MANAGEMENT PERSONNEL (SMP) INCLUDING CHANGES, IF ANY:

The following were the changes being made in SMP during the financial year 2023-24:

Name of Senior Management	Date of appointment/change in designation/cessation	Reason
Jayathirtha Mukund	December 18, 2023	Appointed as Head – Investor Relations and Chief Risk Officer
Bikram Basu	October 9, 2023	Change in designation from Chief Operating Officer – Marketing, Sales and Strategy to Chief Strategy and Marketing Officer
Arvind Hangal	October 9, 2023	On account of change in Arvind Hangal's reporting structure
Ankur Sachdeva	October 9, 2023	Appointed as Chief Revenue Officer
Rajesh Parida	April 14, 2023	Appointed as Director – Corporate Affairs & CSR
Bikram Basu	April 1, 2023	Change in designation from Vice President – Marketing and Strategy to Chief Operating Officer – Marketing, Sales and Strategy
Varun Lohia	February 14, 2024	Appointed as Head – Supply Chain and Procurement

### 6. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### i. Managing Director & Whole-Time Director:

The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and Schedule V and other applicable rules made thereunder.

#### Details of remuneration and perquisites paid to the Managing Director & Whole-Time Director:

(Amount in ₹)

Sr. No.	Particulars	Mr. Alok Gupta	Mr. Shekhar Ramamurthy	Mrs. Resham Chhabria Jeetendra Hemdev	Mr. Arun Barik.	Total
1	<b>Gross Salary</b>					
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,06,55,916	5,58,00,513	3,35,85,600	1,73,13,712	16,73,55,741
	b. Value of perquisites under section 17(2) of the Income Tax Act, 1961	14,96,600	25,90,000	26,24,400	96,816	68,07,816
	c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	As % of Profits	-	-	-	-	-
5	Others, Specify (Performance Linked incentives)	-	-	-	-	-

#### ii. Non-Executive Directors & Independent Directors:

The Non-Executive / Independent Directors receive sitting fees for attending meetings of the Board or Committee thereof. The Independent/Non-Executive Directors shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

## DIRECTORS' REPORT

Mr. Maneck Navel Mulla, Non-Executive, Non-Independent Director, is the founder of the law firm "M/s M Mulla Associates, Advocates & Solicitors" and has been providing legal services to the Company pursuant to an agreement dated June 28, 2021 with the Company, at a consideration of ₹ 1.60 million per month.

Except as mentioned above, none of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors' sitting fees and Commission, as applicable, received by them. The Company reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending meetings.

Criteria for making payments to NEDs is disseminated on the website of the Company at [www.abdindia.com](http://www.abdindia.com)

An Independent Director shall not be entitled to any stock option of the Company.

### Details of remuneration paid to Non-Executive Directors during the Financial Year 2023-2024:

Name of the Director	Sitting fees	Commission	Total
Mr. Kishore Rajaram Chhabria	2,50,000.00	0	2,50,000.00
Mrs. Bina Kishore Chhabria	50,000.00	0	50,000.00
Mr. Balaji Swaminathan	7,00,000.00	0	7,00,000.00
Mr. Vivek Anilchand Sett	5,00,000.00	0	5,00,000.00
Mr. Paul Henry Skipworth	4,50,000.00	0	4,50,000.00
Ms. Rukhshana Jina Mistry	7,50,000.00	0	7,50,000.00
Mr. Vinaykant Tanna	4,50,000.00	0	4,50,000.00
Mr. Narayanan Sadanandan	4,50,000.00	0	4,50,000.00
Mr. Mehli Maneck Golvala	2,00,000.00	0	2,00,000.00
Mr. Maneck Navel Mulla	8,00,000.00	0	8,00,000.00

### iii. Key Managerial Personnel (KMP):

The Key managerial personnel of the Company shall be paid remuneration as per the policies implemented by the Company from time to time.

### Details of remuneration and perquisites paid to the Key Managerial Personnel (Amount in ₹):

Name of KMP	Designation	Salary & Allowances	Perquisites & Benefits	Retirement Benefits	Total
Mr. Alok Gupta	Managing Director	6,06,55,916	14,96,600	7,50,000	6,29,02,516
Mr. Shekhar Ramamurthy	Whole-Time Director (Executive Deputy Chairman)	5,58,00,513	25,90,000	7,50,000	5,91,40,513
Mrs. Resham Chhabria Jeetendra Hemdev	Whole-Time Director (Vice Chairperson)	3,35,85,600	26,24,400	7,50,000	3,69,60,000
Mr. Arun Barik	Executive Director	1,73,13,712	96,816	7,50,000	1,81,60,528
Mr. Bikram Basu	Chief Strategy and Marketing Officer	1,80,64,560	42,960	7,50,000	1,88,57,520
Mr. Ritesh Ramniklal Shah	Company Secretary	75,67,032	0	3,32,736	78,99,768
Mr. Ramakrishnan Ramaswamy	Chief Financial Officer	2,05,96,081	3,36,672	7,50,000	2,16,82,753
Mr. Ankur Sachdeva	Chief Revenue Officer	2,82,59,219	3,71,352	7,50,000	2,93,80,571

### iv. Stock Option details:

The Company has not issued any stock options

## DIRECTORS' REPORT

### 7. GENERAL BODY MEETINGS:

#### i. Annual General Meetings:

The following table gives the details of the last three AGMs of the Company held:

Year	Day, Date and Time	Location	Number of Directors Present
2022-2023	Monday, July 31, 2023, at 3:00 P.M	Mumbai	3
2021-2022	Friday, September 30, 2022, at 11:00 A.M	Mumbai	2
2020-2021	Thursday, December 31, 2021, at 3:00 P.M	Mumbai	3

The following are the special business transacted at the AGMs held in last three years:

Meeting	Subject matter of resolution	Remarks
2022-2023	Nil	-
2021-2022	1) Appointment of Mr. Vinaykant Gordhandas Tanna (DIN: 09680693) as a Director (Independent, Non-Executive) of the Company 2) Appointment of Mr. Arun Barik (DIN: 07130542) as a Director of the Company 3) Appointment of Mr. Arun Barik (DIN: 07130542) as an Executive Director of the Company	-
2020-2021	Nil	-

#### ii. Resolutions passed last year through postal ballot, if any: Nil

#### iii. Extraordinary General Meeting held during the year:

Date	Day	Time
September 18, 2023	Monday	11:00 A.M.
October 30, 2023	Monday	11:00 A.M.
January 12, 2024	Friday	12 noon

### 8. GENERAL SHAREHOLDER INFORMATION:

#### i. 16TH Annual General Meeting:

<b>Day</b>	Thursday
<b>Date</b>	September 26, 2024
<b>Time</b>	3:00 P.M.
<b>Venue</b>	The AGM will be held through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') The deemed venue for the AGM will be the Registered Office of the Company situated at 394-C, Lamington Chambers, Lamington Road, Mumbai - 400 004.

#### ii. Financial Year and Calendar

The company's accounting year comprises of 12 months from April 01, 2023, to March 31, 2024.

#### iii. Dividend:

The Company has not declared or paid any dividend during the year ended March 31, 2024.

## DIRECTORS' REPORT

### iv. Listing on Stock Exchange

The equity shares of the Company were listed on the Main Board of the following Stock Exchanges on July 02, 2024:

Name & Address of the stock exchange	Stock Code
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	ABDL
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	544203

### v. Market Price Data- High, Low during each month in last Financial Year

Since the equity shares of the Company got listed on July 02, 2024, the month wise market price data is not available.

### vi. Suspension from trading:

Since the Company got listed on July 02, 2024, there are no such instances applicable.

### vii. Performance in comparison to broad-based indices such as SENSEX and NIFTY:

Since the Company got listed on July 02, 2024, the relevant historical data is not available for making comparison.

### viii. Registrar and Share Transfer Agent:

The Company has appointed Link Intime India Pvt Ltd. as its Registrar and Share Transfer Agent.

### ix. Share Transfer Systems:

The Company's equity shares which are in dematerialized (Demat) form are transferable through the depository system. As per Regulation 40 of the SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities.

### x. Distribution of Shareholding:

#### Distribution of shareholding March 31, 2024:

Sr. No.	Name of Shareholders	Number of Equity Shares	% holding
1.	Mr. Kishore Rajaram Chhabria (Jointly held by Bina Kishore Chhabria)	1	negligible
2.	Mrs. Bina Kishore Chhabria*	17,61,42,969	72.16
3.	Mrs. Resham Chhabria J Hemdev*	5,87,14,320	24.05
4.	Oriental Radios Private Limited	91,13,665	3.73
5.	Bina Chhabria Enterprises Private Limited	1,41,094	0.06
6.	Officer's Choice Spirits Private Limited	1,615	negligible
7.	BKC Enterprises Private Limited	1	negligible
	<b>Total</b>	<b>24,41,13,665</b>	<b>100.00</b>

\*On July 2, 2024, the Company's shares were listed on the Stock Exchanges following the Initial Public Offering (IPO) and the Offer for Sale by the selling shareholders. As a result of the offer, Mrs. Bina Kishore Chhabria and Mrs. Resham Chhabria J Hemdev ('selling shareholders'), now hold 16,27,97,774 and 5,42,65,922 equity shares respectively.



## DIRECTORS' REPORT

### Distribution of Shareholding:

Statement showing shareholding pattern as on March 31, 2024:

Category of shareholders	No. of shares	% of share capital
Promoter & promoter group	24,41,13,665	100.00
Mutual Funds	-	-
Central Government/State Government	-	-
Financial Institutions / Banks	-	-
Foreign Institutional Investors (including FPI)	-	-
NBFC registered with RBI	-	-
Bodies Corporate	-	-
Individual shareholders holding nominal share capital up to ₹ 2 lakhs	-	-
holding nominal share capital up in excess of ₹ 2 lakhs	-	-
Clearing Members	-	-
Non-Resident Indians	-	-
Foreign Companies	-	-
HUF	-	-
Trusts	-	-
IEPF	-	-
<b>TOTAL</b>	-	-

### xi. Outstanding GDRS / ADRS / WARRANTS or any Convertible Instruments:

As of date, Company has not issued GDRs / ADRs/ Warrants or any convertible instruments.

### xii. Commodity price risk or Foreign Exchange risk and hedging activities:

Except as stated below, the Company does not have any un-hedged exposure to commodity price risk and foreign exchange risk;

Amount in lakhs (₹)

Particulars	March 31, 2024	March 31, 2023
<b>Financial assets</b>		
Trade receivables	1,587.59	1,428.37
Others	0.38	-
Exposure to foreign currency risk (assets)	1,587.97	1,428.37
<b>Financial liabilities</b>		
Trade payables	863.55	2,470.80
Borrowings	-	293.44
Employees related liabilities	5.85	6.82
Exposure to foreign currency risk (liabilities)	869.40	2,771.06

### xiii. Means of Communication:

Pursuant to the provisions of the Act service of documents to shareholders by a Company is allowed through electronic mode. Further, as per SEBI (LODR) Regulations, 2015, Listed Companies shall supply soft copies of entire annual reports to all those shareholders who have registered their e-mail addresses for the purpose. Accordingly, the Company adheres sending of documents like shareholders meeting notices/other notices, Audited Financial Statements, Board's Report, Auditor's Report, or any other document, to its shareholders in electronic form at the email address provided by them and/or made available to the Company by their depositories. This will definitely help in prompt receipt of the communication, reduce paper consumption, and save trees as well as avoid loss of documents in transit.

## DIRECTORS' REPORT

Shareholders who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated with their depositories.

Provisions relating to publication of quarterly results, newspaper publication were not applicable to the Company for the financial year under review. Further, the Company has not made any presentations to the institutional investors or to the analysts during the year under review.

The Company's website <https://www.abdindia.com/> has a separate section for investors where shareholders information is available. The Company also has a separate email id i.e. [complianceofficer@abdindia.com](mailto:complianceofficer@abdindia.com) for investor grievances.

#### xiv. Address for Correspondence:

All shareholders' correspondence relating to share transfer/dematerialization of shares, payment of dividends, and any other queries about shares should be forwarded to Link Intime India Pvt Ltd, the Registrar and Share Transfer Agent of the Company, or to the Corporate Secretarial Department at the Registered Office or Corporate Office of the Company at the addresses mentioned below:

<p><b>Link Intime India Pvt Ltd</b> C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400083 Tel. No. 022 49186000 Email: <a href="mailto:rnt.helpdesk@linkintime.com">rnt.helpdesk@linkintime.com</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>	<p><b>Ritesh Ramniklal Shah</b> Company Secretary &amp; Compliance Officer</p> <p><b>Registered Office:</b> Allied Blenders and Distillers Limited, CIN - L15511MH2008PLC187368 394-C, Lamington Chambers, Lamington Road, Mumbai - 400 004, Tel: (022) 6777-9777/68</p> <p><b>Corporate Office:</b> Allied Blenders and Distillers Limited Ashford Centre, 3rd and 4th floor Shankarrao Naram Marg, Lower Parel (West) Mumbai – 400 013 Tel: +91 22 4300 1111 Fax: + 91 22 4300 1116 E-mail: <a href="mailto:info@abdindia.com">info@abdindia.com</a></p>
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#### xv. List of credit ratings:

The rating given by India Ratings for short-term borrowings and long-term borrowings of the Company is IND BBB+ Rating with developing implication for the financial year ended March 31, 2024.

#### xvi. Payment of Listing Fees/Annual Custody/Issuer Fee

The Company has paid the Annual Listing Fees to the Stock Exchange for the F.Y. 2024-2025. The Company has paid the Annual Custody/ Issuer fee for the FY 2023-2024 to Central Depository Services (India) Limited ('CDSL') and National Securities Depository Limited ('NSDL').

#### xvii. Dematerialisation of Share:

The Company has obtained electronic connectivity of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the members to hold their shares in demat mode. Further, the Company has 100% of its shareholding in the DEMAT form. The ISIN Number of the Company's shares is INE552Z01027

#### xviii. Company Identification Number (CIN):

All the forms, returns, balance sheets and other documents filed with the Registrar of Companies (the 'ROC') are available for inspection at the official website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in) under the Corporate Identification Number (CIN): L15511MH2008PLC187368

## DIRECTORS' REPORT

### xix. Code of conduct:

In terms of Regulation 46 (2) of Securities Exchange and Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has laid down and adopted a Code of Conduct for its Board of Directors and Senior Management Personnel, which is also disseminated on the Company's website [www.abdindia.com](http://www.abdindia.com).

### xx. Plant locations (Own Unit)

#### NORTH:

- 1) Haridwar, Uttarakhand
- 2) Derabassi, Punjab
- 3) Saha, Haryana

#### EAST:

- 1) Kalyani, West Bengal
- 2) North Tripura

#### SOUTH:

- 1) Jeedimetla, Telangana
- 2) Wanaparthy District, Telangana

#### WEST:

- 1) Aurangabad, Maharashtra
- 2) Chhindwara, Madhya Pradesh

## 9. OTHER DISCLOSURES:

### Details of compliance with mandatory requirements:

All the mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities Exchange and Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 have been complied with by the Company.

#### i. Policy on Subsidiary Companies:

The Company has adopted the policy of subsidiary companies with specific reference to materially listed and unlisted subsidiary companies and the policy to be followed in such eventualities. The Policy for determining the material subsidiaries is available at the Website of the Company at [www.abdindia.com](http://www.abdindia.com).

#### ii. Related Party Transactions:

The Company has formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions, in accordance with relevant provisions of the Act and SEBI (LODR) Regulations, 2015. The said policy is also available on the website of the Company at [www.abdindia.com](http://www.abdindia.com).

During the financial year under review, no transactions of material nature had been entered into by the Company that may have a potential conflict of interest of the Company at large. All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval for such transactions which are of repetitive nature and are approved by the Audit Committee on an omnibus basis for one financial year at a time. Transactions with related parties are disclosed separately to the Standalone Financial Statements.

#### iii. Whistle Blower Policy/Vigil Mechanism:

The Company has established a Vigil mechanism / Whistle-blower policy under which the employees are free to report unethical behaviour, fraud, and violations of applicable laws and regulations and the Code of Conduct and also provides for adequate safeguards against victimization of persons who use such mechanism.

This mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's website at [www.abdindia.com](http://www.abdindia.com).

The Audit Committee periodically reviews the existence and functioning of the mechanism. On a quarterly basis, the reportable matters may be disclosed to the Vigilance and Ethics Officer which operates under the supervision of the Audit Committee. During the year under review, no personnel was denied access to the Audit Committee.

## DIRECTORS' REPORT

**iv. Details of Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as Specified under Regulation 32(7A):**

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015 after its listing on exchanges.

**v. The Company's equity shares are listed on Stock Exchanges namely National Stock Exchange of India Limited and BSE Limited. There are no non-compliances during the period from listing of shares in relation to capital markets.**

**vi. The Company has complied with all mandatory requirements of regulation 34 of SEBI (LODR) Regulations, 2015.**

**vii. The Company has complied with requirement of corporate governance report of sub paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015.**

**viii. Recommendation by the Committee of the Board:**

During the financial year 2023-2024, the Board has accepted all the recommendations of its committees.

**ix. Statutory Audit Fees:**

Total fees paid by the Company to the statutory auditors and all other entities forming part of the same network, aggregate of ₹ 99.77 Lakhs.

**x. CEO/CFO Certification:**

The 'Managing Director (MD)' and 'Chief Executive Officer & Chief Financial Officer (CEO & CFO)' have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) read with Part B of Schedule II of Securities Exchange and Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, and the said certificate forms part of this Report.

**xi. The Company has complied with the discretionary requirements as specified in Part E of Schedule II, the details are mentioned as under:**

**a) Shareholders' Rights:**

As the quarterly and half-yearly, financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

**b) Separate posts of Chairperson and CEO:**

The Company presently is having a separate post of the Chairperson and the Managing Director.

**c) Reporting of Internal Auditor:**

The Internal Auditor of the Company makes presentation to the Audit Committee on their reports as per the approved audit programmes by the Audit Committee at the beginning of the year on a quarterly basis.

**d) Modified opinion(s) in the audit report:** It is always the Company's endeavour to present unqualified Financial Statements. Statutory Auditors have issued an unmodified opinion on the Company's financial statement for the year under review.

**xii. Declaration signed by the Chief Executive Officer stating that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management.**

The Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel and the same has been posted on the Company's website. The Board and Senior Management Personnel have affirmed their compliance with the Code of Conduct and a declaration to the effect signed by the Managing Director of the Company has been obtained.

## DIRECTORS' REPORT

### **xiii. Disclosure on loans or advances by the listed entity or its Subsidiaries:**

Except as disclosed elsewhere in the annual report, there have not been loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

For **Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director  
DIN: 02330045

**Arun Barik**

Executive Director  
DIN:07130542



## DIRECTORS' REPORT

### ANNEXURE – F

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC OVERVIEW

#### Global

Global economy continues to present a mixed picture. Multiple factors like the on-going geopolitical conflicts, wide-spread elevation of debt, extreme weather conditions and elections in many parts of the world continue to contribute to the uncertainty of the Global Economic Outlook. Encouragingly, inflation has softened over the highs of the previous year and is expected to continue to moderate. Global GDP growth is expected to remain low at 3% for 2024. Country variations will continue, with different parts of the world growing at varied pace.

#### India

Amidst these conditions, Indian economy has continued to grow with resilience. With a GDP growth of 7.8% in Calendar Year 2023, the fifth largest economy was the fastest growing major economy. The biggest contribution to the GDP growth has come in the form of capital expenditure by the Government. At 3% of GDP, ₹10 lakh crore was allocated towards capital expenditure, a record high. The Government's strengthened thrust on capex will augur well for the economy in mid to long term with the creation of employment opportunities, improved infrastructure, and elevated ease of doing business in the country.

Consumption has remained subdued in the year. This weak consumption is primarily on account of a muted agricultural growth. Agricultural production was disrupted during the year due to erratic weather patterns. With agricultural outputs impacted, rural consumption has been weaker than usual, evident in sluggish overall volume recovery trends. Consumption patterns remain uneven with mass consumption showing sluggish growth and upper-end consumption driving growth. This trend is further amplified by a growing preference for premium products across all consumer categories.

India's digital transformation is surging ahead, fuelled by booming broadband access, affordable data plans, and a government push for digital infrastructure. The India Stack, is a one-of-its-kind digital scalable public infrastructure, based on identity, payments and consent-based data sharing. It is a global benchmark for most countries today. In the years to come, applications based on this digital infrastructure, such as ONDC for digital commerce, Unified Logistics interface Platform (ULIP) for logistics, Ayushman Bharat for electronic health records among others, will spur innovations and new growth. Democratisation of Unified Payments Interface (UPI) or digital payments have enabled formalisation of the digital economy.

Despite a subdued consumption in the economy this year, economic activity indicators suggest underlying strength that will bode well for the economy in the medium term. The consumer confidence levels, which look at consumer perceptions, current and for one year ahead, on general economic situation, employment scenario, overall price situation, income and spending, has returned to pre-covid levels. The future perception scores have also registered a new peak suggesting high consumer confidence on the economic outlook. Inflation, which was a primary concern in the economy last year, has softened this financial year. Inflation has significantly moderated from the highs of 2022 with CPI inflation for FY 2023-24 projected at 5.3%.

#### Industry Overview

India is one of the fastest growing and most diverse alcoholic beverages market globally. The alcoholic beverage sector has a high-growth potential given the favourable demographics and increasing social acceptance. The alcoholic beverages (Alcobev) industry in India has experienced remarkable growth in recent years. This growth can be attributed to several factors, such as rapid urbanisation, evolving consumer priorities, a burgeoning middle-class population with greater purchasing power and the growing liking for premium alcoholic beverages.

Alcohol consumption surged across geographies, as a growing number of consumers, both men and women, entered the target consumer class. The legal drinking age in India varies from 18 - 25 years, depending on the state, highlighting the conducive environment for the alcohol market's robust growth.

The consumer landscape in India has traditionally been a pyramid, with a large number of households with low incomes forming the base, and a small number of households with large incomes the pinnacle. With growth being fuelled by both the economic development and the demographic dividend, India has seen this classic pyramid morph into a rhombus shape with the emergence of a rapidly growing "middle class" and the consumer landscape segmenting into groups each with distinct consumption drivers



## DIRECTORS' REPORT

and needs. Market segmentation: The Indian Alcobev industry is segmented into IMFL (Indian Made Foreign Liquor), IMIL (Indian Made Indian Liquor), Wine, Beer and imported alcohol. Whiskey dominates the Indian spirits industry by a very wide margin. Consumption pattern: The states of Telangana, Maharashtra, West Bengal, Odisha, Karnataka, Uttar Pradesh, Punjab, etc. are among the largest consumers of Alcobev in India. Liquor stores serve as the predominant sales channel nationwide, especially since Alcobev consumption primarily occurs outdoors, with supermarkets and malls mainly concentrated outside the tier I cities of India.

### Indian Spirit market Overview

India remains an attractive market with stable macroeconomic/political environment and favourable demographics. As a promising marketplace, it capitalises on its status as one of the largest whiskey markets by volume. It also ranks among the countries with the lowest per capita alcohol consumption globally, indicating substantial potential for expansion. One of the key indicators in the Indian Spirit market is the increasing consumption of spirits, especially whiskey. The consumption of whiskey has been steadily increasing, propelled by the expanding urban populace, rise of middle-income group and the influence of Western drinking culture. Consequently, there has been an increase of whiskey distilleries and range of whiskey brands in the market. These offerings appeal to younger consumers seeking new and varied drinking experience. The introduction of new flavours and variants by both domestic and international brands has significantly augmented the growth of this segment.

Evolving consumer preferences, notably among the younger population, are spurring a proliferation of spirit varieties as experimentation gains momentum. Despite a slowdown in growth compared to the previous two years, which aligns with the larger consumer space, the premiumisation trend persists. There is a continued optimistic outlook for mid to long-term growth, supported by the fact that penetration is only half of that seen in the developed markets, and per capita consumption stands at half to a third of those levels.

**Growth drivers:** The Indian Alcobev industry offers great potential for spirits companies. The growing young population in India, increasing disposable incomes, favourable demographics, greater acceptance of alcoholic beverages in social circles, the current low per capita consumption, increasing number of pubs and bars, and increasing exposure to imported and premium alcoholic beverages are the major factors stimulating the growth of the Indian Alcobev market. Moreover, with more women entering the workforce and gaining financial independence, there has been a shift in cultural attitudes towards alcohol consumption, leading to increased consumption among women as well, which is expected to further drive the market growth.

The consumption landscape for spirits is evolving, with socialising-led consumption witnessing 130% increase in its share of consumption. This indicates a move towards normalisation and an inflection point for growth within the category. The transition from solitary to shared or social consumption occasions has historically driven substantial growth for many food and beverage companies, a trend that has been notable in the spirits industry over the year.

**Growing prevalence of premium Alcobev:** Rapid urbanisation is expected to bolster disposable income, which bodes well for industry growth. With more Indians travelling abroad, rising aspirations, favourable environment for imported liquor and higher disposable income, consumers are upgrading towards premium segments in the country. The rise in premiumisation is evident in the heightened focus of major players on semi-premium and premium categories, with increased launches and intensified marketing efforts targeting these categories. Another emerging trend in the Alcobev sector is the increasing popularity of grain-based liquor over the traditionally popular molasses-based liquor.

### QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to market risk, liquidity risk and credit risk. Our board of directors has overall responsibility for the establishment and oversight of our risk management framework.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and price risk. Our exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

#### Interest rate risk

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

## DIRECTORS' REPORT

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in receivables, trade payables, borrowings and other payables denominated in USD, GBP and AED against the functional currency INR of our Company and our Subsidiaries.

Our risk management policy is to assess our net exposures which is mainly represented by receivable and payable towards exports and imports respectively, and partly represented by the loans availed in foreign currencies. We can hedge our net exposures with a view on foreign exchange outlook. Since the net exposure is currently not material, this has not been hedged. Our exposure to foreign currency changes for all currencies is not material.

### Credit Risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and other balances with banks and financial institutions, as well as credit exposures to trade receivables.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. Trade receivables are typically unsecured and are derived from revenue earned from two major classes of customers, receivable from sales to government corporations and receivables from sales to private third parties.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom we grant credit terms in the normal course of business. We use expected credit loss model, which is applied to overdue receivables other than receivables from parties where the risk is assessed to be insignificant. Our credit risk is concentrated mostly to states where goods are sold to private third parties.

Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these case the credit risk is negligible.

### Liquidity Risk

Liquidity risk is the risk that we may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, lease liabilities, trade payables and other financial liabilities.

The finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors our net liquidity position through trade receivables or through short term borrowings on need basis.

### NET DEBTS

Your Company had borrowings in the balance sheet as on March 31, 2024. IPO completed in July 2024 has enabled company to repay its outstanding debt and VAT overdue. Currently the Company is zero Net Debt which enables it to undertake value-accretive business decisions.

The Company is also in process of improvements financial adaptability, corporate governance standards, and compliance framework which will lead to an enhancement in its credit ratings. These ratings will enhance your Company's access to more economical debt sources, thereby reducing interest costs and increasing shareholder value.

### INTERNAL CONTROL SYSTEMS

Risk management is an essential practice for organizations to identify, assess and mitigate potential risks that can impact the operations, objectives of a firm. The Company maintains an adequate system of internal controls due to complexity of the business operations. The Company has ensured that stringent and comprehensive controls are put in place to ensure.

- Assets are safeguarded and protected against loss from unauthorized use or disposition
- Transactions are authorized, recorded and reported correctly and operations are conducted in an efficient and cost-effective manner

## DIRECTORS' REPORT

### FINANCIAL RATIOS (Standalone)

₹ in lakhs

Particulars	31 March 2024	31 March 2023
Equity share capital	4,882.27	4,882.27
Other equity	38,124.72	37,553.53
<b>Total Equity</b>	<b>43,006.99</b>	<b>42,435.80</b>
Gross Debt	82,015.84	77,244.85
Revenue from Operations (Net of Excise Duty)	3,32,785.14	3,14,662.88
Less: Cost of goods sold	2,09,790.63	1,97,404.34
<b>Gross profit</b>	<b>1,22,994.51</b>	<b>1,17,258.54</b>
Add: Other income	729.42	1,208.80
Less: Employee benefit expense	17,526.35	18,554.57
Less: Other expenses	81,164.92	80,110.58
<b>Profit before finance costs, depreciation and amortisation expenses, exceptional items and tax (EBIDTA)</b>	<b>25,032.66</b>	<b>19,802.19</b>
Less: Depreciation and amortisation expenses	5,499.53	5,438.72
<b>Profit before finance costs, exceptional items and tax</b>	<b>19,533.13</b>	<b>14,363.47</b>
Less: Finance Cost	17,267.15	13,436.20
<b>Profit before exceptional items and tax</b>	<b>2,265.98</b>	<b>927.27</b>
Less: Exceptional items	498.62	-
<b>Profit before tax</b>	<b>1,767.36</b>	<b>927.27</b>
Tax expense	1,095.79	433.63
<b>Profit after tax</b>	<b>671.57</b>	<b>493.64</b>
Inventories	41,883.92	55,918.33
Trade receivables	1,24,371.15	95,761.36
Trade payables	70,361.38	56,797.77
<b>i) Inventory Turnover Ratio</b>		
Inventory Turnover	7.59	7.43
Inventory Turnover (in days)	48	49
<b>ii) Debtors' Turnover Ratio</b>		
Receivable Turnover	6.97	7.43
Receivable Turnover (in days)	52	49
<b>iii) Payable Turnover Ratio</b>		
Payable Turnover	3.29	3.82
Payable Turnover (in days)	111	96
<b>iv) Debt-Equity Ratio</b>	1.91	1.82
<b>v) Debt Service Coverage Ratio</b>	1.07	1.07
<b>vi) Return on Capital Employed Ratio</b>		
EBIT	19,533.13	14,363.47
Capital employed	1,18,509.98	1,12,989.19
Return on Capital Employed	16.48%	12.71%
<b>vii) Net Profit Margin Ratio</b>		
PAT	671.57	493.64
Net Sales (net of excise)	3,32,785.14	3,14,662.88
Net Profit Margin	0.20%	0.16%
<b>viii) EBITDA Margin Ratio</b>		
EBITDA	25,032.66	19,802.19
Net Sales (net of excise)	3,32,785.14	3,14,662.88
EBITDA Margin	7.52%	6.29%



## DIRECTORS' REPORT

### ANNEXURE – G

#### PARTICULARS OF EMPLOYEES

(Pursuant to Section 197 (12) of the Companies Act, 2013 Read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. REMUNERATION OF EACH DIRECTOR AND KEY MANAGERIAL PERSONNEL (KMP) ALONG WITH PARTICULARS OF INCREASE DURING THE FINANCIAL YEAR, RATIO OF REMUNERATION OF DIRECTORS TO THE MEDIAN REMUNERATION OF EMPLOYEES AND COMPARISON OF REMUNERATION OF EACH KMP AGAINST COMPANY'S STANDALONE PERFORMANCE:**

Name of the Director/KMP	Designation	Remuneration of Director/ KMP for Financial year 2023-24	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in FY 2023-24
Mr. Alok Gupta	Managing Director	6,29,02,516	87.14	Nil
Mr. Shekhar Ramamurthy	Executive Deputy Chairman	5,91,40,513	81.93	Nil
Mrs. Resham Chhabria J Hemdev	Vice Chairperson	3,69,60,000	51.20	Nil
Mr. Arun Barik	Executive Director	1,81,60,528	25.16	Nil
Mr. Bikram Basu	Chief Strategy and Marketing Officer	1,88,57,520	26.12	Nil
Mr. Ritesh Shah	Company Secretary	78,99,768	10.94	Nil
Mr. Ramakrishnan Ramaswamy	Chief Financial Officer	2,16,82,753	30.04	Nil
Mr. Ankur Sachdeva	Chief Revenue Officer	2,93,80,571	40.70	Nil

**Notes:**

1. The percentage increase in the median remuneration of employees in the financial year 2023-24 is 7%
2. The number of permanent employees on the rolls of the Company in the financial year 2023-24 is 889.
3. Average remuneration increases for non - managerial personnel of the Company during the financial year was 10.00% Remuneration increase is depending on the Company's performance as a whole, individual performance level and also market benchmarks.
4. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**By order of the Board**

**For Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director  
DIN: 02330045

**Arun Barik**

Executive Director  
DIN:07130542

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Allied Blenders and Distillers Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of **Allied Blenders and Distillers Limited** ('the Company'), which comprise the Standalone Balance Sheet as at **31 March 2024**, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 (loss)), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter - Customer Dispute

4. We draw attention to the matter stated in Note 48(xxii) to the accompanying standalone financial statements wherein it is stated that during the year ended 31 March 2024, one of the customer, Canteen Stores Department (CSD) had raised a debit memorandum amounting to Rs. 3,398.72 lakhs on the Company on account of differential trade rates for sales made to CSD during the period from 1 March 2012 to 31 October 2017, which is being contested by the Company. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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.

## INDEPENDENT AUDITOR'S REPORT

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Refer to note 2(d) to the accompanying standalone financial statements for the Company's material accounting policy information relating to revenue recognition, note 33 and 49 for the details of revenue recognized during the year.</p> <p>The Company derives its revenue from sale of liquor products to a wide range of customers through a network of private distributors (open market), part corporation market and full corporation market. Such revenue is recognised in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which requires management to make certain key judgements, such as, identification of performance obligations in contracts with customers, determination of transaction price for the contract including variable consideration in the form of rebates, discounts and pay-outs to distributors under various promotional schemes offered by the Company, and assessment of satisfaction of the performance obligations under each contract represented by the transfer of control of the products sold to the customers including state government corporations.</p> <p>Evaluation is also required to be made in respect of principal versus agent relationship of the Company with its 'tie-up manufacturing units' as explained in the material accounting policy information as referred above.</p> <p>Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network, nature of customers and varied terms of contracts with different customers, revenue recognition is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and audit of revenue recognised during the year required significant auditor attention and industry knowledge, and accordingly, revenue recognition is considered as a key audit matter in the current year.</p>	<p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> <li>• Understood the process of revenue recognition and evaluated the appropriateness of the accounting policy adopted by the management on revenue recognition including determination of transaction price and satisfaction of performance obligations, in accordance with Ind AS 115;</li> <li>• Evaluated the design and tested the operating effectiveness of Company's key internal controls around revenue recognition including controls relating to determination of variable consideration and satisfaction of performance obligations;</li> <li>• On a sample basis, tested revenue transactions recorded during the year, and transactions recorded in specific period before and after year end, basis inspection of supporting documents such as customer contracts, purchase orders, price lists, invoices, proof of dispatch and delivery including regulatory documents used for movement of liquor as per applicable regulations in order to ensure revenue is recorded with the correct amount and in the correct period;</li> <li>• Performed substantive testing by selecting a sample of discounts, rebate and other pay-out transactions with distributors recorded during the year as well as period end accrual basis the promotion schemes offered by the Company;</li> <li>• Performed substantive analytical procedures such as variance analysis on revenue to identify any unusual trends;</li> <li>• Evaluated adequacy of the disclosures made in the accompanying standalone financial statements in respect of revenue recognition in accordance with financial reporting framework.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
<p><b>Litigations and claims - provisions and contingent liabilities</b></p> <p>Refer to note 2(n) to the accompanying standalone financial statements for the Company's material accounting policy information relating to Provision, Contingent Liabilities and Contingent Assets and note 48 for contingent liabilities disclosure.</p> <p>The Company is involved in various direct, indirect tax and other litigations as detailed in the said noted above, that are pending with different statutory authorities as at year end.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>This judgement is dependent on a number of significant assumptions and assessments which involves interpreting the various applicable rules, regulations, practices and considering precedents in the various jurisdictions.</p> <p>Considering the high degree of judgment, significance of the amounts involved, inherent high estimation uncertainty, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures, related to provisions and contingent liabilities, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for: <ul style="list-style-type: none"> <li>- identification and monitoring of significant developments in relation to the litigations, including completeness thereof;</li> <li>- assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and</li> <li>- measurement of amounts involved.</li> </ul> </li> <li>• Evaluated the design and tested the operating effectiveness of key controls around above process;</li> <li>• Obtained the list of litigations outstanding as at year end from the management along with their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations;</li> <li>• Tested the underlying calculations supporting the provisions recorded and contingent liabilities disclosed by the management in respect of identified and ongoing litigations;</li> <li>• Obtained and evaluated the independent confirmations from the attorney/consultants representing the Company before the various authorities, where applicable, to confirm management's assessment of outstanding litigation and asserted claims. Evaluated the objectivity, independence, competency and capabilities of the attorney/consultants engaged by the management;</li> <li>• Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Company, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and</li> <li>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</li> </ul>

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

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

## INDEPENDENT AUDITOR'S REPORT

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. 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**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

## INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
  14. 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.
  15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in **Annexure A**, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 18(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) The matter described in paragraph 4 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - g) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in **Annexure B** wherein we have expressed an unmodified opinion; and

## INDEPENDENT AUDITOR'S REPORT

- i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 68(f) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 68(g) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year ended 31 March 2024.
  - vi. As stated in note 66 to the standalone financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, 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 been 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, other than the consequential impact of the exception given below..

Nature of exception noted	Details of Exception
Instances of accounting software used for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records, by the Company.

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

**Adi P. Sethna**  
Partner  
Membership No.: 108840  
**UDIN: 24108840BKFD RR1004**

**Place:** Mumbai  
**Date:** 22 July 2024

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A REFERRED TO IN PARAGRAPH 17 OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF ALLIED BLENDERS AND DISTILLERS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Based on the physical verification that was carried out by the management of the Company during the year for a part of the assets, no material discrepancies, have arisen on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 5 to the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) As disclosed in Note 61 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks or financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such returns/statements are not in agreement with the books of account of the Company for the respective periods and which were not subjected to audit/review, as mentioned below:

Name of the Bank / financial institution	Working capital limit sanctioned (₹ in lakhs)	Nature of current assets offered as security	Quarter	Information disclosed as per return (₹ in lakhs)	Information as per books of accounts	Difference
Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	53,108	Current Assets	30 June 2023	1,66,100.00	1,60,817.05	(5,282.95)
Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	57,036	Current Assets	30 September 2023	1,79,836.00	1,97,024.88	17,188.88
Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	60,536	Current Assets	31 December 2023	1,98,588.00	2,08,428.05	9,840.05
Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	60,626	Current Assets	31 March 2024	1,75,496.00	1,90,110.42	14,614.42

## INDEPENDENT AUDITOR'S REPORT

(iii) The Company has not provided any guarantee or security to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in and granted (unsecured) loans or advances in the nature of loans to companies during the year, in respect of which:

(a) The Company has provided loans or advances in the nature of loans to Subsidiaries during the year as per details given below:

Particulars	Loans (₹ in lakhs)
Aggregate amount granted during the year: - Subsidiaries	18.55
Balance outstanding as at balance sheet date in respect of above cases (including amounts granted in earlier years): - Subsidiaries	1,648.15

(b) The Company has not provided any guarantee or given any security on behalf of any party during the year. However, the Company has made investment in 1 entity amounting to ₹ 390 lakhs during the year and has granted loans to 2 subsidiaries amounting to ₹ 18.55 lakhs during the year. In our opinion, and according to the information and explanations given to us, such investments and loans made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular. Further, to the extent such repayments have not been demanded, in our opinion, repayment of principal and interest amounts are also considered to be regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has granted loans which are repayable on demand, as per details below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans - Repayable on demand (₹ in lakhs)	1,648.15	-	1,648.15
Total (₹ in lakhs)	1,648.15	-	1,648.15
Percentage of loans to the total loans	97.47%	-	97.47%

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and there are no guarantees given or security provided by it, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, sales-tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though income tax and value added tax have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:



## INDEPENDENT AUDITOR'S REPORT

Statement of arrears of statutory dues outstanding for more than six months::

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Income Tax Act, 1962	Advance tax installment	31.96	Assessment year 2024-25	15 June 2023		
The Income Tax Act, 1962	Advance tax installment	95.87	Assessment year 2024-25	15 September 2023		
MVAT, 2002	Value Added Tax	700.00	May 2023	21 June 2023	01 April 2024 02 April 2024	
MVAT, 2002	Value Added Tax	1,171.00	August 2023	21 September 2023	02 April 2024 03 April 2024	
MPVA, 2002	Value Added Tax	462.28	May 2023	10 June 2023	07 May 2024 08 May 2024 16 May 2024 17 May 2024 18 May 2024 21 May 2024 22 May 2024 24 May 2024 27 May 2024	
MPVA, 2002	Value Added Tax	586.04	June 2023	10 July 2023	27 May 2024 03 June 2024 05 June 2024 20 June 2024 21 June 2024	
MPVA, 2002	Value Added Tax	554.86	July 2023	10 August 2023	21 June 2024 30 June 2024	
MPVA, 2002	Value Added Tax	478.76	August 2023	10 September 2023	30 June 2024	

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

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Amount unpaid (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
GST Act, 2017	Goods and Services Tax	726.19	-	726.19	July 2017 to July 2020	High Court of Telangana
Finance Act, 1994	Service Tax	538.08	20.11	517.97	FY 2011-12 to FY 2014-15	Central Excise and Sales Tax Appellate Tribunal (CESTAT), Mumbai
MVAT Act, 2002	Value Added Tax	3,248.90	9.87	3,239.03	FY 2011-12	Maharashtra Sales Tax Appellate Tribunal
MVAT Act, 2002	Value Added Tax	602.71	7.73	594.98	FY 2015-16	Joint Commissioner of Sales Tax
MVAT Act, 2002	Value Added Tax	582.58	1.24	581.34	FY 2016-17	Joint Commissioner of Sales Tax
MVAT Act, 2002	Value Added Tax	221.09	12.16	208.93	FY 2017-18	Joint Commissioner of Sales Tax Appeals



## INDEPENDENT AUDITOR'S REPORT

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Amount unpaid (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
MVAT Act, 2002	Value Added Tax	290.31	-	290.31	FY 2012-13	Joint Commissioner of Sales Tax
MVAT Act, 2002	Value Added Tax	356.85	-	356.85	FY 2013-14	Joint Commissioner of Sales Tax
MVAT Act, 2002	Value Added Tax	506.47	-	506.47	FY 2014-15	Appeal before Maharashtra Sales Tax Tribunal, Mumbai
Income Tax, 1961	Income Tax	5,331.06	333.11	4,997.95	A.Y. 2014-15 to A.Y. 2020-21	Commissioner of Income Tax Appeals, Mumbai

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

## INDEPENDENT AUDITOR'S REPORT

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.  
(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 accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.  
(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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 any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P Sethna**

Partner

Membership No.: 108840

**UDIN: 24108840BKFDPR3136**

**Place:** Mumbai

**Date:** 22 July 2024

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE B

#### **Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Allied Blenders and Distillers Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## INDEPENDENT AUDITOR'S REPORT

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P Sethna**

Partner

Membership No.: 108840

**UDIN: 24108840BKFDPR3136**

**Place:** Mumbai

**Date:** 22 July 2024



**Allied Blenders  
& Distillers**

## STANDALONE BALANCE SHEET

as at 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars		Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>				
<b>I</b>	<b>Non-current assets</b>			
	Property, plant and equipment	5	35,265.57	36,531.03
	Capital work-in-progress	5A	1,156.40	969.29
	Right-of-use assets	6	12,266.86	12,971.19
	Goodwill	7	366.31	366.31
	Other intangible assets	7	6,146.54	6,325.15
	Financial assets			
	(i) Investments in subsidiaries	8A	8,907.06	262.44
	(ii) Investments	8C	0.39	0.39
	(iii) Loans	9	1,648.15	1,545.62
	(iv) Other financial assets	10	4,193.05	5,313.22
	Deferred tax assets (net)	11	968.83	1,204.58
	Income-tax assets (net)	12	1,862.38	1,677.11
	Other non-current assets	13	2,702.72	1,720.20
	<b>Total non-current assets</b>		<b>75,484.26</b>	<b>68,886.53</b>
<b>II</b>	<b>Current assets</b>			
	Inventories	14	41,883.92	55,918.33
	Financial assets			
	(i) Trade receivables	15	124,371.15	95,761.36
	(ii) Cash and cash equivalents	16	2,670.73	2,702.41
	(iii) Bank balances other than cash and cash equivalents above	17	4,797.71	2,547.60
	(iv) Loans	18	42.80	7.74
	(v) Other financial assets	19	2,127.96	2,602.77
	Other current assets	20	14,216.15	13,009.78
			<b>190,110.42</b>	<b>172,549.99</b>
	Assets classified as held for sale	8B	-	8,242.50
	<b>Total current assets</b>		<b>190,110.42</b>	<b>180,792.49</b>
	<b>TOTAL ASSETS</b>		<b>265,594.68</b>	<b>249,679.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>III</b>	<b>Equity</b>			
	Equity share capital	21	4,882.27	4,882.27
	Other equity	22	38,124.72	37,553.53
	<b>Total equity</b>		<b>43,006.99</b>	<b>42,435.80</b>
<b>IV</b>	<b>Non-current liabilities</b>			
	Financial liabilities			
	(i) Borrowings	23	19,126.29	13,866.37
	(ii) Lease liabilities	24	742.66	1,334.12
	Provisions	25	2,316.58	1,315.23
	<b>Total non-current liabilities</b>		<b>22,185.53</b>	<b>16,515.72</b>
<b>V</b>	<b>Current liabilities</b>			
	Financial liabilities			
	(i) Borrowings	26	62,889.55	63,378.48
	(ii) Lease liabilities	27	319.92	306.01
	(iii) Trade payables	28		
	- Total outstanding dues of micro and small enterprises		22,777.83	16,312.88
	- Total outstanding dues of creditors other than micro and small enterprises		47,583.55	40,484.89
	(iv) Other financial liabilities	29	18,261.03	19,241.37
	Other current liabilities	30	46,983.15	49,647.26
	Provisions	31	1,284.23	1,249.14
	Current tax liabilities (net)	32	302.90	107.47
	<b>Total current liabilities</b>		<b>200,402.16</b>	<b>190,727.50</b>
	<b>TOTAL LIABILITIES</b>		<b>222,587.69</b>	<b>207,243.22</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>265,594.68</b>	<b>249,679.02</b>
	Summary of material accounting policies and other explanatory information	2		
	The accompanying notes form an integral part of the standalone financial statements			

This is the standalone balance sheet referred to in our report of even date

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N / N500013

#### Adi R. Sethna

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

### For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited

#### Alok Gupta

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

#### Arun Barik

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

#### Ramakrishnan Ramaswamy

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

#### Ritesh Shah

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024



## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	33	766,857.03	710,568.02
Other income	34	729.42	1,208.80
<b>Total Income</b>		<b>767,586.45</b>	<b>711,776.82</b>
<b>Expenses</b>			
Cost of materials consumed	35	206,683.54	199,568.67
Purchases of stock-in-trade	36	565.00	562.70
Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	2,542.09	(2,727.03)
Excise duty		434,071.89	395,905.14
Employee benefit expense	38	17,526.35	18,554.57
Other expenses	41	81,164.92	80,110.58
<b>Total expenses (excluding finance cost and depreciation / amortisation)</b>		<b>742,553.79</b>	<b>691,974.63</b>
<b>Profit before finance costs, depreciation and amortisation expenses, exceptional items and tax</b>		<b>25,032.66</b>	<b>19,802.19</b>
Finance costs	39	17,267.15	13,436.20
Depreciation and amortisation expenses	40	5,499.53	5,438.72
<b>Profit before exceptional items and tax</b>		<b>2,265.98</b>	<b>927.27</b>
Exceptional Items (Refer note 20)		498.62	-
<b>Profit before tax</b>		<b>1,767.36</b>	<b>927.27</b>
<b>Tax expense/(credit), net</b>			
(i) Current tax	42	834.32	123.84
(ii) Tax adjustments in respect of earlier years	42	(8.04)	(5.97)
(iii) Deferred tax charge	42	269.51	315.76
		<b>1,095.79</b>	<b>433.63</b>
<b>Profit after tax</b>		<b>671.57</b>	<b>493.64</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans (loss)	41B	(134.14)	61.63
Income tax relating to these items	41B	33.76	(21.57)
<b>Other comprehensive income, net of tax</b>		<b>(100.38)</b>	<b>40.06</b>
<b>Total comprehensive income</b>		<b>571.19</b>	<b>533.70</b>
<b>Earnings per equity share:</b>	50		
Basic (in ₹)		0.28	0.20
Diluted (in ₹)		0.28	0.20
Face value per share (in ₹)		2.00	2.00
Summary of material accounting policies and other explanatory information	2		
The accompanying notes form an integral part of the standalone financial statements			

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N / N500013

**Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

**For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

**Arun Barik**

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

**Ramakrishnan Ramaswamy**

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

**Ritesh Shah**

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024



**Allied Blenders  
& Distillers**

## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### a) Equity share capital

(Refer note 21)

Particulars	Number of shares	Amount
<b>Issued, subscribed and paid-up:</b>		
As at 1 April 2022	23,55,66,665	4,711.33
Issue of shares on conversion of CCD (Refer note 62)	85,47,000	170.94
As at 1 April 2023	<b>24,41,13,665</b>	<b>4,882.27</b>
Issue of shares	-	-
As at 31 March 2024	<b>24,41,13,665</b>	<b>4,882.27</b>

### b) Other equity

(Refer note 22)

Particulars	Reserve and Surplus						Total
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Equity component of compound financial instrument	Balance surplus in the statement of profit and loss (Retained Earnings)	
<b>Balance as at 1 April 2022</b>	<b>0.80</b>	<b>11,027.80</b>	<b>4,822.94</b>	<b>681.82</b>	<b>9,528.18</b>	<b>11,129.23</b>	<b>37,190.77</b>
Profit for the year	-	-	-	-	-	493.64	493.64
Other comprehensive income for the year	-	-	-	-	-	40.06	40.06
Issue of equity shares on conversion of CCD (Refer note 62)	-	9,357.24	-	-	(9,528.18)	-	(170.94)
<b>Balance as at 31 March 2023</b>	<b>0.80</b>	<b>20,385.04</b>	<b>4,822.94</b>	<b>681.82</b>	<b>-</b>	<b>11,662.93</b>	<b>37,553.53</b>
Profit for the year	-	-	-	-	-	671.57	671.57
Other comprehensive income for the year	-	-	-	-	-	(100.38)	(100.38)
<b>Balance as at 31 March 2024</b>	<b>0.80</b>	<b>20,385.04</b>	<b>4,822.94</b>	<b>681.82</b>	<b>-</b>	<b>12,234.12</b>	<b>38,124.72</b>

Summary of material accounting policies and other explanatory information (Refer note 2)

The accompanying notes form an integral part of the standalone financial statements

This is the standalone statement of changes in equity referred to in our report of even date.

#### For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N / N500013

#### Adi P. Sethna

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

#### For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited

#### Alok Gupta

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

#### Ramakrishnan Ramaswamy

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

#### Arun Barik

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

#### Ritesh Shah

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024

## STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		1,767.36	927.27
Adjustments for :			
Depreciation/amortisation	40	5,499.53	5,438.72
Exceptional Items	20	498.62	-
Provision for doubtful debts	41	932.87	329.50
Provision for doubtful advances	41	51.52	22.04
Bad debts written-off (net of provisions written back)	41	29.40	-
Provision for inventory		429.07	622.17
Unrealised foreign exchange loss		102.96	25.80
Finance costs	39	17,267.15	13,436.20
(Profit)/Loss on sale of property, plant and equipment	34	(96.89)	4.04
Liabilities no longer required written back	34	(109.21)	(123.38)
Provision no longer required written back	34	(14.58)	(152.06)
Interest income from investing activities	34	(329.56)	(317.53)
<b>Operating profit before working capital changes</b>		<b>26,028.24</b>	<b>20,212.77</b>
<b>Adjustments for working capital:</b>			
Decrease/(Increase) in inventories		13,605.34	(21,291.03)
(Increase) in trade receivables		(29,547.86)	(580.72)
(Increase) in financial assets and other assets		(1,499.12)	(5,391.72)
Increase in liabilities and provisions		10,834.56	30,462.13
<b>Cash generated from operating activities</b>		<b>19,421.16</b>	<b>23,411.43</b>
Direct taxes paid (net)		(816.12)	(400.91)
<b>Net cash generated from operating activities</b>	<b>(A)</b>	<b>18,605.04</b>	<b>23,010.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investment in compulsorily convertible debentures	46(b)	(390.00)	(840.00)
Purchase of property, plant and equipment and intangible assets including capital work in progress		(4,603.83)	(2,019.48)
Proceeds from sale of property, plant and equipment		146.81	66.36
Loans given to subsidiaries	46(b)	(18.55)	(11.07)
Investment in bank deposits		(5,183.62)	(1,585.12)
Maturity of bank deposits		3,962.15	1,482.65
Interest received		214.91	212.65
<b>Net cash (used in) investing activities</b>	<b>(B)</b>	<b>(5,872.13)</b>	<b>(2,694.01)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings		15,630.00	-
Repayment of long term borrowings		(10,530.37)	(7,446.38)
Repayment of short term borrowings (net)		(444.36)	1,876.87
Finance costs paid		(17,008.49)	(13,452.45)
Interest on lease liabilities	54(ii)	(142.94)	(175.27)
Repayment of lease obligations	54(ii)	(268.43)	(258.43)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(12,764.59)</b>	<b>(19,455.66)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(31.68)</b>	<b>860.85</b>
Opening balance of cash and cash equivalents		2,702.41	1,841.56
<b>Closing balance of cash and cash equivalents</b>		<b>2,670.73</b>	<b>2,702.41</b>
<b>Components of cash and cash equivalents:</b>			
Cash on hand	16	67.81	96.19
Balances with banks in current accounts	16	637.05	1,272.96
Cheques, drafts on hand	16	1,965.87	1,333.26
<b>Cash and cash equivalents</b>		<b>2,670.73</b>	<b>2,702.41</b>

Note:

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

(ii) Refer note 62 for significant non cash transaction

Summary of material accounting policies and other explanatory information 2

The accompanying notes form an integral part of the standalone financial statements

This is the standalone statement of cash flow referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N / N500013

**Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

**For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

**Arun Barik**

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

**Ramakrishnan Ramaswamy**

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

**Ritesh Shah**

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 1 COMPANY INFORMATION

Allied Blenders and Distillers Limited ("the Company") is a public limited company domiciled and headquartered in Mumbai, Maharashtra, India. It is incorporated under the Companies Act, 1956. The Company is engaged in the business of manufacture, purchase and sale of Alcoholic Beverages/ liquids.

The Standalone financial statements ('the financial statements') of the Company for the year ended 31 March 2024 were authorised for issue in accordance with the resolution of Board of Directors on 22 July 2024.

### 2 MATERIAL ACCOUNTING POLICIES

#### a. Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, except for amendments applicable from a specified date.

The financial statements have been prepared on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (which is a period not exceeding twelve months) and other criteria set out in Schedule III to Companies Act, 2013.

#### b. Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. On disposal of investments the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of profit and loss.

#### c. Foreign Currency Transactions

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on their settlement and restatement are recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are recorded in terms of historical cost are not retranslated.

#### d. Revenue Recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the Company in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- ii. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Revenue from sale of products are recognised by the Company at a point in time on which the performance obligation is satisfied.

### Revenue from sale of products

Revenue is recognised on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

### Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e., it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory lying with TMU's under such arrangements as its own inventory.

The net receivables from/payable to TMUs are recognised under other financial assets/other financial liabilities as due from tie up units or due to tie up units respectively.

### Interest

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### e. Income tax

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the period. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted in relation to the reporting period.

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient 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 utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced when it is no longer probable that sufficient taxable profit will be available to allow the full or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

### **f. Leases**

#### **As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **i. Right of use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note g for impairment of non-financial assets.

#### **ii. Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce Property plant and equipment) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liability.

#### **iii. Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### g. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date to confirm if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

### h. Inventories

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realisable value. Damaged, non-moving / obsolete stocks are suitably written down/provided for.

In determining cost of raw materials, packing materials, work-in-progress and finished goods weighted average cost method is used. Cost of raw material comprises all costs of purchase, non-refundable duties and taxes and all other costs incurred in bringing the inventory to their present location and condition.

Cost of work-in-progress and finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

### i. Financial Instruments

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

#### a) Financial Assets

##### (i) Initial Recognition

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

##### (ii) Subsequent Measurement

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

- Financial Assets at Amortised Cost

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

- Financial Assets Measured at Fair Value

Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets and collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

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

### (iii) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### (iv) Impairment of Financial Assets

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

### (v) De-recognition of Financial Assets

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

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

## b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### Financial Liabilities

- Initial Recognition

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

- Subsequent Measurement

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

#### Financial liabilities at FVPL:

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

#### Financial liabilities at amortised cost

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

- De-recognition of Financial Liabilities

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

- Offsetting Financial Instruments

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

### c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### d) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them initially at contracted price and subsequently at amortised cost using the effective interest method, less loss allowance.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### e) Trade payable

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

### j. Property plant and equipment (including Capital Work-in-Progress)

Freehold land is carried at historical cost less impairment loss, if any. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation / amortisation and impairment loss, if any. Historical cost includes expenditure that is attributable to the acquisition/ construction and all other costs (including borrowing related to qualifying assets), that are not refundable and are necessary to bring the asset to its working condition of use as intended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are incurred before the date they are ready for their intended use, are disclosed as capital work-in-progress before such date.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### Depreciation / Amortisation:

Depreciation is charged on written down value method on the basis of useful life of assets (mentioned below) keeping a residual value of assets at 5% of the original cost, except in case of computers and data processing units where residual value is estimated at 1% of the original cost. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is calculated pro-rata from the date of addition or upto the date of disposal, as the case may be. The Company depreciates its property, plant and equipment (PPE) over useful life in manner prescribed in Schedule II to the Act, except factory building, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

Class of Assets	Useful Life (Years)
Plant and machinery	10-40
Building	19-60
Leasehold Improvements	5
Vehicles	6-10
Server and network	6
Electrical installation	10
Office equipment	5
Computer and accessories	3-6
Laboratory equipment	5-10
Furniture and fixtures	8-10
Road	3-10
Mould	15

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Capital costs in respect of upgradation of leased premises has been amortized over the initial lease period or its useful lives whichever is lower.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### k. Intangible Assets and amortisation

Intangible assets with a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is attributable to the acquisition/ development of the intangible assets including cost necessary to bring the asset to its intended use or sale.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Software and related implementation costs are capitalized where it is expected to provide enduring economic benefits and are amortized over a period of 5 years starting from the month of addition.

Manufacturing License is considered as an asset with indefinite useful life, since there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The acquisition cost of such asset is carried at deemed cost and is tested for impairment annually.

Patent, trademarks and design, and license (other than manufacturing license) acquisition cost are amortised over a period of 10 years from the month of acquisition

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

Digital Content is amortised over a period of 18 months to 24 months from the month of capitalisation.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

### l. Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of profit and loss over the period of the borrowings using the effective interest method. Subsequently all borrowings are measured at amortised cost using the effective interest rate method.

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 recognised in statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

### m. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in statement of Profit and Loss in the period in which they are incurred.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### n. Provisions, Contingent Liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation where outflow of resources is not probable or where outflow is probable but reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, they are disclosed only when an inflow of economic benefits is probable.

### o. Employee Benefits

**A) Short term employee benefits:** All employee benefits which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

#### B) Post-employment benefits

**i. Defined Contribution Plans:** Company's contribution to the state governed provident fund scheme, superannuation scheme, Employees State Insurance corporation (ESIC) etc. are recognised during the period in which the related service is rendered.

**ii. Gratuity:** The Company has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current period is debited to the Statement of Profit and Loss. The present value of the defined benefit obligation, which is unfunded at present, 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 the terms of the related obligation. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

**iii. Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the period are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/gains are recognised in the Standalone Statement of Profit and Loss in the period in which they arise.

**iv. Medical benefits:** The Company has computed its liability towards post-employment medical benefits on actuarial valuation basis which is determined based on projected unit credit method and the charge for current period is debited to the Statement of Profit and Loss. The present value of the defined benefit obligation, which is unfunded at present, 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 the terms of the related obligation. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

**C) Termination Benefits:** These are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred, i.e. when employment is terminated or when an employee accepts voluntary redundancy in exchange for these benefits.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) 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 right issue, shares split (sub-division) and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### q. Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the period, the nature and amount of such items is disclosed as exceptional items.

### r. Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Executive committee, which has been identified as the chief operating decision maker, assesses the financial performance and position of the Company and makes strategic decisions. The executive committee consists of the Chief Financial Officer & Chief Executive Officer and other departmental heads. See note 51 for segment information presented.

## 3 Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires estimates and assumptions to be made by the Management of the Company that affect the reported amounts of assets and liabilities and amounts disclosed as contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

The Management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to originally assessed estimates and assumptions turning out to be different than the actual results.

Examples of such estimates include the useful life of property, plant and equipment, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, impairment of investments/assets, etc.

### i) Property, plant and equipment and Intangible Assets: (Refer note 5 and 7)

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013 or otherwise are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

### ii) Income Tax: (Refer note 42)

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### iii) Contingencies: (Refer note 48)

Management has estimated the possible outflow of resources, if any at the end of each annual reporting financial period, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### iv) Impairment of financial assets: (Refer note 44)

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### v) Loss Allowance (Refer note 15)

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible.

### vi) Impairment of non-financial assets: (Refer note 5 and 7)

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication that an individual asset / group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal / external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### vii) Defined benefit obligation (Refer note 47)

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in the notes to the financial statements.

### viii) Fair value measurements (Refer note 43)

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

## 4 Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these Standalone Financial Statements.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 5 Property, plant and equipment

Particulars	Freehold land	Buildings	Factory road	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Leasehold Improvements*	Office equipment	Computers	Server and network	Lab processing equipments	Moulds	Total
<b>Gross carrying value</b>														
<b>As at 1 April 2022</b>	8,661.78	27,702.52	563.28	31,207.23	1,467.74	3,472.40	2,089.74	3,491.95	1,577.13	660.44	291.25	180.72	23.03	81,389.21
Additions	-	102.99	-	607.58	58.67	-	3.33	597.99	38.67	61.25	-	3.30	-	1,473.78
Disposals	-	5.88	-	121.33	-	-	-	-	-	1.38	-	-	-	128.59
<b>As at 31 March 2023</b>	8,661.78	27,799.63	563.28	31,693.48	1,526.41	3,472.40	2,093.07	4,089.94	1,615.80	720.31	291.25	184.02	23.03	82,734.40
Additions	-	521.98	-	501.35	44.78	920.34	73.41	1,327.33	16.39	79.10	3.07	26.03	-	3,513.78
Disposals	-	-	-	35.18	5.32	665.10	-	-	0.57	17.95	28.59	10.08	-	762.79
<b>As at 31 March 2024</b>	8,661.78	28,321.61	563.28	32,159.65	1,565.87	3,727.64	2,166.48	5,417.27	1,631.62	781.46	265.73	199.97	23.03	85,485.39
<b>Accumulated depreciation</b>														
<b>As at 1 April 2022</b>	-	12,287.78	447.27	19,297.12	1,289.89	2,858.64	1,781.96	1,197.28	1,380.26	598.86	279.66	147.46	17.88	41,584.06
Charge for the year	-	1,208.87	53.29	1,925.27	86.97	185.12	130.05	913.47	94.64	67.29	3.22	8.38	0.93	4,677.50
Disposals	-	1.92	-	54.90	-	-	-	-	-	1.37	-	-	-	58.19
<b>As at 31 March 2023</b>	-	13,494.73	500.56	21,167.49	1,376.86	3,043.76	1,912.01	2,110.75	1,474.90	664.78	282.88	155.84	18.81	46,203.37
Charge for the year	-	1,129.74	21.10	1,646.97	68.44	247.30	112.55	1,364.83	49.38	76.33	1.77	10.13	0.77	4,729.31
Disposals	-	-	-	20.64	4.74	631.34	-	-	0.55	17.76	28.26	9.57	-	712.86
<b>As at 31 March 2024</b>	-	14,624.47	521.66	22,793.82	1,440.56	2,659.72	2,024.56	3,475.58	1,523.73	723.35	256.39	156.40	19.58	50,219.82
<b>Net carrying value</b>														
<b>Balance as at 31 March 2023</b>	8,661.78	14,304.90	62.72	10,525.99	149.55	428.64	181.06	1,979.19	140.90	55.53	8.37	28.18	4.22	36,531.03
<b>Balance as at 31 March 2024</b>	8,661.78	13,697.14	41.62	9,365.83	125.31	1,067.92	141.92	1,941.69	107.89	58.11	9.34	43.57	3.45	35,265.57

\* Leasehold improvement includes additions at property taken on lease and used as Chairman office, home office, Company's Guest Office and training center.

Refer note 23 and note 26 for assets pledged as security.

### 5a Capital work-in-progress

<b>Balance as at 1 April 2022</b>	1,051.79
Additions	817.63
Capitalised during the year	(900.13)
<b>Balance as at 31 March 2023</b>	969.29
Additions	1,002.94
Capitalised during the year	(815.83)
<b>Balance as at 31 March 2024</b>	1,156.40

Please refer note 55 for ageing.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 6 Right-of-use assets

Particulars	Right of use assets- land	Right of use assets- buildings	Right of use assets- machinery	Total
<b>Gross carrying value</b>				
<b>As at 1 April 2022</b>	<b>11,903.86</b>	<b>169.32</b>	<b>1,796.10</b>	<b>13,869.28</b>
Additions	-	8.38	329.00	337.38
Deletions	-	33.38	-	33.38
<b>As at 31 March 2023</b>	<b>11,903.86</b>	<b>144.32</b>	<b>2,125.10</b>	<b>14,173.28</b>
Additions	-	-	-	-
Deletions/Adjustment	-	-	309.12	309.12
<b>As at 31 March 2024</b>	<b>11,903.86</b>	<b>144.32</b>	<b>1,815.98</b>	<b>13,864.16</b>
<b>Accumulated Depreciation</b>				
<b>As at 1 April 2022</b>	<b>268.25</b>	<b>12.56</b>	<b>544.27</b>	<b>825.08</b>
Charge for the year	89.39	40.06	254.24	383.69
Deletions	-	6.68	-	6.68
<b>As at 31 March 2023</b>	<b>357.64</b>	<b>45.94</b>	<b>798.51</b>	<b>1,202.09</b>
Charge for the year	89.39	35.29	270.53	395.21
Deletions	-	-	-	-
<b>As at 31 March 2024</b>	<b>447.03</b>	<b>81.23</b>	<b>1,069.04</b>	<b>1,597.30</b>
<b>Net carrying value</b>				
<b>Balance as at 31 March 2023</b>	<b>11,546.22</b>	<b>98.38</b>	<b>1,326.59</b>	<b>12,971.19</b>
<b>Balance as at 31 March 2024</b>	<b>11,456.83</b>	<b>63.09</b>	<b>746.94</b>	<b>12,266.86</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 7 Intangible assets

Particulars	Software	License fees*	Patent, trademark and design	Digital Content	Total	Goodwill
<b>Gross carrying value</b>						
<b>Balance as at 1 April 2022</b>	<b>2,139.67</b>	<b>5,988.88</b>	<b>51.51</b>	<b>109.74</b>	<b>8,289.80</b>	<b>864.75</b>
Additions	-	-	-	526.11	526.11	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>2,139.67</b>	<b>5,988.88</b>	<b>51.51</b>	<b>635.85</b>	<b>8,815.91</b>	<b>864.75</b>
Additions	35.40	161.00	-	-	196.40	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>2,175.07</b>	<b>6,149.88</b>	<b>51.51</b>	<b>635.85</b>	<b>9,012.31</b>	<b>864.75</b>
<b>Accumulated amortisation</b>						
<b>Balance as at 1 April 2022</b>	<b>1,778.61</b>	<b>289.29</b>	<b>24.32</b>	<b>21.01</b>	<b>2,113.23</b>	<b>498.44</b>
Charge for the year	115.83	6.53	5.01	250.16	377.53	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>1,894.44</b>	<b>295.82</b>	<b>29.33</b>	<b>271.17</b>	<b>2,490.76</b>	<b>498.44</b>
Charge for the year	88.19	6.11	5.00	275.71	375.01	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>1,982.63</b>	<b>301.93</b>	<b>34.33</b>	<b>546.88</b>	<b>2,865.77</b>	<b>498.44</b>
<b>Net carrying value</b>						
<b>Balance as at 31 March 2023</b>	<b>245.23</b>	<b>5,693.06</b>	<b>22.18</b>	<b>364.68</b>	<b>6,325.15</b>	<b>366.31</b>
<b>Balance as at 31 March 2024</b>	<b>192.44</b>	<b>5,847.95</b>	<b>17.18</b>	<b>88.97</b>	<b>6,146.54</b>	<b>366.31</b>

\* License fees represents cost towards licenses acquired by the Company for its manufacturing units. Based on management estimate and conditions stipulated in the license document issued by the statutory authorities, the useful lives of certain licenses has been assessed to be indefinite for the said licenses of ₹ 5,836.15 Lakhs (31 March 2023: ₹ 5,675.15 lakhs).



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 8 Investments

Particulars	As at 31 March 2024	As at 31 March 2023
<b>A) Non Current Investment in subsidiaries - measured at cost</b>		
<b>Investment in equity instruments (unquoted at cost, fully paid-up)</b>		
<b>Subsidiaries</b>		
NV Distilleries & Breweries (AP) Private Limited		
31 March 2024 - 10,000 (31 March 2023- 10,000) equity shares of ₹ 10 each fully paid up	1.00	1.00
Sarthak Blenders & Bottlers Private Limited		
31 March 2024 - 522,100 (31 March 2023- 522,100) equity shares of ₹ 10 each fully paid up	167.70	167.70
Chitwan Blenders & Bottlers Private Limited		
31 March 2024 - 19,980 (31 March 2023- 19,980) equity shares of ₹ 100 each fully paid up	73.93	73.93
Less : Provision for diminution in the value of investment	(73.93)	(73.93)
Deccan Star Distilleries India Private Limited		
31 March 2024 - 10,000 (31 March 2023- 10,000) equity shares of ₹ 10 each fully paid up	1.00	1.00
Allied Blenders and Distillers (UK) Limited		
31 March 2024 - 100 (31 March 2023- 100) equity shares of GBP 1 each fully paid up	0.10	0.10
ABD Dwellings Private Limited (Refer note 1 below)		
31 March 2024 - 10,000 (31 March 2023- Nil) equity shares of ₹ 10 each fully paid up	1.00	-
Madanlal Estates Private Limited (Refer note 1 below)		
31 March 2024 - 10,000 (31 March 2023- Nil) equity shares of ₹ 10 each fully paid up	1.00	-
<b>Sub-total (i)</b>	<b>171.80</b>	<b>169.80</b>
Investment in partnership firms (Refer note 4 below)		
Fixed Capital in Allied Blenders and Distillers Maharashtra LLP	0.85	0.85
<b>Sub-total (ii)</b>	<b>0.85</b>	<b>0.85</b>
<b>Equity component of investment in inter-corporate deposit in subsidiary (deemed cost) (Refer note 3 below)</b>		
NV Distilleries & Breweries (AP) Private Limited	103.91	91.79
<b>Sub-total (iii)</b>	<b>103.91</b>	<b>91.79</b>
<b>Investment in preference shares, unquoted</b>		
Chitwan Blenders & Bottlers Private Limited		
31 March 2024 - 5,000 (31 March 2023- 5,000) preference shares of ₹ 100 each fully paid up	8.93	8.93
Less : Provision for diminution in the value of investment	(8.93)	(8.93)
<b>Sub-total (iv)</b>	<b>-</b>	<b>-</b>
<b>Deemed equity in compulsorily convertible debentures (CCD) (unquoted at cost, fully paid up) (Refer note 1 and 2 below)</b>		
ABD Dwellings Private Limited (Refer note 46)	4,650.50	-
31 March 2024 - 46,505,000 (31 March 2023- Nil) CCD of ₹ 10 each fully paid up		
Madanlal Estates Private Limited (Refer note 46)	3,980.00	-
31 March 2024 - 39,800,000 (31 March 2023 - Nil) CCD of ₹ 10 each fully paid up		
<b>Sub-total (v)</b>	<b>8,630.50</b>	<b>-</b>
<b>Total (A) (i+ii+iii+iv+v)</b>	<b>8,907.06</b>	<b>262.44</b>
<b>Aggregate value of unquoted investments (net of impairment)</b>	<b>8,907.06</b>	<b>262.44</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>82.86</b>	<b>82.86</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>B) Assets classified as held for sale (Current Investment in subsidiaries - measured at lower of cost or realisable value)</b>		
<b>Investment in equity instruments (unquoted, fully paid-up) (Refer note 1 below)</b>		
ABD Dwellings Private Limited	-	1.00
31 March 2024 - Nil (31 March 2023- 10,000) equity shares of ₹ 10 each fully paid up		
Madanlal Estates Private Limited	-	1.00
31 March 2024 - Nil (31 March 2023- 10,000) equity shares of ₹ 10 each fully paid up		
<b>Sub-total (i)</b>	<b>-</b>	<b>2.00</b>
<b>Deemed equity in compulsorily convertible debentures (CCD) (unquoted, fully paid up) (Refer note 1 and 2 below)</b>		
ABD Dwellings Private Limited (Refer note 46)	-	4,260.50
31 March 2024 - Nil (31 March 2023- 42,605,000) CCD of ₹ 10 each fully paid up		
Madanlal Estates Private Limited (Refer note 46)	-	3,980.00
31 March 2024 - Nil (31 March 2023 - 39,800,000) CCD of ₹ 10 each fully paid up		
<b>Sub-total (ii)</b>	<b>-</b>	<b>8,240.50</b>
<b>Total (B) (i+ii)</b>	<b>-</b>	<b>8,242.50</b>
<b>Aggregate value of unquoted investments</b>	<b>-</b>	<b>8,242.50</b>
<b>C) Investment Others</b>		
<b>Investment in equity shares measured at fair value through profit and loss account</b>		
<b>Un-quoted, fully paid-up</b>		
Sanguine New Media & Advisory Private Limited		
31 March 2024 - 2,941 (31 March 2023- 2,941) equity shares of ₹ 10 each fully paid up	20.00	20.00
Less : Provision for diminution in the value of investment	(20.00)	(20.00)
Shamrao Vithal Co-operative Bank Ltd		
31 March 2024 - 100 (31 March 2023- 100) equity shares of ₹ 25 each fully paid up	0.03	0.03
Saraswat Co-Operative Bank Limited		
31 March 2024 - 2,500 (31 March 2023- 2,500) equity shares of ₹ 10 each fully paid up	0.25	0.25
Jankalyan Sahkari Bank Limited (#)		
31 March 2024 - 10 (31 March 2023- 10) equity shares of ₹ 10 each fully paid up	0.00	0.00
<b>Sub-total (i)</b>	<b>0.28</b>	<b>0.28</b>
<b>Investment in government securities measured at amortized cost, unquoted</b>		
National savings certificates	0.11	0.11
<b>Sub-total (ii)</b>	<b>0.11</b>	<b>0.11</b>
<b>Total (C) (i+ii)</b>	<b>0.39</b>	<b>0.39</b>
<b>Aggregate value of unquoted investments (net of impairment)</b>	<b>0.39</b>	<b>0.39</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>20.00</b>	<b>20.00</b>

**Note 1:** The Company had entered into Agreement for Sale dated 15 June 2022, with Bina K Chhabria, Neesha Chhabria and Resham Chhabria Jeetendra Hemdev for sale of equity shares and compulsory convertible debentures of ABD Dwellings Private Limited and Madanlal Estates Private Limited, wholly owned subsidiaries, at their face value which is representative of fair value on the terms and conditions stipulated in the respective agreements. In terms of the resolution dated 14 March 2024, passed by the Board of Directors of the Company, the aforesaid agreements have since been terminated. Consequently, the investment in subsidiaries, earlier classified separately as 'Assets classified as held for sale (Current Investment in subsidiaries),

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

have been re-classified to Non-current investment in subsidiaries, as per the requirements of the accounting standard. However, in the event of a disposal arising at any time in the future, the Company has received an undertaking (which would be operative as per the provisions of law prevailing at that point of time) from the chairman confirming his willingness to compensate the Company for shortfall, if any, in the carrying value as compared with its recoverable value. Such undertaking would enable the Company to safeguard the carrying value of these assets from impairment, if any, in the future.

**Note 2:** Terms of 0% Compulsorily Convertible Debentures (CCD):

- The CCD shall be unsecured.
- The CCD shall have tenure of not exceeding 10 years.
- Each CCD shall be convertible into such number of fully paid up equity shares of ₹ 10 each solely at the option of the Board of Directors of ABD Dwellings Private Limited and Madanlal Estates Private Limited. The holders of CCD shall not have any right to opt for conversion at any time during the period of maturity.
- The CCD do not themselves give to the holder thereof any rights of shareholders of the Company.
- The new equity shares issued on conversion of CCD shall be in dematerialised or physical form and subject to the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects with the existing issued and subscribed equity shares of the Company including rights towards dividend.

**Note 3:** Loan given to subsidiary is accounted at fair value and the difference between the fair value and transaction price is recognised as deemed investment as per Ind AS 109. Such investments will be derecognised on disposal of control in the subsidiary.

**Note 4:** In compliance with Limited Liability Partnership Agreement dated 6 July 2022, the Company became a 85% stake partner in Allied Blenders and Distillers Maharashtra LLP on 15 June 2022 by contributing a fixed capital of ₹ 0.85 lakhs.

Name of Designated Partner	Percentage of profit share
1. M/s. Allied Blenders and Distillers Limited	85.00%
2. Mr. Rajesh Ankushrao Tope	10.00%
3. M/s. Oscorp Trade Services Private Limited	5.00%
4. Mr. Ramakrishnan Ramaswamy	0.00%
5. Mr. Shekhar Ramamurthy	0.00%

#Amount less than ₹ 500

### 9 Loans (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured (unless otherwise stated)</b>		
<b>Loans and advances to related parties (Refer note 46) :</b>		
Considered good#		
NV Distilleries & Breweries (AP) Private Limited	1,646.69	1,544.33
Deccan Star Distillers India Private Limited	1.46	1.29
<b>Loans and advances to others</b>		
Considered good	-	-
Credit impaired	94.27	94.27
Less : Provision for expected credit loss	(94.27)	(94.27)
<b>Total</b>	<b>1,648.15</b>	<b>1,545.62</b>

#Disclosure as per Section 186 of the Companies Act, 2013

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Balance as at the year end	1,648.15	1,545.62
For working capital purpose	1,648.15	1,545.62
<b>Break up of loans and advances details :</b>		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	1,648.15	1,545.62
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	94.27	94.27

### 9.1 Disclosure under Section 186(4) of the Companies Act, 2013

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Loan given to subsidiaries (^):</b>		
NV Distilleries & Breweries (AP) Private Limited	1,646.69	1,544.33
Deccan Star Distillers India Private Limited	1.46	1.29
Loan given to others (credit impaired)	94.27	94.27

^ The balance outstanding as at close of the year is the maximum balance outstanding during the year.

These entities do not hold any equity shares in the Company.

There are no loans receivable from Directors or other officers of the Company or any of them either severally or jointly with any other person or loans receivables from firms or private companies respectively in which any director is a partner or a director or a member.

### 10 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured considered good (unless otherwise stated)</b>		
Security deposits		
- Others good	806.85	938.29
- Credit impaired	-	53.67
Less : Provision for expected credit loss	-	(53.67)
Due from tie-up units	2,493.63	2,453.72
Bank deposits with more than 12 months maturity*	895.57	1,924.21
Less : Provision for doubtful deposits	(3.00)	(3.00)
	892.57	1,921.21
<b>Total</b>	<b>4,193.05</b>	<b>5,313.22</b>

\* Bank deposits shown above are kept under lien with various statutory authorities of ₹ 895.57 lakhs (31 March 2023: ₹ 804.72 lakhs) and short term borrowings availed from banks of Nil (31 March 2023: ₹ 1,119.49 lakhs).

#### Break up of security details :

Security deposits considered good - secured	-	-
Security deposits considered good - unsecured	806.85	938.29
Security deposits which have significant increase in credit risk	-	-
Security deposits - credit impaired	-	53.67



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 11 Deferred tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities arising on account of:</b>		
Property, Plant and equipment, Goodwill and Other intangible assets	571.59	1,023.36
Financial assets and financial liabilities at amortised cost	263.34	90.52
Others	38.25	53.10
<b>Total deferred tax liabilities (A)</b>	<b>873.18</b>	<b>1,166.98</b>
<b>Deferred tax asset arising on account of :</b>		
Employee benefits	680.23	927.12
Provision for expected credit loss	793.71	1,275.25
Difference in book values and tax base values of right of use assets and lease liabilities	60.07	70.00
Others	308.00	99.19
<b>Total deferred tax assets (B)</b>	<b>1,842.01</b>	<b>2,371.56</b>
<b>Deferred tax assets (net) (B-A)</b>	<b>968.83</b>	<b>1,204.58</b>

### 12 Income-tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (Net of provision for tax of ₹ 5,860.20 lakhs (31 March 2023: ₹ 5,775.99 lakhs))	1,862.38	1,677.11
<b>Total</b>	<b>1,862.38</b>	<b>1,677.11</b>

### 13 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Capital advances		
- Others good	840.16	150.08
- Others credit impaired	20.00	20.00
Less : Provision for doubtful advances	(20.00)	(20.00)
Prepayments	480.94	294.00
Balance with statutory authorities	1,381.62	1,276.12
<b>Total</b>	<b>2,702.72</b>	<b>1,720.20</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 14 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Raw materials</b>		
Goods in transit	1,535.79	4,849.73
Others	17,475.02	17,785.53
Packing materials	5,719.58	7,896.91
Provision for reduction in value of raw materials and packing materials (net of write offs)	(931.21)	(1,209.33)
Finished goods		
Goods in transit	1,363.99	1,693.79
Others	13,543.52	21,329.06
Work-in-progress	2,415.78	2,553.54
Stock-in-trade	20.54	27.92
Stores, spares and consumables	740.91	991.18
<b>Total</b>	<b>41,883.92</b>	<b>55,918.33</b>

Allowance for obsolete inventories for the year amounted to ₹ 429.07 lakhs (31 March 2023: ₹ 622.17 lakhs) has been recognised as an expense during the year and is included in cost of materials consumed in the statement of profit and loss.

### 15 Trade receivables (current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Trade receivables		
- Others good	1,24,371.15	95,761.36
- Others credit impaired	2,200.22	2,692.80
Less: Provision for expected credit loss	(2,200.22)	(2,692.80)
<b>Total</b>	<b>1,24,371.15</b>	<b>95,761.36</b>

Refer note number 56 for ageing of trade receivables.

There are no debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and the payment terms are 45 to 60 days.

Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,24,371.15	95,761.36
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2,200.22	2,692.80



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 16 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balances with banks</b>		
in current accounts	637.05	1,272.96
Cheques, drafts on hand	1,965.87	1,333.26
Cash on hand	67.81	96.19
<b>Total</b>	<b>2,670.73</b>	<b>2,702.41</b>

Note : There are no repatriation restrictions with respect to cash and bank balances held by the Company.

### 17 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2024	As at 31 March 2023
In bank deposits (original maturity period more than 3 months but less than 12 months)*	3,302.76	1,031.39
In bank deposits (original maturity period more than 12 months, but less than 12 months from reporting date)*	1,494.95	1,516.21
<b>Total</b>	<b>4,797.71</b>	<b>2,547.60</b>

\* Bank deposits shown above are kept under lien with various statutory authorities of ₹ 3,066.17 lakhs (31 March 2023: ₹ 744.73 lakhs), short term borrowings availed from banks of ₹ 100 lakhs (31 March 2023: ₹ 1,802.87 lakhs) and long term borrowings availed from banks ₹ 1,631.54 lakhs (31 March 2023: Nil)

### 18 Current Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to employees	42.80	7.74
<b>Total</b>	<b>42.80</b>	<b>7.74</b>

There are no loans receivable from Directors or other officers of the company or any of them either severally or jointly with any other person or loans receivables from firms or private companies respectively in which any director is a partner or a director or a member.

#### Break up of security details :

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	42.80	7.74
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 19 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good unless otherwise stated		
Security deposits	115.77	131.55
Due from tie-up units	717.02	856.40
Export entitlements receivables	1,193.27	1,172.74
Others	101.90	442.08
<b>Total</b>	<b>2,127.96</b>	<b>2,602.77</b>

### 20 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advance to suppliers		
- Related party (Refer note 46)*	1,513.35	1,413.25
- Others good	2,233.32	1,820.98
- Others credit impaired	827.41	776.87
Less: Provision for doubtful advances	(827.41)	(776.87)
Balance with statutory authorities	1,634.38	1,577.56
Prepayments	5,175.77	4,931.28
Share issue expenses #	3,268.88	2,721.48
Other current assets		
Considered good	390.45	545.23
Credit impaired	8.80	8.80
Less : Provision for expected credit loss	(8.80)	(8.80)
<b>Total</b>	<b>14,216.15</b>	<b>13,009.78</b>

\*Private Company in which Director of the Company is a Director.

# Represents expenses incurred by the Company in connection with proposed public offer of equity shares. In accordance with the Act and also as per the offer agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will partly recover the expenses incurred in connection with the issue on completion of Initial Public Offer (IPO). The Company's share of expenses shall be adjusted against securities premium to the extent possible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under 'Other current assets' and the amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO. During the current year, SEBI approval dated 16 December 2022 for the Draft red herring prospectus filed on 28 June 2022 was withdrawn by the Company on 08 December 2023. Accordingly ₹ 498.62 lakhs have been charged to the statement of profit & loss as an exceptional item.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 21 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised share capital</b>		
<b>Equity shares</b>		
362,150,000 (31 March 2023 - 362,150,000) equity shares of ₹ 2 each	7,243.00	7,243.00
<b>Issued, subscribed and fully paid-up</b>		
<b>Equity shares</b>		
244,113,665 (31 March 2023 - 244,113,665) equity shares of ₹ 2 each	4,882.27	4,882.27
<b>Total</b>	<b>4,882.27</b>	<b>4,882.27</b>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Balance as at the beginning of the year	24,41,13,665	4,882.27	23,55,66,665	4,711.33
Add: Shares issued on conversion of CCD (Refer note 62)	-	-	85,47,000	170.94
<b>Balance outstanding at the end of the year</b>	<b>24,41,13,665</b>	<b>4,882.27</b>	<b>24,41,13,665</b>	<b>4,882.27</b>

#### (b) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares (of ₹ 2 each)	% of holding	No. of shares (of ₹ 2 each)	% of holding
<b>Equity shares</b>				
Bina K Chhabria	17,61,42,969	72.16%	12,74,28,650	52.20%
Resham Chhabria Jeetendra Hemdev	5,87,14,320	24.05%	5,87,14,320	24.05%
Neesha Chhabria	-	-	4,87,14,320	19.96%
<b>Total</b>	<b>23,48,57,289</b>	<b>96.21%</b>	<b>23,48,57,290</b>	<b>96.21%</b>

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

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (c) Details of equity shares held by promoters

#### As at 31 March 2024

Particulars	Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Equity shares of ₹ 2 each fully paid	Mrs. Bina K Chhabria	12,74,28,650	4,87,14,319	17,61,42,969	72.16%	38.23%
Equity shares of ₹ 2 each fully paid	Mrs. Resham Chhabria Jeetendra Hemdev	5,87,14,320	-	5,87,14,320	24.05%	0.00%
Equity shares of ₹ 2 each fully paid	Mrs. Neesha K Chhabria	4,87,14,320	(4,87,14,320)	0	0.00%	-100.00%
Equity shares of ₹ 2 each fully paid <sup>#</sup>	Bina Chhabria Enterprises Private Limited	1,41,094	-	1,41,094	0.06%	0.00%
Equity shares of ₹ 2 each fully paid	Oriental Radios Private Limited	91,13,665	-	91,13,665	3.73%	0.00%
Equity shares of ₹ 2 each fully paid	Officer's Choice Spirits Private Limited	1,615	-	1,615	0.00%	0.00%
Equity shares of ₹ 2 each fully paid	Mr. Kishore Rajaram Chhabria	-	1.00	1	0.00%	100.00%
Equity shares of ₹ 2 each fully paid	BKC Enterprises Private Limited	1	-	1	0.00%	0.00%
<b>Total</b>		<b>24,41,13,665</b>	<b>0</b>	<b>24,41,13,665</b>	<b>100%</b>	<b>0.00%</b>

#### As at 31 March 2023

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mrs. Bina K Chhabria	11,74,28,650	1,00,00,000	12,74,28,650	52.20%	8.52%
Equity shares of ₹ 2 each fully paid	Mrs. Resham Chhabria Jeetendra Hemdev	5,87,14,320	-	5,87,14,320	24.05%	-
Equity shares of ₹ 2 each fully paid	Mrs. Neesha K Chhabria	5,87,14,320	(1,00,00,000)	4,87,14,320	19.96%	-17.03%
Equity shares of ₹ 2 each fully paid <sup>#</sup>	Bina Chhabria Enterprises Private Limited	1,41,095	(1)	1,41,094	0.06%	0.00%
Equity shares of ₹ 2 each fully paid	Oriental Radios Private Limited	5,66,665	85,47,000	91,13,665	3.73%	1508.30%
Equity shares of ₹ 2 each fully paid	Officer's Choice Spirits Private Limited	1,615	-	1,615	0.00%	-
Equity shares of ₹ 2 each fully paid	BKC Enterprises Private Limited	-	1	1	0.00%	100.00%
<b>Total</b>		<b>23,55,66,665</b>	<b>85,47,000</b>	<b>24,41,13,665</b>	<b>100%</b>	<b>3.63%</b>

<sup>#</sup> change during the year is less than 0.005%

### (d) Rights, preferences and restrictions attached to each class of shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in the case of interim dividend.

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 fully paid-up equity shares held by the shareholders.

- The Company has not issued any equity shares as fully paid-up for consideration other than cash during the period of five years immediately preceding the reporting date (31 March 2024).
- There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.
- During the year ended March 2019, equity shares of face value ₹ 10 each were sub divided into 5 shares of ₹ 2 each.
- There are no bonus shares issued, or shares bought back during the period of five years immediately preceding the reporting date i.e. 31 March 2024

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 22 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	0.80	0.80
Securities premium	20,385.04	20,385.04
General reserve	4,822.94	4,822.94
Capital redemption reserve	681.82	681.82
Surplus in the statement of profit and loss (retained earnings)	12,234.12	11,662.93
<b>Total</b>	<b>38,124.72</b>	<b>37,553.53</b>

#### Nature and purpose of reserves

##### (i) Capital reserve

Capital reserve represents capital surplus. The reserve is not for any specific purpose but the utilisation will be in accordance with provisions of Companies Act 2013.

##### (ii) Securities premium

Securities premium represents the premium received on the issue of shares. The reserve is to be utilised in accordance with the provisions of Companies Act, 2013.

##### (iii) General reserve

General reserve is created by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

##### (iv) Capital redemption reserve

The reserve is created by way of transfer of profits from general reserve on account of redemption of non-cumulative convertible preference shares. This reserve will be utilised as per the provision of Companies Act, 2013.

##### (v) Surplus in the statement of profit and loss

Surplus in the statement of profit and loss pertain to the accumulated earnings made by the Company over the years.

#### Change in balance of capital reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	0.80	0.80
<b>Balance at the end of the year</b>	<b>0.80</b>	<b>0.80</b>

#### Change in balance of securities premium

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	20,385.04	11,027.80
Issue of equity shares on conversion of CCD	-	9,357.24
<b>Balance at the end of the year</b>	<b>20,385.04</b>	<b>20,385.04</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### Change in balance of general reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	4,822.94	4,822.94
<b>Balance at the end of the year</b>	<b>4,822.94</b>	<b>4,822.94</b>

### Change in balance of capital redemption reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	681.82	681.82
<b>Balance at the end of the year</b>	<b>681.82</b>	<b>681.82</b>

### Surplus in the statement of profit and loss

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year (profit and loss)	11,662.93	11,129.23
Add: Profit for the year	671.57	493.64
Actuarial gains/(loss) on defined benefit obligations (net of tax)	(100.38)	40.06
<b>Balance at the end of the year</b>	<b>12,234.12</b>	<b>11,662.93</b>

## 23 Borrowings (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Terms loans, Secured</b>		
Vehicle loans from banks (Refer note a)	404.84	-
Indian rupee term loans from banks (Refer note b.i)	10,948.23	7,698.18
Indian rupee term loans from financial institutions (Refer note b.ii)	7,773.22	6,168.19
Foreign currency term loans from banks (Refer note b.iii)	-	-
<b>Total</b>	<b>19,126.29</b>	<b>13,866.37</b>

### Nature of securities and terms of repayment

- a) The vehicle loans from banks and others are secured against specific vehicles. The loans are repayable in monthly instalments ranging 31 March 2024: ₹ 1.71 lakhs to ₹ 8.33 lakhs (31 March 2023 : ₹ 1.67 lakhs to ₹ 3.06 lakhs) the last instalment due in July 2028. The rate of interest on these loans 31 March 2024 : 8.50% p.a. (31 March 2023 : 8.79% to 9.00% p.a.).



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### b) Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities:

Name of the Lender / Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023
<b>Indian rupee term loans from banks</b> <b>South Indian Bank Limited :</b> Primary Securities: (1) First <i>pari passu</i> charge on the entire movable and immovable fixed assets of the Company (both present and future) other than exclusively charged along with existing lenders; (2) First <i>pari passu</i> charge on property in the name of M/s Tracstar Distillers Private Limited (Refer note 46); (3) Second <i>pari-passu</i> charge on entire current assets of the Company; and (4) Corporate guarantee of M/s Tracstar Distillers Private Limited. (Refer note 46)	2.80% spread over and above 12 month MCLR. 31 March 2024 12.20% p.a (31 March 2023: 12.20% p.a.)	1 quarterly instalment of ₹ 206.94 lakhs till April 2024	206.90	1,035.48
<b>IndusInd Bank Limited:</b> (1) First <i>pari passu</i> charge on the entire movable and immovable fixed assets of the Company (both present and future) other than exclusively charged along with existing lenders, (2) Second <i>pari-passu</i> charge on entire current assets of the Company both present and future including, and; (3) Debt Service Reserve Account (DSRA) for an amount equal to the principal and interest payment due to the lender for the subsequent one quarter.	1.00% spread over and above 1 year MCLR - 31 March 2024: NA (31 March 2023: 9.85% p.a.) 1.00% spread over and above 1 year MCLR - 31 March 2024: NA (31 March 2023: 10.45% p.a.) Effective Rate of Interest 31 March 2024: 8.80% p.a. (31 March 2023: NA)	Repaid in June 2023 ^  Repaid in July 2023 ^  18 quarterly instalment till July 2028 ranging from ₹ 150 lakhs to 600 lakhs.	-	343.98
<b>IndusInd Bank Limited:</b> (1) Exclusive charge on commercial property located at Ashford Centre, Floor No. 3, 4, 7 Senapati Bapat Marg, Lower Parel (west) Mumbai-400013	Effective Rate of Interest 31 March 2024: 8.80% p.a. (31 March 2023: NA)	18 quarterly instalment till July 2028 ranging from ₹ 125 lakhs to 500 lakhs.	4,920.91	-
			4,635.14	-

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Name of the Lender / Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023
<p><b>SVC Co-operative Bank Ltd. :</b></p> <p>1. First pari passu charge on the entire movable (except vehicles) and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders. Fair value of immovable and movable fixed assets should not be less than ₹ 435.42 crores.</p> <p>2. Second parri passu charge with existing term lenders on current assets. (First charge on current assets is with working capital bankers. 2nd charge would be ceded on reciprocal basis, in line with the existing security structure.)</p>	<p>-8.30% spread over PLR.</p> <p>Effective Rate of Interest 31 March 2024: 12.40% p.a. (31 March 2023: 12.15% p.a)</p>	<p>41 monthly instalments of ₹ 83.33 lakhs till August 2027</p>	3,396.06	4,382.68
<p><b>Karur Vysya Bank Ltd (KVB) :</b></p> <p>Exclusive charge on commercial property located at Ashford Centre, Floor No. 3,4,7 Senapati Bapat Marg, Lower Parel</p>	<p>0.75% over and above the MCL rate of the bank effective rate 31 March 2024: NA (31 March 2023 : 9.25% p.a.)</p>	<p>Repaid in August 2023 ^</p>	-	2,719.33
<p><b>Indian rupee term loans from financial institutions</b></p> <p><b>Aditya Birla Finance Limited (ABFL):</b></p> <p>Exclusive charge on commercial property located at Ashford Centre, Floor No. 1 and 2 Senapati Bapat Marg, Lower Parel</p> <p>First pari passu charge on the entire fixed assets other than exclusively charged along with existing lenders.</p>	<p>Long Term Reference Rate of ABFL (LTRR) + Spread. LTRR at present is 17.85%. Spread at present is - 5.65%.</p> <p>Effective rate of interest 31 March 2024: 12.20% p.a. (31 March 2023: 11.40% p.a.)</p>	<p>24 equated monthly instalments of ₹ 108.03 lakhs till 15 March 2026, 1 instalment of ₹ 6.11 lakhs in April 2026 and 26 additional monthly instalments in aggregate of ₹ 283.05 lakhs till 15 May 2026.</p>	2,508.27	3,447.21
<p><b>Aditya Birla Finance Limited (ABFL):</b></p> <p>Exclusive charge at Industrial Property spread across land area of 6.73 acres owned by Ashoka Liquors Private Limited. (Refer note 46)</p>	<p>Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 17.85%. Spread at present is - 5.65%.</p> <p>Effective rate of interest as on 31 March 2024: 12.20% p.a. (31 March 2023: 11.40% p.a.)</p>	<p>78 equated monthly instalments of ₹ 68.83 lakhs till 15 September 2030, 1 instalment of ₹ 47.55 lakhs in October 2030 and 66 additional monthly instalments in aggregate of ₹ 197,76 lakhs till 15 September 2029.</p>	3,770.37	4,104.39





## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Name of the Lender / Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023
<b>Aditya Birla Finance Limited (ABFL):</b> Exclusive charge on commercial property located at Ashford Centre, Floor No. 1 and 2 Senapati Bapat Marg, Lower Parel  First pari passu charge on the entire fixed assets other than exclusively charged along with existing lenders.	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 20.25%. Spread at present is - 9.25%.  Effective rate of interest as on 31 March 2024: 11.00% p.a. (31 March 2023: NA)	54 equated monthly instalments of ₹ 63.62 lakhs till 15 September 2028, 1 instalment of ₹ 19.07 lakhs in October 2028	2,700.82	-
<b>Aditya Birla Finance Limited (ABFL):</b> Exclusive charge on commercial property located at Ashford Centre, Floor No. 1 and 2 Senapati Bapat Marg, Lower Parel  First pari passu charge on the entire fixed assets other than exclusively charged along with existing lenders.	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 20.25%. Spread at present is - 9.25%.  Effective rate of interest as on 31 March 2024: 11.00% p.a. (31 March 2023: NA)	60 monthly instalments of ₹ 1,186.16 lakhs in aggregate till March 2029	930.56	-
<b>Foreign currency term loans from banks</b> <b>Axis Bank Limited :</b> (1) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders;  (2) Second <i>pari-passu</i> charge on entire current assets of the Company ; and  (3) Personal guarantee of Mr. Kishore Chhabria (Refer note 46)	LIBOR +5.731%  31 March 2024: NA (31 March 2023: 9.90% p.a.)	Repaid in September 2023 ^	-	291.43
<b>Total</b>			<b>23,069.03</b>	<b>18,542.99</b>

^ Since the aforesaid loans have been repaid during the year the charges with respect to the repaid loans have been vacated including the personal guarantee of Mr. Kishore Chhabria.

Note : First charge on current assets is with working capital bankers. Second charge would be ceded on reciprocal basis, in line with the existing security structure.

### (c) Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	2,670.73	2,702.41
Lease liabilities	1,062.58	1,640.13
Non-current borrowings (including current maturities)	23,694.09	18,551.29
Current borrowings	58,321.75	58,693.56

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Cash and cash equivalents	Lease liabilities	Non-current borrowings (including current maturities)	Current borrowings	Others#	Total
<b>Balance as at 01 April 2022</b>	<b>1,841.56</b>	<b>1,589.35</b>	<b>26,077.30</b>	<b>57,008.21</b>	-	<b>82,833.30</b>
Cash flows (net)	860.85	-	-	-	-	(860.85)
Unrealised gain	-	-	(79.63)	-	-	(79.63)
Proceeds/repayment of borrowings (net)	-	-	(7,446.38)	1,876.87	-	(5,569.51)
Addition of lease liabilities	-	337.38	-	-	-	337.38
Termination of lease liabilities	-	(28.17)	-	-	-	(28.17)
Repayment of lease liabilities	-	(258.43)	-	-	-	(258.43)
Finance costs	-	175.27	2,619.90	6,595.53	4,045.50	13,436.20
Finance costs paid	-	(175.27)	(2,619.90)	(6,787.05)	(4,045.50)	(13,627.72)
<b>Balance as at 31 March 2023</b>	<b>2,702.41</b>	<b>1,640.13</b>	<b>18,551.29</b>	<b>58,693.56</b>	-	<b>76,182.57</b>
Cash flows (net)	(31.68)	-	-	-	-	31.68
Unrealised gain	-	-	-	-	-	-
Proceeds/repayment of borrowings (net)	-	-	5,099.63	(444.36)	-	4,655.27
Repayment of lease liabilities	-	(268.43)	-	-	-	(268.43)
Adjustment of lease liabilities	-	(309.12)	-	-	-	(309.12)
Finance costs	-	142.94	2,766.68	8,504.30	5,853.23	17,267.15
Finance costs paid	-	(142.94)	(2,723.51)	(8,431.75)	(5,853.23)	(17,151.43)
<b>Balance as at 31 March 2024</b>	<b>2,670.73</b>	<b>1,062.58</b>	<b>23,694.09</b>	<b>58,321.75</b>	-	<b>80,407.69</b>

# Represents liabilities other than borrowings / leases for which the Company has incurred finance costs.

### 24 Lease liabilities (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease obligation (Refer note 54)	1,062.58	1,640.13
Less: Current maturities of lease obligation	(319.92)	(306.01)
<b>Total</b>	<b>742.66</b>	<b>1,334.12</b>

### 25 Provisions (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity (Refer note 47)	1,099.06	976.45
Superannuation (Refer note 47)	331.52	338.78
Provision for medical benefits (Refer note 47)	886.00	-
<b>Total</b>	<b>2,316.58</b>	<b>1,315.23</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 26 Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Cash credit/working capital demand loan from banks (repayable on demand) (Refer note (a)(i))	24,211.14	26,724.80
Bill discounting (repayable on demand) (Refer note (a)(ii))	30,268.88	29,918.31
Current maturities of long-term debts	4,347.58	4,676.62
Current maturities of vehicle loans from banks	220.22	8.30
<b>Unsecured</b>		
Cash credit/working capital demand loan from banks (repayable on demand)	3,144.28	1,797.14
From related party (Director) (repayable on demand) (Refer note 46)	697.45	250.00
From related party	-	-
Others corporate (Refer note 46)	-	3.31
<b>Total</b>	<b>62,889.55</b>	<b>63,378.48</b>

#### a) Details of security for loans :

Name of the Bank	Nature of securities	As at 31 March 2024	As at 31 March 2023
<b>(i) Cash credit/working capital demand loan from banks (repayable on demand)</b>			
Axis Bank Limited	Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.  Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all movable and immovable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders;  Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	3,440.25	4,623.44
State Bank of India	Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.  Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on fixed assets or mortgaged properties of the Company present and future except building / vehicle which are exclusively charged to other lenders.  Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	6,856.79	7,750.02

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Name of the Bank	Nature of securities	As at 31 March 2024	As at 31 March 2023
Yes Bank Limited	<p>(i) First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.</p> <p>(ii) Second pari passu charge on all movable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders.</p> <p>(iii) Extension of second pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets of the company located at plot no. 5, 6, 7 and 7A, MIDC, Industrial Area, Aurangabad.</p> <p>(iv) Extension of first pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets belonging to M/s Tracstar Distillers Private Limited.</p> <p>(v) Corporate guarantee of M/s Tracstar Distillers Private Limited (Refer note 46).</p>	2,445.67	2,429.33
South Indian Bank Limited	<p>Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.</p> <p>Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited;</p> <p>(ii) Second pari passu charge on all immovable fixed asset of the Company excluding exclusively charged to other lenders.</p> <p>Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).</p>	4,461.90	4,387.26
Saraswat Co-operative Bank Ltd.	<p>Primary - First pari passu charge on entire current assets of the Company, other than exclusively charged to other lenders.</p> <p>Collateral - (i) Second hypothecation charge on pari passu basis on all movable and immovable assets of the Company (except vehicle, freehold land of Ambala and office premises);</p> <p>(ii) Second Pari passu charge on factory land and building of M/s Tracstar Distilleries Private Limited.</p> <p>Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).</p>	3,992.28	3,946.96
SVC Co-operative Bank Ltd.	Secured against fixed deposit	56.15	88.79



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Name of the Bank	Nature of securities	As at 31 March 2024	As at 31 March 2023
CSB - Catholic Syrian Bank	Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders. Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all immovable fixed asset of the Company excluding exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	2,958.10	3,499.00
<b>Sub-total</b>		<b>24,211.14</b>	<b>26,724.80</b>
<b>(ii) Bill discounting (repayable on demand)</b>			
IDFC First Bank	Primary - Exclusive charge over Telangana State Beverage Corporation Ltd. (TSBCL) cash flows. Collateral - Second pari passu charge on immovable assets excluding exclusively charged to other lenders of the Company. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	23,000.00	23,299.08
IndusInd Bank Limited	Book debts: Sales Invoice Discount Receivables Exclusive Charge over receivable of Andhra Pradesh Beverages Corporation Limited and Rajasthan State Beverages Corporation Limited to the extent of 1.1x	7,268.88	6,619.23
<b>Sub-total</b>		<b>30,268.88</b>	<b>29,918.31</b>

Note : First charge on current assets is with working capital bankers. Second charge would be ceded on reciprocal basis, in line with the existing security structure.

### 27 Current lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease obligation (Refer note 54)	319.92	306.01
<b>Total</b>	<b>319.92</b>	<b>306.01</b>

### 28 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade payables (including Acceptances)*</b>		
Dues of micro and small enterprises	22,777.83	16,312.88
Dues of creditors other than micro and small enterprises		
- Related party (Refer note 46)	301.55	246.23
- Others	47,282.00	40,238.66
<b>Sub-total</b>	<b>47,583.55</b>	<b>40,484.89</b>
<b>Total</b>	<b>70,361.38</b>	<b>56,797.77</b>

\*Acceptances amounting to ₹ 20,427.32 lakhs (31 March 2023: ₹ 10,044.54 lakhs).

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Refer note number 57 for ageing of trade payables.

**Note -** The dues to micro and small enterprises as required under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED) to the extent information available with the Company is given below :

Particulars		As at 31 March 2024	As at 31 March 2023
(a)	Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 :		
	Principal amount due to micro and small enterprises	22,250.17	16,071.94
	Interest due on above	527.66	240.94
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	527.66	240.94
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

### 29 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Employees related liabilities	1,153.16	1,311.35
Due to tie-up units	10,274.53	12,313.56
Trade and other deposits	5,401.24	5,213.46
Payable towards capital expenses	8.76	25.22
Other financial liabilities	1,423.34	377.78
<b>Total</b>	<b>18,261.03</b>	<b>19,241.37</b>

### 30 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	44,022.46	47,439.91
Advances from customers	2,960.69	2,207.35
<b>Total</b>	<b>46,983.15</b>	<b>49,647.26</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 31 Current Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity (Refer note 47)	313.22	202.36
Compensated absences (Refer note 47)	917.01	1,046.78
Provision for medical benefits (Refer note 47)	54.00	-
<b>Total</b>	<b>1,284.23</b>	<b>1,249.14</b>

### 32 Current tax liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax (Net of advance tax of ₹ 1,448.38 lakhs (31 March 2023: ₹ 1,081.22 lakhs))	302.90	107.47
<b>Total</b>	<b>302.90</b>	<b>107.47</b>

### 33 Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from contracts with customer</b>		
<b>Sale of goods</b>		
Indian made foreign liquor (IMFL)	7,44,282.60	6,96,099.05
Extra neutral spirit (ENA)	11,694.85	5,284.04
By-products	7,866.14	6,516.54
	<b>7,63,843.59</b>	<b>7,07,899.63</b>
<b>Revenue from contracts with customer</b>		
<b>Other operating revenue</b>		
Royalty	23.14	43.95
Export entitlements	1,609.27	1,180.71
Scrap and other sales	1,381.03	1,443.73
<b>Other operating revenue</b>	<b>3,013.44</b>	<b>2,668.39</b>
<b>Total</b>	<b>7,66,857.03</b>	<b>7,10,568.02</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 34 Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Interest income on financial assets measured at amortised cost</b>		
Interest on deposits with bank	221.93	207.89
Interest on loans to related party (Refer note 46)	93.32	91.19
Interest on deposits and advances	2.19	6.61
Deemed interest on inter-corporate deposit to subsidiary (Refer note 46)	12.12	11.84
Liabilities no longer required written back	109.21	123.38
Profit on sale of property, plant and equipment	96.89	-
Provision no longer required written back	14.58	152.06
Refund of excess statutory dues paid	-	9.32
Recovery on account of loss of goods	71.31	395.63
Miscellaneous income	107.87	210.88
<b>Total</b>	<b>729.42</b>	<b>1,208.80</b>

### 35 Cost of materials consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Raw Materials</b>		
Opening Inventory	22,635.26	7,145.62
Add: Purchases	1,19,219.47	1,27,111.81
	<b>1,41,854.73</b>	<b>1,34,257.43</b>
Less: Closing inventory	(19,010.81)	(22,635.26)
<b>Raw materials consumed</b>	<b>1,22,843.92</b>	<b>1,11,622.17</b>
<b>Packing materials</b>		
Opening Inventory	7,896.91	6,213.76
Add: Purchases	81,662.29	89,629.65
	<b>89,559.20</b>	<b>95,843.41</b>
Less: Closing inventory	(5,719.58)	(7,896.91)
<b>Packing materials consumed</b>	<b>83,839.62</b>	<b>87,946.50</b>
<b>Total</b>	<b>2,06,683.54</b>	<b>1,99,568.67</b>

### 36 Purchases of stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of Indian made foreign liquor (IMFL)	565.00	562.70
<b>Total</b>	<b>565.00</b>	<b>562.70</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 37 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Opening stock</b>		
Finished goods	23,022.85	19,384.85
Work-in-progress	2,553.54	2,568.19
Stock-in-trade	27.92	32.47
	<b>25,604.31</b>	<b>21,985.51</b>
Less:		
Closing stock		
Finished goods	14,907.51	23,022.85
Work-in-progress	2,415.78	2,553.54
Stock-in-trade	20.54	27.92
	<b>17,343.83</b>	<b>25,604.31</b>
(Decrease)/Increase in inventories	<b>8,260.48</b>	<b>(3,618.80)</b>
Increase / (Decrease) of excise duty on Finished Goods	(5,718.39)	891.77
<b>Total</b>	<b>2,542.09</b>	<b>(2,727.03)</b>

### 38 Employee benefit expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	16,217.10	17,097.53
Contribution to provident and other funds (Refer note 47)	843.66	1,106.89
Sitting fees to directors (Refer note 46)	54.26	24.78
Staff welfare expenses	411.33	325.37
<b>Total</b>	<b>17,526.35</b>	<b>18,554.57</b>

### 39 Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial liabilities measured at amortised cost		
Term loans	2,766.68	2,619.90
On working capital facility from bank	8,469.03	6,506.36
On lease liabilities	142.94	175.27
Interest on delay in payment of statutory dues	4,105.57	3,332.96
Reimbursement to tie-up units for interest on delayed payments	1,188.73	457.69
Interest on loan from related party (Refer note 46)	35.27	89.17
Interest others	558.93	254.85
<b>Total</b>	<b>17,267.15</b>	<b>13,436.20</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 40 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	4,729.31	4,677.50
Depreciation of right to use assets	395.21	383.69
Amortisation of intangible assets	375.01	377.53
<b>Total</b>	<b>5,499.53</b>	<b>5,438.72</b>

### 41 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	2,348.84	2,227.14
Power and fuel	6,090.22	7,351.07
Rent	907.02	794.09
Contract labour charges	7,540.62	6,952.46
Repairs to building	69.59	55.74
Repairs to machinery	1,069.72	790.12
Repairs others	1,507.54	1,287.77
Insurance	912.93	751.67
Security charges	580.29	556.45
Rates and taxes	5,302.98	4,848.01
Excise levies and escort charges	12,007.56	12,415.54
Import fee	42.18	44.53
Bottling charges	6,819.05	6,911.83
Water charges	197.76	196.76
Travelling expenses	3,006.31	2,613.48
Legal and professional fees	2,953.97	2,928.24
Auditors' remuneration (Refer note 41(A))	98.19	73.04
Selling and distribution expenses	11,861.76	11,524.75
Sales and business promotion	11,441.04	13,040.16
Commission	3,885.85	2,890.92
Conference and seminar	45.39	21.77
Provision for doubtful debts	932.87	329.50
Provision for doubtful advances	51.52	22.04
Bad debts and advances written off (net of provision reversal ₹ 1,465.78 lakhs (31 March 2023 ₹ 33.50 lakhs))	29.40	-
Loss on sale of property, plant and equipment (net)	-	4.04
Donations	0.27	18.26
Corporate social responsibilities (Refer note 52)	51.83	30.00
Bank charges	54.02	83.57
Foreign exchange loss - (net)	63.03	369.73
Miscellaneous expenses	1,293.17	977.90
<b>Total</b>	<b>81,164.92</b>	<b>80,110.58</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 41A Auditors' remuneration (including taxes)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit	94.40	70.80
Certification services	1.77	-
Out of pocket expenses	2.02	2.24
<b>(A) Sub total (debited to statement of profit and loss)</b>	<b>98.19</b>	<b>73.04</b>
Other services (In connection with the proposed IPO) (Refer note below):-		
- Special purpose audit of stub period restated financial statements	212.99	271.99
- Various certification work for Draft Red Herring Prospectus	24.78	32.45
- Out of pocket expenses	7.66	8.13
<b>(B) Sub total</b>	<b>245.43</b>	<b>312.57</b>
<b>Total (A+B)</b>	<b>343.62</b>	<b>385.61</b>

Amount has been paid towards assurance services in connection with the Initial Public Offering of equity shares of the Company and disclosed as 'Share issue expenses' in note 20.

### 41B Other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gains on defined benefit obligations	(134.14)	61.63
Income taxes on above	33.76	(21.57)
<b>Total</b>	<b>(100.38)</b>	<b>40.06</b>

### 42 Tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current tax</b>		
Current tax for the year	834.32	123.84
Tax adjustments in respect of earlier years	(8.04)	(5.97)
<b>Total current tax expense</b>	<b>826.28</b>	<b>117.87</b>
<b>Deferred taxes</b>		
Change in deferred tax assets (Other than adjustments in OCI and Equity)	563.31	340.16
Change in deferred tax liabilities	(293.80)	(24.40)
Net deferred tax expense	269.51	315.76
<b>Total income tax expense</b>	<b>1,095.79</b>	<b>433.63</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

**42.1** The reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss is as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Enacted income tax rate in India applicable to the Company	25.17%	34.94%
Profit before exceptional items and income tax expense	2,265.98	927.27
Income tax expense	570.30	324.03
<b>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income</b>		
Permanent difference on account of fair valuation of asset acquired	157.20	259.49
Permanent differences on account of expenses disallowed	13.56	16.92
One time impact on account of change in tax regime (Refer note below)	337.00	-
Tax adjustments in respect of earlier years	(8.04)	(5.97)
Others	25.77	(160.84)
<b>Income tax expense</b>	<b>1,095.79</b>	<b>433.63</b>

**42.2** Deferred tax related to the following:

Particulars	As at 1 April 2023	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities on account of:</b>				
Property, Plant and equipment, Goodwill and Other intangible assets	1,023.36	(451.77)	-	571.59
Financial assets and financial liabilities at amortised cost	90.52	172.82	-	263.34
Others	53.10	(14.85)	-	38.25
<b>Total deferred tax liabilities (A)</b>	<b>1,166.98</b>	<b>(293.80)</b>	<b>-</b>	<b>873.18</b>
<b>Deferred tax assets on account of:</b>				
Employee benefits	927.12	(280.65)	33.76	680.23
Provision for expected credit loss	1,275.25	(481.54)	-	793.71
Difference in book values and tax base values of ROU assets and lease liabilities	70.00	(9.93)	-	60.07
Others	99.19	208.81	-	308.00
<b>Total deferred tax assets (B)</b>	<b>2,371.56</b>	<b>(563.31)</b>	<b>33.76</b>	<b>1,842.01</b>
<b>Deferred tax assets (net) (B - A)</b>	<b>1,204.58</b>	<b>(269.51)</b>	<b>33.76</b>	<b>968.83</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	As at 1 April 2022	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2023
<b>Deferred tax liabilities on account of:</b>				
Property, Plant and equipment, Goodwill and Other intangible assets	953.07	70.29	-	1,023.36
Financial assets and financial liabilities at amortised cost	174.84	(84.32)	-	90.52
Others	63.47	(10.37)	-	53.10
<b>Total deferred tax liabilities (A)</b>	<b>1,191.38</b>	<b>(24.40)</b>	<b>-</b>	<b>1,166.98</b>
<b>Deferred tax assets on account of:</b>				
MAT credit entitlement	362.51	(362.51)	-	-
Employee benefits	962.90	(14.21)	(21.57)	927.12
Provision for expected credit loss	1,221.30	53.95	-	1,275.25
Difference in book values and tax base values of ROU assets and lease liabilities	58.54	11.46	-	70.00
Compound Financial Instrument	68.61	(68.61)	-	-
Others	59.43	39.76	-	99.19
<b>Total deferred tax assets (B)</b>	<b>2,733.29</b>	<b>(340.16)</b>	<b>(21.57)</b>	<b>2,371.56</b>
<b>Deferred tax assets (net) (B - A)</b>	<b>1,541.91</b>	<b>(315.76)</b>	<b>(21.57)</b>	<b>1,204.58</b>

During the year ended 31 March 2024, the Company decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961 ("new tax regime") as introduced by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act"). Consequently, during the year, the Company has reversed the deferred tax asset recognised based on the tax provisions applicable prior to adoption of the new tax regime, pertaining to the period before 31 March 2023.

### 43 Fair value measurements

#### Fair value instruments by category and hierarchy

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1. Fair value of cash and term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments. The fair value of lease liability is not required to be disclosed.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cashflows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to fair value.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.





## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Financial assets and liabilities as at 31 March 2024	Total amount		Routed through profit and loss			Routed through OCI			Carried at amortised cost			
	Non-current	Current	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Assets</b>												
Investment (excluding investment in subsidiaries)	0.39	-	-	-	0.28	-	-	-	-	-	0.11	0.11
Loans	1,648.15	42.80	-	-	-	-	-	-	-	-	1,690.95	1,690.95
Other financial assets	4,193.05	2,127.96	-	-	-	-	-	-	-	-	6,321.01	6,321.01
Trade receivables	-	1,24,371.15	-	-	-	-	-	-	-	-	1,24,371.15	1,24,371.15
Cash and cash equivalents	-	2,670.73	-	-	-	-	-	-	-	-	2,670.73	2,670.73
Other bank balances	-	4,797.71	-	-	-	-	-	-	-	-	4,797.71	4,797.71
<b>Liabilities</b>												
Borrowings	19,126.29	62,889.55	-	-	-	-	-	-	-	-	82,015.84	82,015.84
Lease liabilities	742.66	319.92	-	-	-	-	-	-	-	-	1,062.58	1,062.58
Trade payables	-	70,361.38	-	-	-	-	-	-	-	-	70,361.38	70,361.38
Other financial liabilities	-	18,261.03	-	-	-	-	-	-	-	-	18,261.03	18,261.03

All amounts are net of provision for impairment, if any.  
Excludes investments in subsidiaries

Financial assets and liabilities as at 31 March 2023	Total amount		Routed through profit and loss			Routed through OCI			Carried at amortised cost			
	Non-current	Current	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Assets</b>												
Investment (excluding investment in subsidiaries)	0.39	-	-	-	0.28	-	-	-	-	-	0.11	0.11
Loans	1,545.62	7.74	-	-	-	-	-	-	-	-	1,553.36	1,553.36
Other financial assets	5,313.22	2,602.77	-	-	-	-	-	-	-	-	7,915.99	7,915.99
Trade receivables	-	95,761.36	-	-	-	-	-	-	-	-	95,761.36	95,761.36
Cash and cash equivalents	-	2,702.41	-	-	-	-	-	-	-	-	2,702.41	2,702.41
Other bank balances	-	2,547.60	-	-	-	-	-	-	-	-	2,547.60	2,547.60
<b>Liabilities</b>												
Borrowings	13,866.37	63,378.48	-	-	-	-	-	-	-	-	77,244.85	77,244.85
Lease liabilities	1,334.12	306.01	-	-	-	-	-	-	-	-	1,640.13	1,640.13
Trade payables	-	56,797.77	-	-	-	-	-	-	-	-	56,797.77	56,797.77
Other financial liabilities	-	19,241.37	-	-	-	-	-	-	-	-	19,241.37	19,241.37

All amounts are net of provision for impairment, if any.  
Excludes investments in subsidiaries

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Fair value of non current financial assets and non current financial liabilities measured at amortised cost-

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investment others	0.11	0.11	0.11	0.11
Loans	1,648.15	1,648.15	1,545.62	1,545.62
Other financial assets	4,193.05	4,193.05	5,313.22	5,313.22
<b>Financial Liabilities</b>				
Borrowings	19,126.29	19,126.29	13,866.37	13,866.37

The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to the fair value.

#### 44 Financial risk management

The Company is exposed primarily to fluctuations in foreign exchange, interest rate, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Company has a risk management policy which covers the risk associated with its financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company.

The Company's principal financial liabilities comprises of borrowings, lease liabilities, trade payables and other financial liabilities. The Company's principal financial assets include loans, trade receivables, cash and bank balances and other bank balances, other financial assets that derive directly from its operations.

##### A Credit risk

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

##### a: Trade receivables (net of loss allowance)

Trade receivables are unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private parties. A substantial portion of the Company's trade receivables are from government corporation customers having strong credit worthiness. Further, Company's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets. The Company measured the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual loss experience and past trends. Based on historical data, loss on collection of receivable is not material hence no additional provision considered.

The table below provide details regarding past dues receivables as at each reporting date:

Particulars	As at 31 March 2024		As at 31 March 2023	
	₹ in lakhs	%	₹ in lakhs	%
Trade receivables				
from government corporation	75,193.63	60.46%	55,328.44	57.78%
from private parties	49,177.52	39.54%	40,432.92	42.22%
<b>Total trade receivables (Refer note 15)</b>	<b>1,24,371.15</b>	<b>100.00%</b>	<b>95,761.36</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	2,692.80	2,517.85
Impairment allowance	932.87	329.50
Written back during the year	(14.58)	(121.05)
Written off during the year	(1,410.87)	(33.50)
<b>Balance at the end of the year (refer note 15)</b>	<b>2,200.22</b>	<b>2,692.80</b>

### b: Other financial assets

Cash balances are maintained with banks having high credit rating. Loans given to related parties and employees are fully recoverable and loans given to others are fully provided. Majority of other security deposits are placed majorly with government agencies. The credit loss recognised is for a specific scenario and is not expected in the future.

### B Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, lease liabilities, trade payables and other financial liabilities.

The finance department of the Company is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through trade receivables or through short term borrowings on need basis.

#### (i) Financing arrangements :

The Company had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Floating rate</b>		
Expiring within one year (Cash credit/ working capital demand loan, term loan)	4,445.81	2,110.00

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (ii) Maturities of financial liabilities :

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at each reporting date. Amounts disclosed under note 23 are carrying values based on amortised cost:

#### As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>				
Borrowings (including current maturities)	65,025.88	22,579.00	1,411.14	89,016.02
Lease liabilities	422.40	858.54	30.58	1,311.52
Trade payables	70,361.38	-	-	70,361.38
Other financial liabilities	18,261.03	-	-	18,261.03
<b>Total</b>	<b>1,54,070.69</b>	<b>23,437.54</b>	<b>1,441.72</b>	<b>1,78,949.95</b>

#### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>				
Borrowings (including current maturities)	65,073.49	13,983.94	3,760.02	82,817.45
Lease liabilities	476.87	1,503.40	155.23	2,135.50
Trade payables	56,797.77	-	-	56,797.77
Other financial liabilities	19,241.37	-	-	19,241.37
<b>Total</b>	<b>1,41,589.50</b>	<b>15,487.34</b>	<b>3,915.25</b>	<b>1,60,992.09</b>

### C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in receivables, trade payables, borrowings and other payables denominated in USD, GBP, SGD and AED against the functional currency INR of the Company.

The Company's risk management policy is to assess the Company's net exposures which is mainly represented by receivable and payable towards exports and imports respectively, and partly represented by the loans availed in foreign currencies. The Company can hedge its net exposures with a view on forex outlook.

#### Derivative instruments and unhedged foreign currency exposure

##### (a) Derivative contracts outstanding

Particulars	31 March 2024		31 March 2023	
Forward contracts to sell	USD	35.00	USD	18.50



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

(b) The Company's exposure to unhedged foreign currency risk at the end of reporting period are as under:

Particulars	31 March 2024				31 March 2023			
	USD	GBP	AED	SGD	USD	GBP	AED	SGD
<b>Financial assets</b>								
Trade receivables	19.05	-	-	-	17.38	-	-	-
Others	0.00	-	-	-	-	-	-	-
<b>Exposure to foreign currency risk (assets)</b>	<b>19.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.38</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
Trade payables	-	8.21	-	-	-	24.28	-	0.05
Borrowings	-	-	-	-	3.57	-	-	-
Employees related liabilities	-	-	0.26	-	-	-	0.30	-
<b>Exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>8.21</b>	<b>0.26</b>	<b>-</b>	<b>3.57</b>	<b>24.28</b>	<b>0.30</b>	<b>0.05</b>

Particulars	USD	GBP	AED	SGD
Closing rate of foreign currency as on 31 March 2024 (in ₹)	83.34	105.21	22.69	61.68
Closing rate of foreign currency as on 31 March 2023 (in ₹)	82.16	101.62	22.37	61.81

### Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in foreign currency with all other variables held constant. The below impact on the Company's profit before tax and equity is based on changes in the fair value of foreign currency monetary assets and liabilities at balance sheet date:

Currencies	31 March 2024		31 March 2023	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	31.76	(31.76)	22.70	(22.70)
GBP	(17.27)	17.27	(49.35)	49.35
AED	(0.12)	0.12	(0.14)	0.14
SGD	-	-	(0.07)	0.07

### (ii) Cash flow and fair value interest rate risk

This refers to risk to company's cash flow and profits on account of movement in market interest rates. The company's interest rate risk is mainly due to the borrowings acquired at floating interest rate.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

The Company's borrowings (non-current and current) structure at the end of reporting period are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate borrowings	50,424.45	47,064.93
Fixed rate borrowings	31,591.39	30,176.61
Interest free rate borrowings	-	3.31
<b>Total</b>	<b>82,015.84</b>	<b>77,244.85</b>

### Sensitivity analysis

Particulars	Impact on profit before tax and equity	
	As at 31 March 2024	As at 31 March 2023
Increase by 50 bps	(252.12)	(235.32)
Decrease by 50 bps	252.12	235.32

## 45 Capital management

The company's objectives when managing capital are to -

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes non-current borrowings (including current maturities) and short term borrowings net of cash and cash equivalents and equity comprises of equity share capital and other equity.

### A. The amount managed as capital by the company are summarised as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Debt	82,015.84	77,244.85
Less: Cash and cash equivalents	(2,670.73)	(2,702.41)
Net Debt	79,345.11	74,542.44
Total Equity	43,006.99	42,435.80
<b>Capital gearing ratio</b>	<b>1.84</b>	<b>1.76</b>

Bank loans availed by the Company contain certain debt covenants which are required to be complied with. The Limitation of indebtedness covenant gets suspended once the Company meets the certain prescribed criteria. As of the reporting date, the Company is not in compliance with certain performance linked financial covenants. The Company is trying to ensure compliance with the covenants as soon as possible. The banks have not levied any material interest/penalty nor have they communicated any intention to recall the loans or make them repayable immediately, in view of the above matter. Subsequent to the year ended 31 March 2024, bank loans have been repaid by the Company.

### B. Dividends

The Company has not paid any dividend to its shareholders for year ended 31 March 2024 and 31 March 2023.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 46 Related party disclosures, as per Ind AS 24

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party and related party relationships, are disclosed where transactions have taken place during the reporting period, and for all parties in the case of relationship of control.

#### (a) List of related parties

Subsidiaries	NV Distilleries & Breweries (AP) Private Limited Deccan Star Distilleries India Private Limited ABD Dwellings Private Limited Madanlal Estates Private Limited Sarthak Blenders & Bottlers Private Limited Chitwan Blenders & Bottlers Private Limited Allied Blenders and Distillers (UK) Limited (wholly owned subsidiary w.e.f 07 November 2022) Allied Blenders and Distillers Maharashtra LLP (subsidiary w.e.f 15 June 2022) ABD Foundation
Enterprises where key management personnel or their relatives have significant influence	Rayonyarns Import Company Private Limited Starvoice Properties Private Limited Pitambari Properties Private Limited Lalita Properties Private Limited Oriental Radios Private Limited Bhuneshwari Properties Private Limited Tracstar Investments Private Limited M Mulla Associates Tracstar Distillers Private Limited Woodpecker Investments Private Limited Iconiq Brands India Private Limited
Key management personnel and their relatives	<b>Key management personnel:</b> <b>Executive Directors</b> Shekhar Ramamurthy Resham Chhabria Jeetendra Hemdev Arun Barik (w.e.f. 2 June 2022 till 20 June 2022 and w.e.f. 9 August 2022) <b>Managing Director</b> Alok Gupta (w.e.f. 1 September 2023) <b>Chief Financial Officer</b> Ramakrishnan Ramaswamy <b>Non Executive Director</b> Kishore Chhabria - Chairman (Executive Chairman till 30 June 2023) Bina K Chhabria Maneck Navel Mulla <b>Independent Directors</b> Balaji Viswanathan Swaminathan Paul Henry Skipworth (w.e.f. 2 June 2022) Rukhshana Jina Mistry (w.e.f. 2 June 2022) Vinaykant Gordhandas Tanna (w.e.f. 9 August 2022) Vivek Anilchand Sett (w.e.f. 2 June 2022) Narayanan Sadanandan (w.e.f. 16 October 2022) Mehli Maneck Golvala (w.e.f. 21 October 2023) <b>Relatives of key management personnel</b> Neesha Chhabria



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (b) Transactions during the year with related parties :

Particulars	Subsidiaries		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Payment to vendors on behalf of subsidiary</b>						
Sarthak Blenders & Bottlers Private Limited	73.03	76.40	-	-	-	-
<b>Interest income</b>						
NV Distilleries & Breweries (AP) Private limited	93.21	91.09	-	-	-	-
Deccan Star Distilleries India Private Limited	0.11	0.10	-	-	-	-
<b>Sub-total</b>	<b>93.32</b>	<b>91.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses paid on behalf of the subsidiary</b>						
Sarthak Blenders & Bottlers Private Limited	24.08	9.27	-	-	-	-
<b>Legal and professional fees</b>						
M Mulla Associates	-	-	219.57	-	-	-
<b>Interest on unsecured loan</b>						
Bina K Chhabria	-	-	-	-	32.80	83.65
Oriental Radios Private Limited	-	-	2.47	-	-	-
<b>Rent Expenses</b>						
Starvoice Properties Private Limited	-	-	6.00	6.00	-	-
Pitambari Properties Private Limited	-	-	5.40	7.20	-	-
Lalita Properties Private Limited	-	-	6.75	9.00	-	-
Woodpecker Investments Private Limited	-	-	1.18	1.20	-	-
Bhuneshwari Properties Private Limited	-	-	6.75	9.00	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>26.08</b>	<b>32.40</b>	<b>-</b>	<b>-</b>
<b>Unsecured loan granted</b>						
NV Distilleries & Breweries (AP) Private limited	18.47	11.06	-	-	-	-
Deccan Star Distilleries India Private Limited	0.08	0.01	-	-	-	-
<b>Advances granted</b>						
Sarthak Blenders & Bottlers Private Limited	2.00	29.28	-	-	-	-
Chitwan Blenders & Bottlers Private Limited	1.00	42.80	-	-	-	-



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Subsidiaries		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Investment in compulsorily convertible debentures (CCD)</b>						
ABD Dwellings Private Limited	390.00	840.00	-	-	-	-
<b>Repayment of unsecured borrowing and interest thereon</b>						
Bina K Chhabria	-	-	-	-	30.35	1,590.39
Oriental Radios Private Limited	-	-	82.23	0.40	-	-
Tracstar Investments Private Limited	-	-	3.31	2.84	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>85.54</b>	<b>3.24</b>	<b>30.35</b>	<b>1,590.39</b>
<b>Unsecured borrowing availed</b>						
Oriental Radios Private Limited	-	-	80.00	-	-	-
Bina K Chhabria	-	-	-	-	445.00	-
<b>Interest on liability component of compound financial instrument issued</b>						
Oriental Radios Private Limited	-	-	-	5.52	-	-
<b>Repayment of liability component of compound financial instrument issued and interest thereon</b>						
Oriental Radios Private Limited	-	-	-	197.04	-	-
<b>Issue of equity shares on conversion of CCD (Refer note 62)</b>						
Oriental Radios Private Limited	-	-	-	9,528.18	-	-
<b>Investment in equity shares</b>						
Allied Blenders & Distillers (UK) Limited	-	0.10	-	-	-	-
Allied Blenders & Distillers Maharashtra LLP	-	0.85	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>0.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deemed interest on inter-corporate deposit to subsidiary</b>						
NV Distilleries & Breweries (AP) Private Limited	12.12	11.84	-	-	-	-
<b>Bottling Charges</b>						
Sarthak Blenders & Bottlers Private Limited	14.79	22.92	-	-	-	-
<b>Royalty expenses</b>						
Iconiq Brands India Private Limited	-	-	22.77	3.28	-	-
<b>Interest on superannuation fund</b>						
Kishore Chhabria	-	-	-	-	4.64	21.48
Resham Chhabria Jeetendra Hemdev	-	-	-	-	0.92	1.05
Neesha Chhabria	-	-	-	-	0.30	1.35
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.86</b>	<b>23.88</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Subsidiaries		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Managerial remuneration/Short term employee benefits *</b>						
Kishore Chhabria	-	-	-	-	1,067.12	4,322.95
Shekhar Ramamurthy	-	-	-	-	591.41	1,000.00
Alok Gupta	-	-	-	-	628.96	-
Ramakrishnan Ramaswamy	-	-	-	-	216.43	228.77
Resham Chhabria Jeetendra Hemdev	-	-	-	-	369.60	369.60
Neesha Chhabria	-	-	-	-	14.85	59.49
Arun Barik	-	-	-	-	181.21	181.32
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,069.58</b>	<b>6,162.13</b>
<b>Sitting fees to directors#</b>						
Kishore Chhabria	-	-	-	-	2.50	-
Bina K Chhabria	-	-	-	-	0.50	-
Balaji Viswanathan Swaminathan	-	-	-	-	7.00	4.50
Maneck Navel Mulla	-	-	-	-	8.00	3.50
Mehli Maneck Golvala	-	-	-	-	2.00	-
Nasser Mukhtar Munjee	-	-	-	-	-	1.50
Paul Henry Skipworth	-	-	-	-	4.50	3.00
Rukhshana Jina Mistry	-	-	-	-	7.50	3.50
Vinaykant Gordhandas Tanna	-	-	-	-	4.50	1.50
Vivek Anilchand Sett	-	-	-	-	5.00	2.50
Narayanan Sadanandan	-	-	-	-	4.50	1.00
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46.00</b>	<b>21.00</b>

\* Excludes compensated absences, medical benefits and gratuity benefits provided on the basis of actuarial valuation on an overall Company basis.

#All expenses are excluding goods and service tax.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (c) Balances at the year end :

Particulars	Subsidiaries		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Loan &amp; Advances receivables</b>						
NV Distillers & Breweries (AP) Private limited	1,646.69	1,544.33	-	-	-	-
Deccan Star Distilleries India Private Limited	1.46	1.29	-	-	-	-
<b>Sub-total</b>	<b>1,648.15</b>	<b>1,545.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment in compulsorily convertible debentures (CCD)</b>						
Madanlal Estates Private Limited	3,980.00	3,980.00	-	-	-	-
ABD Dwellings Private Limited	4,650.50	4,260.50	-	-	-	-
<b>Sub-total</b>	<b>8,630.50</b>	<b>8,240.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Advance to supplier</b>						
Sarthak Blenders & Bottlers Private Limited	1,447.05	1,347.95	-	-	-	-
Chitwan Blenders & Bottlers Private Limited	43.80	42.80	-	-	-	-
Starvoice Properties Private Limited	-	-	21.68	21.68	-	-
Rayonyarns Import Company Private Limited	-	-	0.82	0.82	-	-
<b>Sub-total</b>	<b>1,490.85</b>	<b>1,390.75</b>	<b>22.50</b>	<b>22.50</b>		<b>-</b>
<b>Trade payables</b>						
Iconiq Brands India Private Limited	-	-	2.66	2.96	-	-
M. Mulla Associates	-	-	0.83	0.31	-	-
Starvoice Properties Private Limited	-	-	10.80	-	-	-
Pitambari Properties Private Limited	-	-	11.34	-	-	-
Lalita Properties Private Limited	-	-	14.18	-	-	-
Woodpecker Investments Private Limited	-	-	2.38	-	-	-
Bhuneshwari Properties Private Limited	-	-	14.18	-	-	-
Sarthak Blenders & Bottlers Private Limited	225.36	210.56	-	-	-	-
<b>Sub-total</b>	<b>225.36</b>	<b>210.56</b>	<b>56.37</b>	<b>3.27</b>	<b>-</b>	<b>-</b>
<b>Current borrowings</b>						
Tracstar Investments Private Limited	-	-	-	3.31	-	-
Bina K Chhabria	-	-	-	-	697.45	250.00
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.31</b>	<b>697.45</b>	<b>250.00</b>
<b>Superannuation fund payable</b>						
Kishore Chhabria	-	-	-	-	296.47	291.83
Resham Chhabria Jeetendra Hemdev	-	-	-	-	16.27	15.35
Neesha Chhabria	-	-	-	-	18.78	18.48
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331.52</b>	<b>325.66</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Subsidiaries		Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Outstanding expenses</b>						
Iconiq Brands India Private Limited	-	-	19.82	-	-	-
Starvoice Properties Private Limited	-	-	-	6.00	-	-
Pitambari Properties Private Limited	-	-	-	7.20	-	-
Lalita Properties Private Limited	-	-	-	9.00	-	-
Woodpecker Investments Private Limited	-	-	-	1.20	-	-
Bhuneshwari Properties Private Limited	-	-	-	9.00	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>19.82</b>	<b>32.40</b>	<b>-</b>	<b>-</b>

Reference is also invited to footnote to note 23 and note 26 for guarantee provided by and assets pledged of Tracstar Distillers Private Limited towards loans availed by the Company.

Reference is also invited to footnote to note 23 for guarantee provided by Mr. Kishore Chhabria towards loan availed by the Company.

Reference is also invited to footnote to note 23 for assets pledged of Ashoka Liquors Private Limited towards loan availed by the Company.

Equity (or equity like) investments by the Company and equity (or equity like) infusion into the Company are not considered for disclosure under balances as these are not considered "outstanding" exposures. Refer note 8 and 21 for the same.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Reference is also invited to Note 20 for 'Share issue expenses' which will be reimbursed by the selling shareholders in proportion to their respective shares offered for sale as a part of the IPO, amount for which will be determined on completion of the IPO.

Reference is also invited to Note 8 (Foot notes 1 and 2) for agreement for sale of securities held in subsidiaries and the subsequent termination of such agreement, resulting in the re-classification of these securities, and the undertaking confirming willingness to compensate the Company for impairment / shortfall in recoverable value, if any, as detailed in the said note.

Reference is also invited to Note 47(e) for provision of post employment medical benefits made by actuarial valuation to extend the facility of payment for medical insurance premium at actuals in respect of the Non- Executive Chairman and certain specified family members.

### d) Key managerial personnel compensation:

Particulars	31 March 2024	31 March 2023
Short term employee benefits*	3,121.44	6,207.01

\* Excludes compensated absences, post employment medical benefits (Refer note 47(e)) and gratuity benefits provided on the basis of actuarial valuation on an overall Company basis.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 47 As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of employee benefits as defined in the standard are given below:

#### (a) Contribution to defined contribution plan, recognised as expense for the year are as under:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employers' contribution to provident fund	649.98	895.71
Employers' contribution to superannuation fund	5.94	24.79
Employers' contribution to employees' state insurance	2.57	2.31
'Employers' contribution to employees' pension scheme 1995	128.58	115.65
Employers' contribution to national pension scheme	15.70	18.75
Employers' contribution to labour welfare fund	0.29	0.25
Employees deposit linked insurance	8.15	7.29
Employees provident fund administration charges	32.45	42.14
<b>Total</b>	<b>843.66</b>	<b>1,106.89</b>

#### (b) Defined benefit plan

Defined benefit obligations - Gratuity (unfunded)

Characteristics of defined benefit plan (Paragraph 139 (a) of Indian Accounting Standard (Ind AS) 19)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

Gratuity	Year ended 31 March 2024	Year ended 31 March 2023
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate	7.22%	4.40% to 7.3%
Salary growth rate	7.00% p.a.	1.50% to 7% p.a.
Attrition rate	15.00%	15.00%

Changes in the present value of obligation	Year ended 31 March 2024	Year ended 31 March 2023
Present value of obligation at the beginning of the year	1,178.81	1,177.73
Current service cost	85.87	124.48
Interest expenses	132.73	64.09
Benefits paid	(119.27)	(125.86)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(2.52)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	6.18	(78.10)
Actuarial (gains)/losses on obligations - due to experience	130.48	16.47
<b>Present value of obligation at the end of the year</b>	<b>1,412.28</b>	<b>1,178.81</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

<b>Amount recognised in the balance sheet</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Present value of obligation at the end of the year	1,412.28	1,178.81
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised at the end of the year</b>	<b>1,412.28</b>	<b>1,178.81</b>
Non-current provisions	1,099.06	976.45
Current provisions	313.22	202.36

<b>Expenses recognised in the statement of profit and loss</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Current service cost	85.87	124.48
Net interest cost	132.73	64.09
<b>Total expenses recognised in the statement of profit and loss</b>	<b>218.60</b>	<b>188.57</b>

Re-measurement (or actuarial) (gain) arising from change in assumptions	134.14	(61.63)
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<b>Maturity profile of defined benefit obligation</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>Expected cash flows over the next (valued on undiscounted basis) :</b>		
1st following year	313.22	202.36
2nd following year	183.94	172.52
3rd following year	181.42	165.60
4th following year	188.87	157.13
5th following year	191.79	148.04
Sum of years 6 to 10	538.33	501.96
Sum of years 11 and above	315.85	297.08

### Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis on the DBO is given below:

<b>Particulars</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Delta effect of +1% change in rate of discounting	(48.32)	(43.34)
Delta effect of -1% change in rate of discounting	52.44	47.11
Delta effect of +1% change in rate of salary increase	45.26	39.82
Delta effect of -1% change in rate of salary increase	(43.10)	(37.89)
Delta effect of +1% change in rate of employee turnover	(1.01)	(0.56)
Delta effect of -1% change in rate of employee turnover	1.13	0.41



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation from the prior period.

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated.

### (c) Compensated absences

The leave obligations cover the Company's liability for sick and privilege leaves. The leave obligation is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	1,046.78	1,112.99
Add: Addition during the year	(36.40)	45.17
Less : write back during the year	-	-
Less: Payment during the year	(93.37)	(111.38)
<b>Closing balance</b>	<b>917.01</b>	<b>1,046.78</b>

### (d) Superannuation

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	338.78	313.99
Add: Addition during the year	5.95	24.79
Less: Payment during the year	(13.21)	-
<b>Closing balance</b>	<b>331.52</b>	<b>338.78</b>

### (e) Post employment medical benefits

The Board of Directors on 11 January 2024 passed a resolution to extend the facility of payment for medical expenditure without limitation and medical insurance premium at actuals in respect of the Non- Executive Chairman and for his family members viz. Mrs. Bina Kishore Chhabria, Mrs. Resham Chhabria J Hemdev and Mrs. Neesha K Chhabria for their life. Therefore the Company has carried out actuarial valuation in order to determine the defined benefit obligation as at the close of the year. The significant assumptions given below:

Particulars	Year ended 31 March 2024
Mortality table	Indian Individual Annuitant's Mortality Table (1996-98)
Discount rate	7.24% p.a.
Premium Escalation Rate	15.23% p.a.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 48 Contingent liabilities and commitments

#### (A) Contingent liabilities not provided for:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Provident fund matter (Refer note a below)	Not ascertainable	Not ascertainable
(ii) Transport pass fees claimed by excise authorities (Refer note b below)	873.01	873.01
(iii) Water Charges claim by MIDC, Aurangabad (Refer note c below)	196.07	185.98
(iv) Additional license fees on account of restructuring of the Company, levied by, the Maharashtra State Excise Department, Aurangabad (Refer note d below)	32.80	32.80
(v) Differential Octroi Duty on Extra Neutral Alcohol / Rectified Spirit by Aurangabad Municipal Corporation (Refer note e below)	157.97	157.97
(vi) Demand notice from the Commissioner of Central Excise, Customs and Service Tax, Aurangabad, towards service tax on reverse charge basis on expenditure incurred in foreign currency on sales promotion, travelling and other expenditure (Refer note f below)	538.08	538.08
(vii) Income tax matters (Refer note g below)	Nil	333.11
(viii) Rajasthan VAT department has demanded sales Tax along with interest and penalty from a contract bottling unit on ENA produced by them to be used as intermediary product for the manufacture of IMFL (Refer note h below)	107.55	107.55
(ix) Excise demand relating to excess transit wastages for ENA supplied by Contract Bottling unit (Refer note i below)	286.02	286.02
(x) Show cause notice from Canteen Stores Department (CSD) on account of differential trade rate relating to the period from October 2014 to December 2020 (Refer note j below)	857.69	857.69
(xi) Demand notice by the Government of Andhra Pradesh (Refer note k below)	2,725.00	2,725.00
(xii) VAT / GST on ENA procured by the Company in Uttar Pradesh (Refer note l below)	1,629.01	1,629.01
(xiii) A contract bottling unit had been issued notice of demand under the Assam Entry Tax Act by the Government of Assam (Refer note m below)	131.17	131.17
(xiv) The Company was receiving taxable invoices from its CBUs at the rate of 18% on the bottling charges on manufacturing of IMFL for the Company (brand owner). However, based on the notification dated 13 October 2017, no .31/2017 - Central Tax (rate), the Company has asked its bottlers to charge GST on bottling charge at 5% (Refer note n below)	1054.20	600.40
(xv) Company has received summon notice dated 11 August 2020 from the Director General of GST Intelligence, Hyderabad on applicability of GST on Distillery Wet Grain Soluble (DWGS) and Distillery Dry Grain Soluble (DDGS). On 20 June 2022, the Company has received Show Cause Notice on the subject matter from Directorate General of Goods and Services Tax Intelligence (DGGI), Telangana. (Refer note o below)	726.19	726.19
(xvi) Income Tax matter (Refer note p below)	Nil	17.34



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(xvii) GST on supply of ENA in the state of Uttar Pradesh and Kerala. (Refer note q below)	420.78	420.78
(xviii) Short payment of wages and levy to the Mathadi Workers (Refer note r below)	252.95	252.95
(xix) Excise demand relating to low strength of ENA (Refer note s below)	27.10	27.10
(xx) Intimation received under Section 73(5) (Form GST DRC-01A) alleging to pay GST on ENA. (Refer note t below)	311.49	294.94
(xxi) VAT liability on amount of Business Surplus received by the Company from tie-up unit arrangements with third parties. (Refer note u below)	5,808.91	5,302.44
(xxii) Debit memorandum from its customer - Canteen Stores Department (Refer note v below)	3,398.72	Nil
(xxiii) Income Tax Matters (Refer note w below)	5,331.06	Nil

- a) Contingent liability relating to determination of provident fund liability, based on 28 February 2019 Supreme Court judgement, is not determinable at present, due to uncertainty on the period of impact of the judgement in absence of further clarification relating to applicability. The Company will continue to assess any further developments in this matter for their implications on the Company financial statements, if any, which, based on the number of employees, is not expected to be significant.
- b) Transport pass fee claimed by excise authorities @ ₹ 3 per bulk litre (BL) from 12 July 1999 up to 25 August 2009 and @ ₹ 1.50 per BL from 26 August 2009 till 18 May 2011 on Extra Neutral Spirit (ENA) purchased aggregating ₹ 821.97 lakhs (31 March 2023 ₹ 821.97 lakhs) and transport pass fee claimed by excise authorities @ ₹ 1 per BL from 01 April 2010 to 18 May 2011 on rectified spirits purchased aggregating ₹ 48.88 lakhs (31 March 2023 ₹ 48.88 lakhs), transport pass fee claimed by excise authorities @ ₹ 3 per BL from 01 June 2009 to 18 May 2011 on Malt purchased aggregating ₹ 2.16 lakhs (31 March 2023 ₹ 2.16 lakhs) including for one of the Contract Bottling Unit.

The Company has paid ₹ 303.71 lakhs (31 March 2023 ₹ 303.71 lakhs) under protest which is shown under balance with statutory authorities (non-current).

The Hon'ble High Court of Judicature at Mumbai has, vide its order dated 06 May 2011, upheld Company's appeal and allowed the Company's petition with the direction that the amount paid be refunded along with the interest @ 9% per annum within 10 weeks from the date of receipt of application for refund. As directed, the Company has filed an application for claim of refund before the customs and excise authorities. The Company has also claimed ₹ 163.71 lakhs (including interest of ₹ 29.94 lakhs) on account of transport pass fees charged by suppliers.

The Customs and excise department of Maharashtra has filed a Special leave petition (SLP) before the Hon'ble Supreme Court against the above order. The Supreme Court has directed the registrar to issue notice to all concerned and affected parties pending admission of petition.

Subsequently, the registrar has issued notice to all the concerned and affected parties for admission of petition and accordingly, the Company has filed its response to this notice. The matter has not come up for hearing.

- c) Increased water charges (including delayed payment charges billed by MIDC from time to time for the period November 2001 to March 2024, disputed by the Company aggregating ₹ 196.07 lakhs (31 March 2023 ₹ 185.98 lakhs).

In the above said matter, High Court of Judicature of Bombay, Aurangabad Bench did not allow the stay petition filed by the Company. However, the Hon'ble High Court of Aurangabad Bench has agreed to allow for payment of only principal amount to MIDC towards outstanding water charges and granted stay on levy of interest and penalty till the disposal of final appeal.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Based on the above, the Company has paid till 31 March 2024 ₹ 162.02 lakhs (31 March 2023 ₹ 151.98 lakhs) under protest which is shown under balance with statutory authorities (non-current).

Few of the IMFL manufacturers have filed Special Leave Petition before the Supreme Court challenging the order of the Aurangabad Bench of Bombay High Court. Since the cause of action and reliefs claimed are identical, the outcome of this case will hold good for the Company as well.

- d) The Maharashtra State Excise Department, Aurangabad has raised a demand of ₹ 32.80 lakhs (31 March 2023 ₹ 32.80 lakhs) towards additional license fee on the Company as a consequence of the change of name arising due to restructuring of the Company. The Company has challenged the said demand and filed Writ Petition before High Court of Judicature of Bombay, Aurangabad Bench. The said matter has not come up for hearing yet. The demand of ₹ 32.80 lakhs (31 March 2023 ₹ 32.80 lakhs), which is paid by the Company under protest, is shown under balance with statutory authorities (non-current).
- e) The Aurangabad Municipal Corporation (AMC) had recovered differential Octroi Duty on Extra Neutral Alcohol / Rectified Spirit for the period from December 1991 to June 1997 on the basis of High Court judgment on similar facts in another liquor Company case. This judgment had been reversed by the Hon'ble Supreme Court of India in another case in which interest @ 6 % p. a. was allowed. The Company has entered into an agreement with AMC on 12 March 1993 by which both the parties had agreed that judgment passed shall be binding on both the parties.

The Company had filed a suit for recovery in the Hon'ble Court of Civil Judge, (Senior Division) at Aurangabad. As per the order dated 16 October 2006 of the Court, the Company is entitled to get an amount of ₹ 157.97 lakhs (31 March 2023 ₹ 157.97 lakhs), with interest thereon @ 6% p.a. from the date of suit till the date of payment.

The Municipal Corporation has filed an appeal against this order, which has been disposed off by the Division Bench of the Bombay High Court, Aurangabad bench vide their order dated 12 February 2007 granting the stay of execution of decree passed by Trial Court subject to deposit of ₹ 220 lakhs in 11 instalments commencing from April 2007. Further, the appeal came up for hearing on 29 August 2007 before the High Court at Bombay Bench at Aurangabad and an order was passed allowing the Company to withdraw the aforesaid amount and so far the Company has received ₹ 220 lakhs up to 31 March 2009. The appeal filed by AMC is pending before the Bombay High Court, Aurangabad Bench

- f) In an earlier year, the Company had received demand notice from the Commissioner of Central Excise, Customs and Service Tax, Aurangabad for the F.Y. 2011-12 to 2014-15 towards service tax on reverse charge basis on expenditure incurred in foreign currency on sales promotion, travelling and other expenditure. Total demand raised is ₹ 538.08 lakhs (31 March 2023 ₹ 538.08 lakhs) (including penalty of ₹ 268.28 lakhs, late fees of ₹ 1.60 lakhs excluding interest). The Company has paid ₹ 20.11 lakhs (31 March 2023 ₹ 20.11 lakhs) under protest against the said demand towards mandatory deposit for admission of appeals, which is shown under balance with statutory authorities (non-current). The Company has filed an appeal before Central Excise and Sales Tax Appellate Tribunal (CESTAT), Mumbai.
- g) Post receipt of order under section 153C received for A.Y. 2014-15, the open matter is now merged and part of pending appeal / assessment of A.Y. 2014-15 under section 153C, therefore the liability for 31 March 2024 is Nil (31 March 2023 ₹ 333.11 lakhs). Refer note no. xxiii of the contingent liability schedule. Against the demand order, the Company has deposited under protest ₹ 55.12 lakhs (31 March 2023 ₹ 55.12 lakhs) which is disclosed under Income tax (current-tax) assets (net). The balance demand is adjusted by the department with refundable balance of AY 2011-2012 as per intimation dated 20 April 2017.
- h) One of the Company's Contract Bottling Unit (CBU) at Rajasthan had received notice of demand for the A.Y. 2007-08 to 2009-10 amounting to ₹ 91.80 lakhs (31 March 2023 ₹ 91.80 Lakhs) of VAT and interest thereon for ₹ 15.75 lakhs (31 March 2023 ₹ 15.75 lakhs) aggregating ₹ 107.55 lakhs (31 March 2023 ₹ 107.55 lakhs) from Commercial Tax Officer, Government of Rajasthan on alleged VAT payable on captive consumption of ENA for the manufacturing of the Company's brands and deemed sale of ENA to the brand owner. The said demand was upheld by the Hon'ble Rajasthan High Court vide their order dated 20 July 2017. Against the said demand, the CBU has filed a Special Leave Petition before the Hon'ble Supreme Court. Vide order dated 28 August 2017, the Hon'ble Supreme Court has granted stay in the matter in respect of recovery of any demand or interest. In the event, if the matter is decided against the CBU, the Company is liable to compensate the CBU for the tax demand including interest.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- i) In an earlier year, the Company has received excise demand of ₹ 286.02 lakhs (31 March 2023 ₹ 286.02 lakhs) relating to excess transit wastages for ENA supplied by Contract Bottling unit (CBU). Writ petition was filed with the Hon'ble High Court by CBU and is pending for disposal. Amount deposited under protest of ₹ 71.50 lakhs (31 March 2023 ₹ 71.50 lakhs) is shown under balance with statutory authorities (non-current). Madhya Pradesh High Court ordered that, on furnishing an adequate surety to the satisfaction of Excise Commissioner, the recovery of penalty shall remain stayed until next date of hearing. The matter has not come up for hearing yet and the same is under progress.
- ii) The Company had received a show cause notice dated 22 March 2021 from its customer – Canteen Stores Department (CSD) for ₹ 857.69 lakhs (31 March 2023 ₹ 857.69 lakhs) on account of differential trade rate relating to the period from October 2014 to December 2020, which has been disclosed as contingent liability. The Company has submitted the explanation and necessary documents demanded by CSD in response. Letter received from CSD, however consequent to the explanation filed by the company a show cause notice was issued by CSD to the company demanding certain clarification and documentation. The company has sought further time from the CSD department to respond to the said notice.
- iii) A letter of Intent (LOI) was granted to the Company along with a demand notice by the Government of Andhra Pradesh on 9 March 2017 based on an application made on 3 December 2014 along with stipulated payment of ₹ 275.00 lakhs (31 March 2023 ₹ 275.00 lakhs). The Company had immediately requested for a waiver of the demand notice. Further, vide letter dated 17 May 2017, the Company had requested for a three-year moratorium for payment of license fees. The request was disallowed vide their letter dated 31 May 2017 which was served on the Company on 12 June 2017.

The Company then requested the Commissioner of Prohibition of Excise for surrendering the LOI and requested for refund of the advance paid ₹ 275.00 lakhs vide letter dated 14 June 2017. However, the Company received a demand notice dated 9 February 2018 from the Government of Andhra Pradesh and Commissioner of Prohibition & Excise for payment of the license fees of ₹ 2,725.00 lakhs in 11 quarterly instalments with first instalment being due on 26 January 2017 which remains unpaid.

Company filed a writ petition under Article 226 of the Constitution of India against the State of Andhra Pradesh represented by the Principal Secretary to Government Revenue (Excise Department) as well as against the Commissioner, Prohibition and Excise, Government of Andhra Pradesh in the High Court of Andhra Pradesh seeking a declaration that the said demand as well as refusal of the Respondents to refund amounts paid by the Company of ₹ 87.48 lakhs and ₹ 275.00 lakhs along with applications made on 22 November 2010 and 03 December 2014 as bad and illegal in law; and a direction to the Respondents to cease making demands for payment of instalments and to refund the above amounts paid by the Company along with interest @ 18% p.a. from 17 December 2012 and 31 May 2017 respectively.

In the said Writ Petition, the Hon'ble High Court was pleased to pass an interim order directing the Respondents not to take any coercive action against Company pursuant to the letter dated 6 February 2019 of the 2nd Respondent. The Company filed a writ petition against the said order and obtained an interim stay on the same. The matter is still pending in Andhra Pradesh High Court. The writ petition filed by the Company against the State of Andhra Pradesh represented by Principal Secretary to Government, Revenue (Excise Department) and the Commissioner Prohibition and Excise is pending before the High Court of Andhra Pradesh. The matter was last listed on 19 March 2019 when the order was passed. Thereafter the matter has not been listed. The order subsists even as on today. The Order also stated that no coercive steps can be taken against the petitioner.

- iv) The Company is operating its business in the State of Uttar Pradesh by entering into a Lease Agreement with Simbhaoli Sugars Limited ("Simbhaoli") since October 2017. As per UP VAT Act, during pre-GST period i.e., before 30 June 2017, ENA in Uttar Pradesh was charged at Paisa 0.80 per litre for intra state purchase of ENA and Inter-state purchase was taxed at 2% CST. After introduction of GST, ENA falls under VAT and there was no clarity on Vat to be charged on ENA. In respect of ENA purchases made by the Company from Simbhaoli since October 2017, no VAT / GST has been recovered or paid by Simbhaoli in line with the request made by the Company. The Company has issued an indemnity to safeguard Simbhaoli from any liability on account of VAT / GST on ENA procurement from them. Department has issued notice to Simbhaoli to deposit arrears of Tax for FY 2017-18, 2018-19 and 2019-20. Neither Simbhaoli nor the Company has paid any tax for the period 1 October 2017– 8 December 2019. On 17 December 2019, Uttar Pradesh VAT Authority has notified 5% rate of VAT on ENA, effective from 9 December 2019 onwards, the Company has been paying 5% VAT

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

on ENA purchase. The liability amounts to ₹ 1,428.70 lakhs (31 March 2023 ₹ 1,428.70 lakhs). The Company has been granted stay for 90% of the demand on issuance of surety. Balance 10% of the demand has been paid by the Company amounting to ₹ 142.87 lakhs (31 March 2023 ₹ 142.87 lakhs) for FY 2017-18, FY 2018-19 and FY 2019-20, which is shown under balance with statutory authorities (non-current). The Company has received intimation of tax u/s 74(5) of the CGST Act, 2017 for the period October to November 2022, amounting to ₹ 200.31 lakhs including interest and penalty (31 March 2023 ₹ 200.31 lakhs) on alleged GST on ENA. The Company has replied to the instant notice.

- m) A contract bottling unit had been issued notice of demand of ₹ 131.17 lakhs (31 March 2023 ₹ 131.17 lakhs) on 2 July 2010 under the Assam Entry Tax Act by the Government of Assam. Amount deposited under protest of ₹ 75.79 lakhs (31 March 2023 ₹ 75.79 lakhs) is shown under other financial assets (non-current).
- n) In earlier years, the Company was receiving taxable invoices from its CBUs at the rate of 18% on the bottling charges on manufacturing of IMFL for the Company (brand owner). However, based on the notification dated 13 October 2017, No. 31/2017 - Central Tax (rate), the Company has asked its bottlers to charge GST on bottling charge at 5%. Vide Notification No. CBIC (TRU) Circular no 164/20/2021 a separate new entry was introduced with effect from 01 October 2021, accordingly all the CBUs are charging 18% on job work changes. However, there remains to be lack of clarity in respect of charging the 18% rate from 01 October 2017 to 30 September 2021. Confederation of Indian Alcoholic Beverage Companies (CIABC) has submitted a representation vide letter dated 9 October 2019 to Hon'ble Finance Minister and other Senior Member of the GST Council. However, final disposal of the above representation made has not been received. The Company is of the view that the effective date of applicability of 18% GST should be from 01 October 2021 only and accordingly no provision has been made in the books of account. Andhra Pradesh High Court vide order dated 20 October 2022, in case of another company in the industry, ruled that the services by way of job work in relation to manufacture of alcoholic liquor for human consumption should be liable to 18% GST retrospectively. A special leave petition has been filed by that company with Hon'ble Supreme Court against such ruling of Andhra Pradesh High Court and is yet to be concluded. The Company has also been advised by senior counsel that the GST at 18% would not be payable with retrospective effect which is in line with special leave petition filed by aforesaid company. Some of the State GST departments have raised demand for the differential GST amount as mentioned below for which Company has filed its reply with the department that the Company through its Member Association CIABC has made various representation for clarification to the GST council and is awaiting response on this.

State	Unit Name	Period of Demand	Demand (₹ lakhs)
Maharashtra	Radico NV Distilleries Maharashtra Limited	July 2017 to March 2020	₹ 85.58 (31 March 2023 ₹ 63.06)
Odisha	Hi Tech Bottling Limited	July 2017 to March 2022	₹ 68.43 (31 March 2023 ₹ 81.12)
Odisha	Shakti Maltare & Lemonade Private Limited	July 2017 to March 2020	₹ 50.54 (31 March 2023 ₹ 50.54)
Meghalaya	C M J Breweries Private Limited	July 2017 to March 2019	₹ 38.89 (31 March 2023 ₹ 38.89)
Andhra Pradesh	Sentini Bio Products Private Limited	July 2018 to March 2020	₹ 163.32 (31 March 2023 ₹ 163.32)
Andhra Pradesh	Sentini Beverages Private Limited	July 2017 to June 2018	₹ 35.97 (31 March 2023 ₹ 35.97)
West Bengal	Cosmos Beverages Private Limited	July 2017 to March 2021	₹ 33.03 (31 March 2023 ₹ 87.70)
Rajasthan	Solkitt Distillery and Brewery Private Limited	October 2017 to September 2021	₹ 79.80 (31 March 2023 ₹ 79.80)
Chandigarh	Batra Breweries Private Limited	July 2017 to March 2021	₹ 208.09 (31st March 2023 ₹ Nil)
Karnataka	Unistil Alcoblends Private Limited	September 2018 to September 2021	₹ 122.28 (31st March 2023 ₹ Nil)
Assam	Saaran Industries	September 2018 to September 2021	₹ 168.27 (31st March 2023 Nil)





## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- In the case of Solkit Distillery and Brewery Private Limited, the Company has filled appeal before Appellate Authority. After paying pre-deposit of 10% of the demand for ₹ 7.98 lakhs. Virtual hearing has been scheduled on 25 July 2024.
  - In the case of Hi-Tech Bottling Limited, has received notice of rejecting appeal for period from 01 July 2017 to 31 March 2022 without citing any reason, The CBU is in the process of submitting appropriate response with appellate authority.
  - In the case of Batra Breweries Private Limited, Company has received demand order dated 12 March 2024. The Company is in the process of filing an appeal before the first Appellate Authority within stipulated time frame allowed.
  - In the case of Unistil Alcoblends Private Limited, a detailed submission and Personal Hearing was concluded, and final order is awaited.
  - In the case of Shakti Maltare & Lemonade Private Ltd the first Appellate Authority has rejected the appeal of the company by confirming applicable GST rate of 18% on bottling charges payable to CBU wide order dated 04 July 2024. The company is in a process to filing appropriate response the GST authority in due course of time.
  - The similar matter is pending with Honorable supreme court in case of Esveer Distilleries Private Limited and scheduled for the hearing on 30 July 2024.
- o) Company has received summon notice dated 11 August 2020 from the Director General of GST Intelligence, Hyderabad on applicability of GST on Distillery Wet Grain Soluble (DWGS) and Distillery Dry Grain Soluble (DDGS). On 20 June 2022, the Company has received Show Cause Notice on the subject matter from Directorate General of Goods and Services Tax Intelligence (DGGI), Telangana for an amount of ₹ 726.19 lakhs (31 March 2023 ₹ 726.19 lakhs). Aggrieved by the earlier orders, the Company has filed an appeal before High Court of Telangana at Hyderabad on 3 December 2022. The company has filed the rejoinders in the hearing scheduled on 12 June 2023. The hearing of the matter was scheduled on 18 July 2023. The Company is discharging GST on DDGS and DWGS at 5% from 12 August 2020. However, the Company has been advised by senior counsel, that the GST demand for the period prior to the issuance of the clarificatory Circular dated 06 October 2021 is not payable.
- Honorable High Court has granted a new date of hearing being 24 July 2024.
- p) Post receipt of order under section 153C received for A.Y. 2016-17 dated , the open matter is now merged and forms part of pending appeal/assessment of A.Y. 2016-17 under section 153C, therefore the liability for 31 March 2024 is Nil (31 March 2023 ₹ 17.34 lakhs). Refer note no. xxiii of the contingent liability schedule. The said demand has arisen due to non-granting of claim of TDS and TCS in respect of Wales Distillers Private Limited, which was merged with the Company with the appointed date of 01 April 2015. The Company has made required representation before the Assessing Officer for rectification of demand. The Company is confident of getting a favorable rectification order and accordingly, no provision has been made in the books of account.
- q) One of the ENA suppliers has received order u/s. 74 of the GST Act for the period April 2022 to August 2022 from the Joint Commissioner, Saharanpur, Uttar Pradesh, raising demand of ₹ 360.40 lakhs (including interest and penalty) (31 March 2023 ₹ 360.40 Lakhs) in respect of supply of ENA to the Company without charging GST. The Company has filed the appeal before the Appellate authority.

The question of chargeability of appropriate Tax (whether UPVAT or GST) is subjudice before Apex Court of India as UPVAT Authority, CIABC and International Spirits and Wines Association of India (ISWAI) has filed Special Leave Petition before Apex Court, challenging Order of Allahabad High Court which has ruled that appropriate tax is not UPVAT. The matter was scheduled for hearing on 10 April 2023, however the hearing got postponed. Next date of hearing is yet to be announced.

Further, Show Cause notice has been received in our Kerala unit from State Goods and Service Tax Department, Kerala raising demand of ₹ 60.38 lakhs (31 March 2023 ₹ 60.38 lakhs) on alleged non-payment of GST on procurement of ENA during the tax period 2017-18. The Company has responded to such notice. No further communication has been received from State GST Department.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- r) By its order dated 18 October 2022, the Aurangabad Mathadi and Unsecured Workers Board, Aurangabad has directed the Company to make the payment of ₹ 252.95 lakhs (31 March 2023 ₹ 252.95) towards short payment of wages and levy to the Mathadi Workers working at its unit situated at Plot No. 06, MIDC Area, Chikalthana, Aurangabad during February 2010 to July 2017 (loading), August 2014 to December 2019 (Unloading) and September 2020 to June 2022 (shifting/Carriage/Store) from the rates fixed by the Board for the period 2013-16, 2016-19, 2019-22. Challenging the order of the Board, Company has filed a writ petition before Bombay High Court, Aurangabad Bench seeking suspension of operation of the order dated 18 October 2022 passed by the Board. While granting a conditional stay of the order, the Court has directed the Company to deposit a sum of ₹ 50.00 lakhs (31 March 2023 ₹ 50.00 lakhs) along with an undertaking to deposit balance amount on final conclusion. As per the Court directives, Company has deposited a sum of ₹ 50.00 lakhs (31 March 2023 ₹ 50.00 lakhs) reflected under balance with statutory authorities (non-current) along with an undertaking. The matter is pending for filing the reply by the Mathadi Board.
- s) The Company received excise demand of ₹ 27.10 Lakhs (31 March 2023 ₹ 27.10 Lakhs) relating to low strength of ENA. The Company had challenged the same with appropriate authority and has paid the amount under protest, which is disclosed under due from tie-up units (non-current). Rajasthan High Court had left it exclusively for the Excise Commissioner to take a decision, after examining all aspects of the matter. The Company had filed a writ petition in March 2020. The Rajasthan High Court, vide its order dated 15 November 2021 has quashed the orders of the Excise by allowing the writ petition with a direction to pay ₹ 0.10 Lakhs as compounding fee. An appeal has been filed by the State Excise challenging the order before Principal Bench, Jodhpur bench of Rajasthan High Court.
- t) The Company was operating its business in the State of Uttar Pradesh by entering into an arrangement with Dhampur Sugar Mills Limited (Dhampur). As per UP VAT Act, during pre-GST period i.e., before 30 June 2017, ENA in Uttar Pradesh was charged at Paise 0.80 per litre for intra state purchase of ENA and Inter-state purchase was taxed at 2% CST. Dhampur has received intimation of tax ascertained as being payable under Section 73(5) (Form GST DRC-01A) from Office of Joint Commissioner, Moradabad, Uttar Pradesh for the FY 2019-20, 2020-21 and 2021-22 vide letter dated 12 April 2023 and 12 July 2023 alleging to pay GST on ENA for the following tax period for sale of ENA to the Company.

Financial Year	Amount (₹ lakhs)
2019-20	524.90
2020-21	535.82
2021-22	158.45
<b>Total</b>	<b>1219.17</b>

Out of total liability raised on ENA supplier, our Company's liability is restricted to ₹ 311.49 lakhs (Including Interest, excluding penalty) (31 March 2023 ₹ 294.94 lakhs). Dhampur has filed appropriate response against the said intimation and is awaiting response on the same.

The Dhampur Sugar Mills Limited (Dhampur) has filled appeal before The office of the Commissioner (Appeals) of the State Tax, Moradabad, Uttar Pradesh, after paying compulsory deposit of ₹ 19.78 lakhs.

- u) VAT liability on account of Business Surplus received by the Company from tie-up unit arrangements with third parties.

Financial Year	Particulars	Demand as at 31 March 2024	Demand as at 31 March 2023
2011-12	The Company has received an order from the Joint Commissioner of Sales Tax (Appeals) granting a stay on recovery of said demand pending decision by the Hon'ble High Court of Bombay in the case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.  The Company has filed appeal with Maharashtra Sales Tax Tribunal and paid ₹ 9.87 lakhs (31 March 2023 ₹ 9.87 lakhs) under protest against the said demand, which is shown under balance with statutory authorities (non-current).  MVAT Tribunal adjourned the hearing to 20 of August 2024.	3,248.90	3,248.90



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Financial Year	Particulars	Demand as at 31 March 2024	Demand as at 31 March 2023
2012-2013	The Company has received the MVAT Review Order from Joint Comm. Maharashtra Sales Tax, demand of this order basically on account of Business Surplus, company has filed the Appeal before Maharashtra Sales Tax Tribunal, Mumbai, Stay order not issued, because Review order has been passed in view of provision under section 23(8) of MVAT Act.	290.31	290.31
2013-2014	The Company has received the MVAT Review Order from Joint Comm. Maharashtra Sales Tax, demand of this order basically on account of Business Surplus, company has filed the Appeal before Maharashtra Sales Tax Tribunal, Mumbai, Stay order not issued, because Review order has been passed in view of provision under section 23(8) of MVAT Act.	356.85	356.85
2014-15	The Company has received the MVAT Review Order from Joint Comm. Maharashtra Sales Tax, demand of this order basically on account of Business Surplus, company has filed the Appeal before Maharashtra Sales Tax Tribunal, Mumbai, Stay order not issued, because Review order has been passed in view of provision under section 23(8) of MVAT Act.	506.47	Nil
2015-2016	The Company has received an assessment order from Deputy Commissioner of Sales Tax, in March 2020 against which, Company has filed copy of appeal to Joint commissioner of State Tax dated 20 July 2020 and paid ₹ 0.49 lakhs, under protest, which is shown under balance with statutory authorities (non-current). The Commissioner has granted a stay on recovery of demand pending decision by the Hon'ble High Court of Bombay in a similar case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.	602.71	602.71
2016-2017	The Company has received an assessment order from Deputy Commissioner of Sales Tax, Mazgaon dated 23 February 2021. The Commissioner has granted a stay on recovery of said demand pending decision by the Hon'ble High Court of Bombay in the case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.	582.58	582.58
2017-2018	The Company has received a Rectification order u/s. 24 of the MVAT dated 06 December 2021 for the FY 2017-18 for a total demand of ₹ 198.70 lakhs (31 March 2023 ₹ 198.70 lakhs). For the similar period Company has received Rectification Order u/s. 9(2) of the CST Act Maharashtra raising a total demand of ₹ 22.39 lakhs (31 March 2023 ₹ 22.39 lakhs) of which the Company has already paid ₹ 12.16 lakhs (31 March 2023 ₹ 12.16 lakhs) and same is shown under balance with statutory authorities (non-current). The demand has arisen mainly due to the non-receipt of C Forms and F Forms, and the Company has filed an appeal, and the matter is pending to be heard.	221.09	221.09

- v) The Company in an earlier year had received a debit memorandum from its customer - Canteen Stores Department (CSD) for ₹ 3,661.44 lakhs on account of differential trade rate relating to the period from 01 March 2012 to 31 October 2017. The Company has written off ₹ 874.93 lakhs as bad debts and has recovered the balance amount during the year ended 31 March 2022. The Company has received another debit memorandum from CSD dated 11 December 2023, on the same matter along with Penalty of ₹ 549.22 Lakhs amounting to ₹ 4,210.66 Lakhs. After adjusting the earlier credit and debit note received from CSD, the total amount of debit note received is ₹ 3,398.72 Lakhs. The Company has contested the same and is in discussion with the authority. The Company is expecting a favorable result in this matter.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- w) The Company has received order under section 153C of the Income Tax Act from the Assistant Commissioner of Income Tax, CC 8(2) Mumbai. In response to the same the assessment was completed by the appropriate authority and demand of ₹ 5,331.06 lakhs was raised including interest for A.Y. 2014-15 to 2020-21. Moreover, the Company has also received notice u/s. 274 regarding Penalty proceedings. The Company has already filed appeal before the first Appellate authority (CIT(Appeals), filed rectification of demand letter and abeyance letter to keep the demand in abeyance till the disposal of our appeal by CIT(Appeals). The Company expects favorable order in the above cases and therefore no provision has been created in the books of account.

### (B) Commitments:

Capital commitments (net of advances) ₹ 106.98 lakhs (31 March 2023 ₹ 1,560.06 lakhs)

### 49 Revenue from contracts with customers

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, a performance obligation is satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

At contract inception, the Company assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Company considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of Indian made foreign liquor. The Company recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery to the customer, i.e., at a point in time. The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The payment terms are generally less than a year.

- a) Disaggregation of revenue :

Particulars	31 March 2024	31 March 2023
<b>(i) Based on geographical markets</b>		
Within India	7,46,039.89	6,94,903.03
Outside India	17,803.70	12,996.60
<b>Revenue from contracts with customer</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>
<b>(ii) Based on type of customer</b>		
Government Corporation	3,71,662.84	3,21,934.33
Private parties	3,92,180.75	3,85,965.30
<b>Revenue from contracts with customer</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

b) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	31 March 2024	31 March 2023
Revenue as per contracted price	7,97,284.88	7,31,674.94
Adjustments (includes provisions estimated and adjustments there against)		
Sales incentive	(31,334.95)	(21,740.73)
Discount	(2,106.34)	(2,034.58)
<b>Revenue from contract with customers</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>

### 50 Earnings per share

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit attributable to equity share holders	671.57	493.64
Weighted average number of equity shares outstanding during the year for Basic EPS	24,41,13,665	24,41,13,665
Weighted average number of equity shares outstanding during the year for Diluted EPS	24,41,13,665	24,41,13,665
<b>Earnings per share:</b>		
Basic EPS (in ₹)	0.28	0.20
Diluted EPS (in ₹)	0.28	0.20
Face value per share (in ₹)	2.00	2.00

### 51 Segment reporting

#### (a) Business segment

The Company is engaged in the business of manufacture, purchase and sale of alcoholic beverages. Operating segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Alcoholic beverages/liquids". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment. The Company has not presented any other significant information to the CODM.

#### (b) Entity wide disclosures

Revenue of ₹ 131,665.54 lakhs (31 March 2023: ₹ 113,104.91 lakhs) is derived from the external customer, that individually accounted for more than 10% of the total revenue.

### 52 CSR Expenditure during the year:

As per the Section 135 of the Companies Act, 2013 every year the Company is required to spend at least 2% of its average net profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(A) Gross amount required to be spent by the Company during the year	37.56	33.58
(B) Amount spent during the year on CSR activities		
(a) For construction / acquisition of any assets	-	-
(b) For purposes other than (a) above	51.83	30.00
	<b>51.83</b>	<b>30.00</b>
Shortfall/ (excess) spent during the year (A)	(14.27)	3.58
Unutilised excess CSR spend as at the beginning of the year (B)	119.72	123.30
Unutilised excess CSR spend as at the end of the year (B-A)	133.99	119.72

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Nature of CSR Activities - Betterment of communities around the Company's manufacturing site. There are no related party transactions. There are no ongoing projects on which CSR expenditure is made.

- 53** The Government of Bihar by its notification dated 5 April 2016 imposed a ban on trade and consumption of Indian Made Foreign Liquor and foreign liquor in the state of Bihar. The Company had received a letter dated 16 August 2017 from the Government of Bihar, stating that it is not liable to refund the aforesaid statutory duties under the Bihar Prohibition and Excise Act, 2016.

On 17 October 2017, the Company filed a writ petition before the Hon'ble High Court of Patna seeking refund of the aforesaid statutory duties (including statutory duties paid by the Company's tie-up manufacturers) i.e. VAT, excise duty, license fee, bottling fee etc., paid to the Government of Bihar of ₹ 3,124 lakhs in respect of billed stocks destroyed/ returned by Bihar State Beverages Corporation Limited ("BSBCL"). Out of the above VAT and Excise department has processed ₹ 1,062 lakhs till 31 March 2019.

During the year ended 31 March 2022, the Company has received ₹ 239.26 lakhs out of the recoverable balance of ₹ 2,334.56 lakhs as on 31 March 2021. There was no receipt during 1 April 2023 to 31 March 2024.

The Balance recoverable of ₹ 2,095.30 lakhs as at 31 March 2024 is considered good and receivable based on the favourable Order issued by the Hon'ble High Court of Patna dated 18 May 2017 and dated 30 April 2019. The same is disclosed under Note 10 "Due from tie-up units".

The Hon'ble High Court of Patna has passed the order dated November 24, 2023 in favour of the company for refund of Excise Duty Refund. The impugned order passed by the Excise Commissioner, Bihar and the Assistant Commissioner, Excise, Patna has been set aside. However, Excise Department has filed an appeal before the Hon'ble Supreme Court against the order passed by the Hon'ble High Court of Patna.

Consequent to the above claim by the Company, BSBCL has raised a demand for demurrage charges of ₹ 1,111 lakhs on account of IMFL being kept in its godown for the period 2016-17 & 2017-18. In the demurrage charge matter, the writ petition was filed by the company and the impugned demands have been set aside. The matter has been remanded to the MD, BSBCL to furnish detailed claim to the petitioners, whereupon the Company was required to submit the detailed response. The matter would be finally adjudicated by the MD, BSBCL within 6 months.

### 54 Leases

#### Company as lessee

The Company's leased assets primarily consist of leases for land, building and machinery. Leases of land, building and machinery generally have lease term between 10 years to 95 years, 2 to 5 years and 2 to 10 years respectively. The leases includes non-cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

- i) Set out below are the carrying amounts of right of use assets and the movements during the year :

Particulars	31 March 2024	31 March 2023
Opening right of use assets	12,971.19	13,044.20
Additions	-	337.38
Deletions/Adjustments	(309.12)	(26.70)
Charge for the year	(395.21)	(383.69)
<b>Closing right of use assets</b>	<b>12,266.86</b>	<b>12,971.19</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

ii) Set out below are the carrying amounts of lease liabilities and the movements during the year :

Particulars	31 March 2024	31 March 2023
Opening lease liability	1,640.13	1,589.35
Additions	-	337.38
Termination	(309.12)	(28.17)
Accretion of interest	142.94	175.27
Payment of interest	(142.94)	(175.27)
Payment of principle	(268.43)	(258.43)
<b>Closing lease liability</b>	<b>1,062.58</b>	<b>1,640.13</b>

The weighted average rate applied is in the range of 11.30% to 11.50%

iii) The following are the amounts recognised in the statement of profit and loss:

Particulars	31 March 2024	31 March 2023
Depreciation expense of right-of-use assets	395.21	383.69
Interest expense on lease liabilities	142.94	175.27
Expense relating to short-term and cancellable leases (included in other expenses)	907.02	794.09
<b>Total amount recognised in the statement of profit and loss</b>	<b>1,445.17</b>	<b>1,353.05</b>

iv) The undiscounted maturity analysis of lease liabilities is as follows:

Particulars	within 1 year	2-5 years	5-10 years	10 years and above	Total
<b>31 March 2024</b>					
Lease payments	422.40	858.54	16.99	13.59	<b>1,311.52</b>
Finance charge	102.48	135.19	8.67	2.60	<b>248.94</b>
<b>31 March 2023</b>					
Lease payments	476.87	1,503.40	138.24	16.99	<b>2,135.50</b>
Finance charge	170.86	308.39	12.17	3.95	<b>495.37</b>

### 55 CWIP ageing schedule

The ageing schedule for CWIP is as below:

Projects in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024	1,083.55	19.77	-	53.08	1,156.40
As at 31 March 2023	816.96	22.64	25.28	104.41	969.29
Projects temporarily suspended	-	-	-	-	-

There are no projects in progress whose completion is overdue or has exceeded its cost compared to its original plan.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 56 Trade receivables ageing schedule

#### 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,19,930.70	1,587.40	1,451.74	1,067.86	333.45	1,24,371.15
(ii) Undisputed Trade Receivables - credit impaired	187.65	110.18	208.43	246.95	467.02	1,220.23
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - credit impaired	2.29	-	71.35	137.36	768.99	979.99
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>1,20,120.64</b>	<b>1,697.58</b>	<b>1,731.52</b>	<b>1,452.17</b>	<b>1,569.46</b>	<b>1,26,571.37</b>

#### 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	90,270.79	1,282.09	3,537.73	227.53	119.44	95,437.58
(ii) Undisputed Trade Receivables - credit impaired	13.75	71.46	223.54	320.60	988.96	1,618.31
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	4.71	1.72	-	222.32	95.03	323.78
(v) Disputed Trade Receivables - credit impaired	2.51	-	-	62.69	1,009.29	1,074.49
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>90,291.76</b>	<b>1,355.27</b>	<b>3,761.27</b>	<b>833.14</b>	<b>2,212.72</b>	<b>98,454.16</b>





## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 57 Trade payables ageing schedule

**31 March 2024**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	1,568.70	20,884.12	268.02	36.14	20.85	22,777.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,613.97	20,210.21	17,903.09	448.29	107.89	300.10	47,583.55
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>8,613.97</b>	<b>21,778.91</b>	<b>38,787.21</b>	<b>716.31</b>	<b>144.03</b>	<b>320.95</b>	<b>70,361.38</b>

**31 March 2023**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	8,728.62	7,391.90	168.52	8.32	15.52	16,312.88
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,396.81	20,893.66	11,249.18	621.37	131.51	192.36	40,484.89
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>7,396.81</b>	<b>29,622.28</b>	<b>18,641.08</b>	<b>789.89</b>	<b>139.83</b>	<b>207.88</b>	<b>56,797.77</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 58 Loans and Advances to promoters, directors, KMPs and the related parties

Name of the Entities	Relationship	At at 31 March 2024	% to total loans and advances ^	As at 31 March 2023	% to total loans and advances ^
1. NV Distillers & Breweries (AP) Private limited#	Subsidiary	1,646.69	97.38%	1,544.33	99.42%
2. Deccan Star Distillers India Private Limited#	Subsidiary	1.46	0.09%	1.29	0.08%
<b>Total</b>		<b>1,648.15</b>	<b>97.47%</b>	<b>1,545.62</b>	<b>99.50%</b>

^ Represents percentage to the total loans and advances in the nature of loans

#Loans or advances in the nature of loans which are repayable on demand.

### 59 Details of transactions and balances with struck off companies

Name of the Entities	Nature of Transactions	Transactions during the period		Balance as at	
		FY 23-24	FY 22-23	31 March 2024	31 March 2023
1. Glow Infocom Private Limited	Trade Receivables	-	-	16.96	16.96
2. Chanson Hospitality Private Limited	Trade Receivables	-	-	0.47	0.47
3. Vintero Hospitality Private Limited	Advances from customers	-	-	0.01	0.01
4. UPA Hospitality Private Limited*	Advances from customers	-	-	0.00	0.00
5. Srisri Creations Jewels And Handicrafts Private Limited	Advances from customers	-	-	0.04	0.04
6. Sukhija Restaurant Private Limited	Advances from customers	-	-	0.03	0.03
7. Focus Hospitality Private Limited	Advances from customers	-	-	0.02	0.02
8. Invictus Hospitality Private Limited*	Advances from customers	-	-	0.00	0.00
9. Rosewood Cafe Private Limited	Advances from customers	-	-	0.04	0.04
10. Soul Foodz Private Limited	Advances from customers	-	-	0.03	0.03
11. Bankey Bihari Resources Private Limited*	Advances from customers	-	-	0.00	0.00
12. Crudex LNG Petroleum Private Limited	Advances from customers	0.50	-	0.10	(0.40)
13. Green Park Hotels & Resorts Limited	Trade Payables	1.09	0.43	1.09	-
<b>Total</b>		<b>1.59</b>	<b>0.43</b>	<b>18.79</b>	<b>17.20</b>

Amount less than ₹ 500



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 60 Ratios

Following are the ratios computed for the year:

Ratios	Unit	Basis	Year ended 31 March 2024	Year ended 31 March 2023	Variance (%)	Reasons
Current Ratio	Times	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.95	0.95	0.08	NA
Debt-Equity Ratio	Times	$\frac{\text{Total Debt}}{\text{Total Shareholders Equity}}$	1.91	1.82	4.77	NA
Debt Service Coverage Ratio*	Times	$\frac{\text{Earnings for debt service}}{\text{Debt service}}$	1.07	1.07	0.43	NA
Return on Equity Ratio	Percentage	$\frac{\text{Profit After Tax}}{\text{Average Shareholders Equity}}$	1.57%	1.17%	34.29	Due to Increase in Profit after tax
Inventory Turnover Ratio**	Days	$\frac{\text{Cost of Goods Sold}}{\text{Avg. Inventory}}$	48.11	49.14	(2.11)	NA
Trade Receivables turnover ratio	Days	$\frac{\text{Revenue from operations}}{\text{Average Trade Receivables}}$	52.39	49.10	6.70	NA
Trade Payables turnover ratio#	Days	$\frac{\text{Credit Purchases}}{\text{Average Trade Payables}}$	111.03	95.62	16.12	NA
Net Capital turnover ratio	Times	$\frac{\text{Revenue from Operations}}{\text{Average working Capital}}$	-32.91	-25.05	31.34	Due to increase in net revenue and reduction in average working capital
Net profit ratio ##	Percentage	$\frac{\text{Net Profit After Tax}}{\text{Net sales}}$	0.20%	0.16%	28.64	Due to Increase in Profit after tax
Return on Capital Employed \$	Percentage	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	16.48%	12.71%	29.66	Due to Increase in Earnings before Interest and Tax
Return on investment	Percentage	$\frac{\text{Earnings before Interest and Tax}^\wedge}{\text{Average total assets}}$	9.43%	7.45%	26.67	Due to Increase in Earnings before Interest and Tax

\* Earnings for debt service = Net profit after taxes + depreciation and amortisation + Finance cost , Debt service = Interest + Principal Repayments

\*\* Cost of Goods Sold = Cost of Materials Consumed + Purchases of Stock-in-Trade + Changes in Inventories; Average Inventory = (Opening Inventory + Closing Inventory)/2

# Credit Purchases = Purchase of Raw Materials on credit included in Cost of Materials Consumed + Purchase of Stock-in-Trade + Other Purchases; Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

## Net Sales = Total sales - sales return- Excise Duty

\$Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability, Tangible Net worth = Total assets -Total liabilities - Other intangible assets- Goodwill

^ Earnings before interest and tax excludes 'Other Income' since non-recurring in nature

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

**61** The Company has a working capital limit in excess of ₹ 500 lakhs sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and/or financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods which were not subjected to audit/review, except for the following:

Sr. No.	Name of the Bank Financial institution	Aggregate working capital limits sanctioned	Nature of assets offered as per security	Period	Nature of items	Amount disclosed as per return	Amount as per books of accounts	Difference*
1	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	53,108.00	Current Assets	3 months period ended 30 June 2023	Net Sales	81,427.00	81,223.45	(203.55)
					Current Assets	1,66,100.00	1,60,817.05	(5,282.95)
					Current Liabilities	1,69,900.00	1,71,590.96	1,690.96
2	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	57,036.00	Current Assets	6 months period ended 30 September 2023	Net Sales	1,66,544.00	1,66,544.38	0.38
					Current Assets	1,79,836.00	1,97,024.88	17,188.88
					Current Liabilities	1,72,982.00	2,00,134.68	27,152.68
3	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	60,536.00	Current Assets	9 months period ended 31 December 2023	Net Sales	2,56,305.00	2,56,027.69	(277.31)
					Current Assets	1,98,588.00	2,08,428.05	9,840.05
					Current Liabilities	1,86,109.00	2,11,073.02	24,964.02
4	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	60,626.00	Current Assets	Year ended 31 March 2024	Net Sales	3,33,170.00	3,32,785.14	(384.86)
					Current Assets	1,75,496.00	1,90,110.42	14,614.42
					Current Liabilities	1,76,876.00	2,00,402.16	23,526.16

\*Trade receivables are considered gross of provision and Inventories are considered gross of provision but net of excise duty in the quarterly returns filed by the Company. Also, figures are updated for book closure entries recorded post submission of returns/statements to banks/financial institutions.

### 62 Compulsory Convertible Debentures

The Company received the sum of ₹ 10,000 lakhs from Oriental Radios Private Limited, a promoter entity and related party as application money towards allotment of 8.5% Compulsorily Convertible Debentures (convertible securities) on 14 June 2021. However, the application money was subsequently refunded to the party within the prescribed time. On 8 July 2021, the Company has again received ₹ 10,000 lakhs towards allotment of convertible securities and the allotment was completed within statutory timelines.

On 27th July 2021, the Company has issued 8,547,000 compulsory convertible debentures (CCD) to Oriental Radios Private Limited. Coupon on CCD is 8.5% which is to be paid in quarterly instalments. The holder shall have the right to exercise the conversion option of all or part of the CCDs at anytime after the expiry of 60 months after the date of allotment of CCDs at a conversion ratio of 1:1. In the event, the Company proposes a listing at anytime after the date of CCD subscription, then subject to the Company having obtained prior consent of the holder, immediately prior to filing of a draft red herring prospectus ('DRHP') with the Securities Exchange Board of India (SEBI) / Concerned authority in connection with such listing, or such later date as may be permitted by SEBI / concerned authority in accordance with the applicable law, all CCDs that have not been converted into equity shares shall convert into equity shares without any further Act by or on behalf of the holder of CCDs.

Since the company has filed Draft Red Herring Prospectus on 28 June 2022, Oriental Radios Private Limited has been allotted the Equity Shares pursuant to the conversion of 8,547,000 CCDs of face value of ₹117 each, into 8,547,000 Equity Shares of the Company at a premium of ₹115 per Equity Share on 20 June 2022.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- 63** ABD Foundation was incorporated on 4 September 2020 as a Section 8 private company limited by guarantee. The company was subscriber to the memorandum of association of ABD Foundation which was wholly guaranteed by the Company. ABD Foundation was formed to carry out CSR activities on behalf of the Company such as eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, including special education and employment enhancing vocational skills, etc. As per Ind AS 110, ABD Foundation is controlled by the company and hence the activities/ transactions of ABD Foundation has been considered/ included in the Standalone Financial Statements of the company. During the year, the company has given amount of Nil (31 March 2023 ₹ 0.10 lakhs) and total outstanding as at the balance sheet date is ₹ 0.52 lakhs (31 March 2023 ₹ 0.52 lakhs)
- 64** The Income Tax Department (“the Department”) has conducted a search operation at some of the premises / plants related to the Company, its promoters, certain officials and few group companies over allegations of tax evasion from 11 December 2023 to 17 December 2023 under Section 132 of the Income Tax Act, 1961. The officials of the company have co-operated with the officials of the Income Tax Department and responded to all queries raised by them. During the course of search, the search team comprising of various IT authorities, have taken various soft and hard copy records along with written statements of various staff and employees of the company. No interim tax demand has been placed on the company by the Income tax authorities. The investigation has no material impact on the company’s operational performance. No interim tax demand and / or restriction has been imposed upon the company and / or any of its Promoters, Directors, Key Managerial Personnel or Senior Management Team. Till date, the company has not received any communication from the department in this regard. Based on the available information and facts as of date, the company believes, that there is no adjustment or provision required in the financial statements.
- 65** Subsequent to the year ended 31 March 2024, the Company completed its Initial Public Offer (IPO) of 53,390,079 equity shares of face value of ₹ 2 each at an issue price of ₹ 281 per share comprising fresh issue of 35,596,486 equity shares and offer for sale of 17,793,593 equity shares by selling shareholders, resulting in equity shares of the Company being listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 02 July 2024.
- 66** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses the accounting software SAP for maintaining books of account. During the year ended 31 March 2024, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software SAP to log any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.
- 67** The figures of the previous years have been regrouped / rearranged wherever necessary
- 68 Other Statutory Information**
- The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
  - The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
  - The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
  - The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- f. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) 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
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- g. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (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,
- h. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- i. The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the company.
- j. The Company has complied with the provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.
- k. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- l. Company is not a declared willful defaulter by any bank or financial Institution or other lender.

The accompanying notes form an integral part of the standalone financial statements

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

### For Walker Chandiok & Co LLP

Chartered Accountants  
Firm Registration No: 001076N / N500013

#### Adi P. Sethna

Partner  
Membership No. 108840  
Place: Mumbai  
Date: 22 July 2024

### For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited

#### Alok Gupta

Managing Director  
DIN: 02330045  
Place: Mumbai  
Date: 22 July 2024

#### Arun Barik

Executive Director  
DIN: 07130542  
Place: Mumbai  
Date: 22 July 2024

#### Ramakrishnan Ramaswamy

Chief Financial Officer  
  
Place: Mumbai  
Date: 22 July 2024

#### Ritesh Shah

Company Secretary and Chief Legal Officer  
A14037  
Place: Mumbai  
Date: 22 July 2024

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Allied Blenders and Distillers Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of **Allied Blenders and Distillers Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2024**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income (loss)), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Customer Dispute

4. We draw attention to the matter stated in Note 48(xxii) to the accompanying consolidated financial statements wherein it is stated that during the year ended 31 March 2024, one of the customer, Canteen Stores Department (CSD) had raised a debit memorandum amounting to Rs. 3,398.72 lakhs on the Holding Company on account of differential trade rates for sales made to CSD during the period from 1 March 2012 to 31 October 2017, which is being contested by the Holding Company. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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



## INDEPENDENT AUDITOR'S REPORT

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Refer to note 2(d) to the accompanying consolidated financial statements for the Group's material accounting policy information relating to revenue recognition, note 33 and 49 for the details of revenue recognized during the year.</p> <p>The Holding Company derives its revenue from sale of liquor products to a wide range of customers through a network of private distributors (open market), part corporation market and full corporation market. Such revenue is recognised in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which requires management to make certain key judgements, such as, identification of performance obligations in contracts with customers, determination of transaction price for the contract including variable consideration in the form of rebates, discounts and pay-outs to distributors under various promotional schemes offered by the Holding Company, and assessment of satisfaction of the performance obligations under each contract represented by the transfer of control of the products sold to the customers including state government corporations.</p> <p>Evaluation is also required to be made in respect of principal versus agent relationship of the Holding Company with its 'tie-up manufacturing units' as explained in the material accounting policy information as referred above.</p> <p>Owing to the multiplicity of the Holding Company's products, volume of sales transactions, size of distribution network, nature of customers and varied terms of contracts with different customers, revenue recognition is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and audit of revenue recognised during the year required significant auditor attention and industry knowledge, and accordingly, revenue recognition is considered as a key audit matter in the current year.</p>	<p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> <li>• Understood the process of revenue recognition and evaluated the appropriateness of the accounting policy adopted by the management on revenue recognition including determination of transaction price and satisfaction of performance obligations, in accordance with Ind AS 115;</li> <li>• Evaluated the design and tested the operating effectiveness of Holding Company's key internal controls around revenue recognition including controls relating to determination of variable consideration and satisfaction of performance obligations;</li> <li>• On a sample basis, tested revenue transactions recorded during the year, and transactions recorded in specific period before and after year end, basis inspection of supporting documents such as customer contracts, purchase orders, price lists, invoices, proof of dispatch and delivery including regulatory documents used for movement of liquor as per applicable regulations in order to ensure revenue is recorded with the correct amount and in the correct period;</li> <li>• Performed substantive testing by selecting a sample of discounts, rebate and other pay-out transactions with distributors recorded during the year as well as period end accrual basis the promotion schemes offered by the Holding Company;</li> <li>• Performed substantive analytical procedures such as variance analysis on revenue to identify any unusual trends;</li> <li>• Evaluated adequacy of the disclosures made in the accompanying consolidated financial statements in respect of revenue recognition in accordance with financial reporting framework.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
<p><b>Litigations and claims - provisions and contingent liabilities</b></p> <p>Refer to note 2(n) to the accompanying consolidated financial statements for the Group's material accounting policy information relating to Provision, Contingent Liabilities and Contingent Assets and note 48 for contingent liabilities disclosure.</p> <p>The Holding Company is involved in various direct, indirect tax and other litigations as detailed in the said noted above, that are pending with different statutory authorities as at year end.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>This judgement is dependent on a number of significant assumptions and assessments which involves interpreting the various applicable rules, regulations, practices and considering precedents in the various jurisdictions.</p> <p>Considering the high degree of judgment, significance of the amounts involved, inherent high estimation uncertainty, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures, related to provisions and contingent liabilities, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Holding Company for: <ul style="list-style-type: none"> <li>- identification and monitoring of significant developments in relation to the litigations, including completeness thereof;</li> <li>- assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and</li> <li>- measurement of amounts involved.</li> </ul> </li> <li>• Evaluated the design and tested the operating effectiveness of key controls around above process;</li> <li>• Obtained the list of litigations outstanding as at year end from the management along with their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations;</li> <li>• Tested the underlying calculations supporting the provisions recorded and contingent liabilities disclosed by the management in respect of identified and ongoing litigations;</li> <li>• Obtained and evaluated the independent confirmations from the attorney/consultants representing the Holding Company before the various authorities, where applicable, to confirm management's assessment of outstanding litigation and asserted claims.</li> </ul> <p>Evaluated the objectivity, independence, competency and capabilities of the attorney/consultants engaged by the management;</p> <ul style="list-style-type: none"> <li>• Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Holding Company, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and</li> <li>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.</li> </ul>

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

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

## INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entity included in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



## INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

### Other Matter

16. We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of ₹ 10,017.79 lakhs as at 31 March 2024, total revenues of ₹ 12.75 lakhs and net cash outflows amounting to ₹ 67.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 6 subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above (to the extent applicable), of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

## INDEPENDENT AUDITOR'S REPORT

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Allied Blenders and Distillers Limited	U15511MH2008PLC187368	Holding Company	ii(b), vii(a)
2	Madanlal Estates Private Limited	U70200MH2017PTC301917	Subsidiary Company	xix
3	ABD Dwellings Private Limited	U45400MH2013PTC247452	Subsidiary Company	xix
4	NV Distillers and Breweries (AP) Private Limited	U15549MH2007PTC335436	Subsidiary Company	xix
5	Deccan Star Distilleries India Private Limited	U15492TG2013PTC090743	Subsidiary Company	xix

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with 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 of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries, covered under the Act, , none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) The reservations relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed a unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii. The Holding Company, its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

## INDEPENDENT AUDITOR'S REPORT

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2024;
- iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Holding Company, its subsidiaries have not declared or paid any dividend during the year ended 31 March 2024.
- vi. As stated in note 66 to the consolidated financial statements and based on our examination which included test checks and that performed by the auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for instance mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Nature of exception noted	Details of Exception
Instances of accounting software used for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all records by the Holding Company and its two subsidiaries.

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

**Adi P. Sethna**  
Partner  
Membership No.: 108840  
**UDIN: 24108840BKFDRR1004**

**Place:** Mumbai  
**Date:** 22 July 2024

## INDEPENDENT AUDITOR'S REPORT

### Annexure 1

#### List of entities included in the Consolidated Financial Statements

#### Allied Blenders and Distillers Limited (Holding Company)

#### Subsidiaries:

- 1 NV Distillers & Breweries (AP) Private limited
- 2 Deccan Star Distillers India Private Limited
- 3 Sarthak Blenders and Bottlers Private Limited
- 4 Chitwan Blenders & Bottlers Private Limited
- 5 ABD Dwellings Private Limited
- 6 Madanlal Estates Private Limited
- 7 Allied Blenders and Distillers (UK) Limited
- 8 Allied Blenders and Distillers Maharashtra LLP



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A

#### **Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Allied Blenders and Distillers Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the respective companies 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

#### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

## INDEPENDENT AUDITOR'S REPORT

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company and its subsidiary companies, which are companies covered under the Act, 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.

### **Other Matter**

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to six subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 10,017.79 lakhs and net assets of ₹ 5,881.11 lakhs as at 31 March 2024, total revenues of ₹ 12.75 lakhs and net cash outflows amounting to ₹ 67.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to consolidated financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies are based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P Sethna**

Partner

Membership No.: 108840

**UDIN: 24108840BKFDRR1004**

**Place:** Mumbai

**Date:** 22 July 2024



**Allied Blenders  
& Distillers**

## CONSOLIDATED BALANCE SHEET

as at 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>I</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	Property, plant and equipment	5	44,577.45	37,758.63
	Capital work-in-progress	5A	1,589.84	1,402.73
	Right of use assets	6	12,266.86	12,971.19
	Goodwill	7	385.24	385.24
	Other intangible assets	7	6,225.31	6,428.92
	Financial assets			
	(i) Investments	8	0.39	0.39
	(ii) Loans	9	-	-
	(iii) Other financial assets	10	4,193.05	5,313.22
	Deferred tax assets (net)	11	977.69	1,213.17
	Non-current tax assets (net)	12	1,862.89	1,677.96
	Other non-current assets	13	2,702.72	1,720.20
	<b>Total non-current assets</b>		<b>74,781.44</b>	<b>68,871.65</b>
<b>II</b>	<b>Current assets</b>			
	Inventories	14	41,883.92	55,918.33
	Financial assets			
	(i) Trade receivables	15	124,371.15	95,761.36
	(ii) Cash and cash equivalents	16	2,728.62	2,754.50
	(iii) Bank balances other than cash and cash equivalents above	17	4,797.71	2,547.60
	(iv) Loans	18	42.80	7.74
	(v) Other financial assets	19	2,127.96	2,602.80
	Other current assets	20	12,833.42	11,887.28
			<b>188,785.58</b>	<b>171,479.61</b>
	Assets included in disposal group held for sale	20A	-	8,418.72
	<b>Total current assets</b>		<b>188,785.58</b>	<b>179,898.33</b>
	<b>TOTAL ASSETS</b>		<b>263,567.02</b>	<b>248,769.98</b>
<b>III</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity share capital	21	4,882.27	4,882.27
	Other equity	22	35,810.55	35,728.04
	<b>Total equity</b>		<b>40,692.82</b>	<b>40,610.31</b>
	<b>Liabilities</b>			
<b>IV</b>	<b>Non-current liabilities</b>			
	Financial liabilities			
	(i) Borrowings	23	19,126.29	13,866.37
	(ii) Lease liabilities	24	742.66	1,334.12
	Provisions	25	2,316.58	1,315.23
	<b>Total non-current liabilities</b>		<b>22,185.53</b>	<b>16,515.72</b>
<b>V</b>	<b>Current liabilities</b>			
	Financial liabilities			
	(i) Borrowings	26	63,285.47	63,758.38
	(ii) Lease liabilities	27	319.92	306.01
	(iii) Trade payables	28		
	- Total outstanding dues of micro and small enterprises		22,777.83	16,312.88
	- Total outstanding dues of creditors other than micro and small enterprises		47,461.75	40,275.52
	(iv) Other financial liabilities	29	18,200.91	19,193.54
	Other current liabilities	30	47,055.66	49,980.86
	Provisions	31	1,284.23	1,249.14
	Current tax liabilities (net)	32	302.90	107.47
			<b>200,688.67</b>	<b>191,183.80</b>
	Liabilities included in disposal group held for sale	20A	-	460.15
	<b>Total current liabilities</b>		<b>200,688.67</b>	<b>191,643.95</b>
	<b>TOTAL LIABILITIES</b>		<b>222,874.20</b>	<b>208,159.67</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>263,567.02</b>	<b>248,769.98</b>
	Summary of material accounting policies and other explanatory information	2		
	The accompanying notes form an integral part of the consolidated financial statements			

This is the consolidated balance sheet referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N / N500013

**Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

**For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

**Arun Barik**

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

**Ramakrishnan Ramaswamy**

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

**Ritesh Shah**

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	33	766,857.03	710,568.02
Other income	34	626.04	1,106.90
<b>Total Income</b>		<b>767,483.07</b>	<b>711,674.92</b>
<b>Expenses</b>			
Cost of materials consumed	35	206,683.54	199,568.67
Purchases of stock-in-trade	36	565.00	562.70
Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	2,542.09	(2,727.03)
Excise duty		434,071.89	395,905.14
Employee benefit expense	38	17,562.15	18,591.58
Other expenses	41	81,219.02	80,167.89
<b>Total expenses (excluding finance cost and depreciation / amortisation)</b>		<b>742,643.69</b>	<b>692,068.95</b>
<b>Profit before finance costs, depreciation and amortisation expenses, exceptional items and tax</b>		<b>24,839.38</b>	<b>19,605.97</b>
Finance costs	39	17,276.61	13,497.07
Depreciation and amortisation expenses	40	5,785.74	5,514.36
<b>Profit before exceptional items and tax</b>		<b>1,777.03</b>	<b>594.54</b>
Exceptional Items (Refer note 20)		498.62	-
<b>Profit before tax</b>		<b>1,278.41</b>	<b>594.54</b>
<b>Tax expense/(credit), net</b>			
(i) Current tax	42	834.32	123.81
(ii) Tax adjustments in respect of earlier years	42	(8.04)	(4.23)
(iii) Deferred tax	42	269.24	314.95
		<b>1,095.52</b>	<b>434.53</b>
<b>Profit after tax</b>		<b>182.89</b>	<b>160.01</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans (loss)	41A	(134.14)	61.63
Income tax relating to these items	41A	33.76	(21.57)
<b>Other comprehensive income, net of tax</b>		<b>(100.38)</b>	<b>40.06</b>
<b>Total comprehensive income</b>		<b>82.51</b>	<b>200.07</b>
<b>Earnings per equity share:</b>	50		
Basic (in ₹)		0.07	0.07
Diluted (in ₹)		0.07	0.07
Face value per share (in ₹)		2.00	2.00
Summary of material accounting policies and other explanatory information	2		
The accompanying notes form an integral part of the consolidated financial statements			

This is the consolidated statement of profit and loss referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N / N500013

**Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

**For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

**Arun Barik**

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

**Ramakrishnan Ramaswamy**

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

**Ritesh Shah**

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024



Allied Blenders  
& Distillers

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### a) Equity share capital (Refer note 21)

Particulars	Number of shares	Amount
<b>Issued, subscribed and paid-up:</b>		
<b>As at 1 April 2022</b>	<b>235,566,665</b>	<b>4,711.33</b>
Issue of shares on conversion of CCD (Refer note 62)	8,547,000	170.94
<b>As at 1 April 2023</b>	<b>244,113,665</b>	<b>4,882.27</b>
Issue of shares	-	-
<b>As at 31 March 2024</b>	<b>244,113,665</b>	<b>4,882.27</b>

### b) Other equity (Refer note 22)

Particulars	Reserve and Surplus						Total
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Equity component of compound financial instrument	Balance surplus in the statement of profit and loss (Retained Earnings)	
<b>Balance as at 1 April 2022</b>	<b>0.80</b>	<b>11,027.80</b>	<b>4,822.94</b>	<b>681.82</b>	<b>9,528.18</b>	<b>9,637.37</b>	<b>35,698.91</b>
Profit for the year	-	-	-	-	-	160.01	160.01
Other comprehensive income for the year	-	-	-	-	-	40.06	40.06
Issue of equity shares on conversion of CCD (Refer note 62)	-	9,357.24	-	-	(9,528.18)	-	(170.94)
<b>Balance as at 31 March 2023</b>	<b>0.80</b>	<b>20,385.04</b>	<b>4,822.94</b>	<b>681.82</b>	<b>-</b>	<b>9,837.44</b>	<b>35,728.04</b>
Profit for the year	-	-	-	-	-	182.89	182.89
Other comprehensive income for the year	-	-	-	-	-	(100.38)	(100.38)
<b>Balance as at 31 March 2024</b>	<b>0.80</b>	<b>20,385.04</b>	<b>4,822.94</b>	<b>681.82</b>	<b>-</b>	<b>9,919.95</b>	<b>35,810.55</b>

Summary of material accounting policies and other explanatory information (Refer note 2)

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated statement of changes in equity referred to in our report of even date.

#### For Walker Chandiook & Co LLP

Chartered Accountants  
Firm Registration No: 001076N / N500013

#### Adi P. Sethna

Partner  
Membership No. 108840  
Place: Mumbai  
Date: 22 July 2024

#### For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited

#### Alok Gupta

Managing Director  
DIN: 02330045  
Place: Mumbai  
Date: 22 July 2024

#### Arun Barik

Executive Director  
DIN: 07130542  
Place: Mumbai  
Date: 22 July 2024

#### Ramakrishnan Ramaswamy

Chief Financial Officer  
  
Place: Mumbai  
Date: 22 July 2024

#### Ritesh Shah

Company Secretary and Chief Legal Officer  
A14037  
Place: Mumbai  
Date: 22 July 2024

## CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		1,278.41	594.54
Adjustments for :			
Depreciation/amortisation	40	5,785.74	5,514.36
Exceptional Items	20	498.62	-
Provision for doubtful debts	41	932.87	329.50
Provision for doubtful advances	41	51.52	22.04
Bad debts written-off (net of provisions written back)	41	29.40	-
Provision for inventory		429.07	622.17
Unrealised foreign exchange loss		102.96	25.80
Finance costs	39	17,276.61	13,497.07
(Profit)/Loss on sale of property, plant and equipment	34	(96.89)	4.04
Liabilities no longer required written back	34	(109.21)	(123.38)
Provision no longer required written back	34	(14.58)	(152.06)
Interest income from investing activities	34	(226.18)	(215.39)
<b>Operating profit before working capital changes</b>		<b>25,938.34</b>	<b>20,118.69</b>
<b>Adjustments for working capital:</b>			
Decrease/(Increase) in inventories		13,605.34	(21,291.03)
Decrease/(Increase) in trade receivables		(29,547.86)	(580.71)
Decrease/(Increase) in financial assets and other assets		(1,257.40)	(5,335.84)
(Decrease)/Increase in liabilities and provisions		10,646.31	30,474.06
<b>Cash generated from operating activities</b>		<b>19,384.73</b>	<b>23,385.17</b>
Direct taxes paid (net)		(815.78)	(398.94)
<b>Net cash generated from operating activities</b>	<b>(A)</b>	<b>18,568.95</b>	<b>22,986.23</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets including capital work in progress		(4,604.29)	(2,019.63)
Proceeds from sale of property, plant and equipment		146.81	66.36
Investment in bank deposits		(5,183.62)	(1,585.12)
Maturity of bank deposits		3,962.15	1,482.65
Interest received		226.18	215.39
<b>Net cash (used in) investing activities</b>	<b>(B)</b>	<b>(5,452.77)</b>	<b>(1,840.35)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings		15,630.00	-
Repayment of long term borrowings		(10,978.36)	(8,207.99)
Repayment of short term borrowings (net)		(437.94)	1,870.26
Finance costs paid		(17,017.95)	(13,513.32)
Interest on lease liabilities	54(ii)	(142.94)	(175.27)
Repayment of lease obligations	54(ii)	(268.43)	(258.43)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(13,215.62)</b>	<b>(20,284.75)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(99.44)</b>	<b>861.13</b>
Opening balance of cash and cash equivalents		2,754.50	1,966.93
Add: Cash and cash equivalents reclassified from assets held for sale (Refer note 20A)		73.56	-
Less: Cash and cash equivalents included in assets held for sale (Refer note 20A)		-	(73.56)
<b>Closing balance of cash and cash equivalents</b>		<b>2,728.62</b>	<b>2,754.50</b>
<b>Components of cash and cash equivalents:</b>			
Cash on hand	16	67.93	96.32
Balances with banks in current accounts	16	664.10	1,297.25
In bank deposits (original maturity period less than 3 months)	16	30.72	27.67
Cheques, drafts on hand	16	1,965.87	1,333.26
<b>Cash and cash equivalents</b>		<b>2,728.62</b>	<b>2,754.50</b>

Note:

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

(ii) Refer note 62 for significant non cash transaction

Summary of material accounting policies and other explanatory information 2

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated statement of cash flow referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N / N500013

**Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 22 July 2024

**For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited**

**Alok Gupta**

Managing Director

DIN: 02330045

Place: Mumbai

Date: 22 July 2024

**Ramkrishnan Ramaswamy**

Chief Financial Officer

Place: Mumbai

Date: 22 July 2024

**Arun Barik**

Executive Director

DIN: 07130542

Place: Mumbai

Date: 22 July 2024

**Ritesh Shah**

Company Secretary and Chief Legal Officer

A14037

Place: Mumbai

Date: 22 July 2024

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 1 GROUP INFORMATION

Allied Blenders and Distillers Limited ("the Company") and its subsidiaries (collectively referred to as the 'Group') are engaged in the business of manufacture, purchase and sale of Alcoholic Beverages/ liquids. The Company is a public limited company domiciled and headquartered in Mumbai, Maharashtra, India. It is incorporated under the Companies Act, 1956.

The Consolidated financial statements ('the financial statements') of the Company for the year ended 31 March 2024 were authorised for issue in accordance with the resolution of Board of Directors on 22 July 2024.

### 2 MATERIAL ACCOUNTING POLICIES

#### a. Basis of Preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, except for amendments applicable from a specified date.

The consolidated financial statements have been prepared on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle (which is a period not exceeding twelve months) and other criteria set out in Schedule III to Companies Act, 2013.

#### b. Principles of consolidation and equity accounting

##### Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the Parent Company and its subsidiaries line by line, adding together like items of assets, liabilities, income and expenses. Inter-Company transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Company. Non-controlling interests, if any in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

##### Business combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, over the net consideration amounts i.e identifiable assets acquired and the liabilities assumed.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### Changes in ownership interests

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

### c. Foreign Currency Transactions

The functional currency of the Company and its subsidiaries is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on their settlement and restatement are recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are recorded in terms of historical cost are not retranslated.

### d. Revenue Recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the group in exchange for those products or services.

The group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. The customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs; or
- ii. The group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. The group's performance does not create an asset with an alternative use to the group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products are recognised by the group at a point in time on which the performance obligation is satisfied.

#### Revenue from sale of products

Revenue is recognised on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

#### Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The group has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell on behalf of the group. Under such arrangements, the group has exposure to significant risks and rewards associated with the sale of products i.e., it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the group. The group also presents inventory lying with TMU's under such arrangements as its own inventory.

The net receivables from/payable to TMUs are recognised under other financial assets/other financial liabilities as due from tie up units or due to tie up units respectively.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### **Interest**

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **e. Income tax**

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the period. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted in relation to the reporting period.

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient 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 utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced when it is no longer probable that sufficient taxable profit will be available to allow the full or part of deferred income tax assets to be utilised. At each reporting date, the group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

While determining the tax provisions, the group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

### **f. Leases**

#### **As a lessee**

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### i. Right of use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note g for impairment of non-financial assets.

### ii. Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce Property plant and equipment) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The group's lease liabilities are included in financial liability

### iii. Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### g. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date to confirm if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### h. Inventories

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realisable value. Damaged, non-moving / obsolete stocks are suitably written down/provided for.

In determining cost of raw materials, packing materials, work-in-progress and finished goods weighted average cost method is used. Cost of raw material comprises all costs of purchase, non-refundable duties and taxes and all other costs incurred in bringing the inventory to their present location and condition.

Cost of work-in-progress and finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

### i. Financial Instruments

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

#### a) Financial Assets

##### (i) Initial Recognition

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

##### (ii) Subsequent Measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

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

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

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (iii) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### (iv) Impairment of Financial Assets

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

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

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

### (v) De-recognition of Financial Assets

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

If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

### Financial Liabilities

#### • Initial Recognition

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

#### • Subsequent Measurement

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

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### **Financial liabilities at FVPL:**

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

### **Financial liabilities at amortised cost**

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

- **De-recognition of Financial Liabilities**

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

- **Offsetting Financial Instruments**

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

### **c) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **d) Trade receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them initially at contracted price and subsequently at amortised cost using the effective interest method, less loss allowance.

### **e) Trade payable**

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

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### j. Property plant and equipment (including Capital Work-in-Progress)

Freehold land is carried at historical cost less impairment loss, if any. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation / amortisation and impairment loss, if any. Historical cost includes expenditure that is attributable to the acquisition/ construction and all other costs (including borrowing related to qualifying assets), that are not refundable and are necessary to bring the asset to its working condition of use as intended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are incurred before the date they are ready for their intended use, are disclosed as capital work-in-progress before such date.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### Depreciation / Amortisation:

Depreciation is charged on written down value method on the basis of useful life of assets (mentioned below) keeping a residual value of assets at 5% of the original cost, except in case of computers and data processing units where residual value is estimated at 1% of the original cost. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is calculated pro-rata from the date of addition or upto the date of disposal, as the case may be. The Group depreciates its property, plant and equipment (PPE) over useful life in manner prescribed in Schedule II to the Act, except factory building, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

Class of Assets	Useful Life (Years)
Plant and machinery	10-40
Building	19-60
Leasehold Improvements	5
Vehicles	6-10
Server and network	6
Electrical installation	10
Office equipment	5
Computer and accessories	3-6
Laboratory equipment	5-10
Furniture and fixtures	8-10
Road	3-10
Mould	15

Capital costs in respect of upgradation of leased premises has been amortized over the initial lease period or its useful lives whichever is lower.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### k. Intangible Assets and amortisation

Intangible assets with a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is attributable to the acquisition/ development of the intangible assets including cost necessary to bring the asset to its intended use or sale.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the group and the cost of the asset can be reliably measured.

Software and related implementation costs are capitalized where it is expected to provide enduring economic benefits and are amortized over a period of 5 years starting from the month of addition.

Manufacturing License is considered as an asset with indefinite useful life, since there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The acquisition cost of such asset is carried at deemed cost and is tested for impairment annually.

Patent, trademarks and design, and license (other than manufacturing license) acquisition cost are amortised over a period of 10 years from the month of acquisition.

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

Digital Content is amortised over a period of 18 months to 24 months from the month of capitalisation.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

### l. Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of profit and loss over the period of the borrowings using the effective interest method. Subsequently all borrowings are measured at amortised cost using the effective interest rate method.

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 recognised in statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

### m. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in statement of Profit and Loss in the period in which they are incurred.

### n. Provisions, Contingent Liabilities and contingent assets

A provision is recognised when the group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, or a present obligation where outflow of resources is not probable or where outflow is probable but reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, they are disclosed only when an inflow of economic benefits is probable.

### o. Employee Benefits

**A) Short term employee benefits:** All employee benefits which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

#### B) Post-employment benefits

- i. **Defined Contribution Plans:** Group's contribution to the state governed provident fund scheme, superannuation scheme, Employees State Insurance corporation (ESIC) etc. are recognised during the period in which the related service is rendered.
- ii. **Gratuity:** The group has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current period is debited to the Statement of Profit and Loss. The present value of the defined benefit obligation, which is unfunded at present, 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 the terms of the related obligation. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/credited to other comprehensive income.
- iii. **Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the period are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/gains are recognised in the consolidated Statement of Profit and Loss in the period in which they arise.

**C) Termination Benefits:** These are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred, i.e. when employment is terminated or when an employee accepts voluntary redundancy in exchange for these benefits.

#### D) Other long-term benefits:

- i. **Medical benefits :** The group has computed its liability towards post-employment medical benefits on actuarial valuation basis which is determined based on project unit credit method and the charge for current period is debited to the Statement of Profit and Loss. The present value of the defined benefit obligation, which is unfunded at present, 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 the terms of the related obligation. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/credited to other comprehensive income.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### **p. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) 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 right issue, shares split (sub-division) and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **q. Exceptional items**

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the group for the period, the nature and amount of such items is disclosed as exceptional items.

### **r. Segmental information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Executive committee, which has been identified as the chief operating decision maker, assesses the financial performance and position of the group and makes strategic decisions. The executive committee consists of the Chief Financial Officer & Chief Executive Officer and other departmental heads. See note 51 for segment information presented.

## **3 CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Ind AS requires estimates and assumptions to be made by the Management of the group that affect the reported amounts of assets and liabilities and amounts disclosed as contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

The Management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to originally assessed estimates and assumptions turning out to be different than the actual results.

Examples of such estimates include the useful life of property, plant and equipment, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, impairment of investments/assets, etc.

### **i) Property, plant and equipment and Intangible Assets: (Refer note 5 and 7)**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013 or otherwise are based on the group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

### **ii) Income Tax: (Refer note 42)**

The group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### iii) Contingencies: (Refer note 48)

Management has estimated the possible outflow of resources, if any at the end of each annual reporting financial period, if any, in respect of contingencies/claim/litigations against the group as it is not possible to predict the outcome of pending matters with accuracy.

### iv) Impairment of financial assets: (Refer note 44)

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### v) Impairment of non-financial assets: (Refer note 5 and 7)

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication that an individual asset / group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal / external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### vi) Defined benefit obligation (Refer note 47)

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in the notes to the financial statements.

### vii) Loss Allowance (Refer note 15)

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible.

### viii) Fair value measurements (Refer note 43)

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

## 4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised, have been considered in preparing these consolidated financial statements.

The 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 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 5 Property, plant and equipment

Particulars	Freehold land	Buildings	Factory road	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Leasehold Improvements*	Office equipment	Computers	Server and network	Lab processing equipments	Moulds	Total
<b>Gross carrying value</b>														
<b>As at 1 April 2022</b>	9,740.91	36,308.37	563.28	31,453.96	1,491.30	3,472.40	2,089.74	3,491.95	1,579.98	660.47	291.25	188.55	23.02	91,355.18
Additions	-	102.99	-	607.73	58.67	-	3.33	597.99	38.67	61.25	-	3.30	-	1,473.93
Disposals	-	5.88	-	121.33	-	-	-	-	1.38	-	-	-	-	128.59
Assets reclassified as held for sale	-	8,468.48	-	-	-	-	-	-	-	-	-	-	-	8,468.48
<b>As at 31 March 2023</b>	9,740.91	27,937.00	563.28	31,940.36	1,549.97	3,472.40	2,093.07	4,089.94	1,618.65	720.34	291.25	191.85	23.02	84,232.04
Additions	-	521.98	-	501.81	44.78	920.34	73.41	1,327.33	16.39	79.10	3.07	26.03	-	3,514.24
Assets reclassified from held for sale	-	8,345.03	-	-	-	-	-	-	-	-	-	-	-	8,345.03
Disposals	-	-	-	35.17	5.32	665.10	-	-	0.57	17.95	28.59	10.08	-	762.78
<b>As at 31 March 2024</b>	9,740.91	36,804.01	563.28	32,407.00	1,589.43	3,727.64	2,166.48	5,417.27	1,634.47	781.49	265.73	207.80	23.02	95,328.53
<b>Accumulated depreciation</b>														
<b>As at 1 April 2022</b>	-	12,441.24	447.27	19,457.59	1,310.21	2,858.82	1,781.97	1,197.28	1,383.96	599.89	279.66	151.14	17.88	41,926.91
Charge for the year	-	1,241.71	53.29	1,941.49	87.65	185.12	130.05	913.47	94.82	67.29	3.22	9.11	0.92	4,728.14
Disposals	-	1.92	-	54.90	-	-	-	-	-	1.37	-	-	-	58.19
Assets reclassified as held for sale	-	123.45	-	-	-	-	-	-	-	-	-	-	-	123.45
<b>As at 31 March 2023</b>	-	13,557.58	500.56	21,344.18	1,397.86	3,043.94	1,912.02	2,110.75	1,478.78	665.81	282.88	160.25	18.80	46,473.41
Charge for the period	-	1,377.51	21.10	1,659.34	68.90	247.30	112.55	1,364.83	49.42	76.33	1.77	10.71	0.77	4,990.53
Disposals	-	-	-	20.64	4.74	631.34	-	-	0.55	17.76	28.26	9.57	-	712.86
<b>As at 31 March 2024</b>	-	14,935.09	521.66	22,982.88	1,462.02	2,659.90	2,024.57	3,475.58	1,527.65	724.38	256.39	161.39	19.57	50,751.08
<b>Net carrying value</b>														
<b>Balance as at 31 March 2023</b>	9,740.91	14,379.42	62.72	10,596.18	152.11	428.46	181.05	1,979.19	139.87	54.53	8.37	31.60	4.22	37,758.63
<b>Balance as at 31 March 2024</b>	9,740.91	21,868.92	41.62	9,424.12	127.41	1,067.74	141.91	1,941.69	106.82	57.11	9.34	46.41	3.45	44,577.45

Leasehold improvement includes additions at property taken on lease and used as chairman office, home office, Group's guest office and training center. Refer note 23 and note 26 for assets pledged as security.

### 5a Capital work-in-progress

<b>Balance as at 1 April 2022</b>	<b>1,485.23</b>
Additions	817.63
Capitalised during the year	(900.13)
<b>Balance as at 31 March 2023</b>	<b>1,402.73</b>
Additions	1,002.94
Capitalised during the period	(815.83)
<b>Balance as at 31 March 2024</b>	<b>1,589.84</b>

Please refer note 56 for ageing.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 6 Right-of-use assets

Particulars	Right of use assets- land	Right of use assets- buildings	Right of use assets- machinery	Total
<b>Gross carrying value</b>				
<b>As at 1 April 2022</b>	<b>11,903.86</b>	<b>169.32</b>	<b>1,796.10</b>	<b>13,869.28</b>
Additions	-	8.38	329.00	337.38
Deletions	-	33.38	-	33.38
<b>As at 31 March 2023</b>	<b>11,903.86</b>	<b>144.32</b>	<b>2,125.10</b>	<b>14,173.28</b>
Additions				-
Deletions/Adjustment	-	-	309.12	309.12
<b>As at 31 March 2024</b>	<b>11,903.86</b>	<b>144.32</b>	<b>1,815.98</b>	<b>13,864.16</b>
<b>Accumulated Depreciation</b>				
<b>As at 1 April 2022</b>	<b>268.25</b>	<b>12.56</b>	<b>544.27</b>	<b>825.08</b>
Charge for the year	89.39	40.06	254.24	383.69
Deletions	-	6.68	-	6.68
<b>As at 31 March 2023</b>	<b>357.64</b>	<b>45.94</b>	<b>798.51</b>	<b>1,202.09</b>
Charge for the period	89.39	35.29	270.53	395.21
Deletions				-
<b>As at 31 March 2024</b>	<b>447.03</b>	<b>81.23</b>	<b>1,069.04</b>	<b>1,597.30</b>
<b>Net carrying value</b>				
<b>Balance as at 31 March 2023</b>	<b>11,546.22</b>	<b>98.38</b>	<b>1,326.59</b>	<b>12,971.19</b>
<b>Balance as at 31 March 2024</b>	<b>11,456.83</b>	<b>63.09</b>	<b>746.94</b>	<b>12,266.86</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 7 Intangible assets

Particulars	Software	License fees*	Patent, trademark and design	Digital Content	Total	Goodwill
<b>Gross carrying value</b>						
<b>Balance as at 1 April 2022</b>	<b>2,139.67</b>	<b>6,238.88</b>	<b>51.51</b>	<b>109.74</b>	<b>8,539.80</b>	<b>883.68</b>
Additions	-	-	-	526.11	526.11	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>2,139.67</b>	<b>6,238.88</b>	<b>51.51</b>	<b>635.85</b>	<b>9,065.91</b>	<b>883.68</b>
Additions	35.40	161.00	-	-	196.40	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>2,175.07</b>	<b>6,399.88</b>	<b>51.51</b>	<b>635.85</b>	<b>9,262.31</b>	<b>883.68</b>
<b>Accumulated amortisation</b>						
<b>Balance as at 1 April 2022</b>	<b>1,778.61</b>	<b>410.52</b>	<b>24.32</b>	<b>21.01</b>	<b>2,234.46</b>	<b>498.44</b>
Charge for the year	115.83	31.53	5.01	250.16	402.53	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>1,894.44</b>	<b>442.05</b>	<b>29.33</b>	<b>271.17</b>	<b>2,636.99</b>	<b>498.44</b>
Charge for the period	88.19	31.11	5.00	275.71	400.01	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>1,982.63</b>	<b>473.16</b>	<b>34.33</b>	<b>546.88</b>	<b>3,037.00</b>	<b>498.44</b>
<b>Net carrying value</b>						
<b>Balance as at 31 March 2023</b>	<b>245.23</b>	<b>5,796.83</b>	<b>22.18</b>	<b>364.68</b>	<b>6,428.92</b>	<b>385.24</b>
<b>Balance as at 31 March 2024</b>	<b>192.44</b>	<b>5,926.72</b>	<b>17.18</b>	<b>88.97</b>	<b>6,225.31</b>	<b>385.24</b>

\* License fees represents cost towards licenses acquired by the Company for its manufacturing units. Based on management estimate and conditions stipulated in the license document issued by the statutory authorities, the useful lives of certain licenses has been assessed to be indefinite for the said licenses of ₹ 5,836.15 Lakhs (31 March 2023: ₹ 5,675.15 lakhs).



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 8 Investments (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investment in equity shares measured at fair value through profit and loss account</b>		
<b>Un-quoted, fully paid-up</b>		
Sanguine New Media & Advisory Private Limited		
31 March 2024 - 2,941 (31 March 2023- 2,941) equity shares of ₹ 10 each fully paid up	20.00	20.00
Less : Provision for diminution in the value of investment	(20.00)	(20.00)
Shamrao Vithal Co-operative Bank Ltd		
31 March 2024 - 100 (31 March 2023- 100) equity shares of ₹ 25 each fully paid up	0.03	0.03
Saraswat Co-Operative Bank Limited		
31 March 2024 - 2,500 (31 March 2023- 2,500) equity shares of ₹ 10 each fully paid up	0.25	0.25
Jankalyan Sahkari Bank Limited (#)		
31 March 2024 - 10 (31 March 2023- 10) equity shares of ₹ 10 each fully paid up	0.00	0.00
<b>Sub-total (i)</b>	<b>0.28</b>	<b>0.28</b>
<b>Investment in government securities measured at amortized cost, unquoted</b>		
National savings certificates	0.11	0.11
<b>Sub-total (ii)</b>	<b>0.11</b>	<b>0.11</b>
<b>Total (i+ii)</b>	<b>0.39</b>	<b>0.39</b>
<b>Aggregate value of unquoted investments (net of impairment)</b>	<b>0.39</b>	<b>0.39</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>20.00</b>	<b>20.00</b>

### 9 Loans (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured (unless otherwise stated)</b>		
Loans and advances to others		
Considered good	-	-
Credit impaired	94.27	94.27
Less : Provision for expected credit loss	(94.27)	(94.27)
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Break up of loans and advances details :

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	-	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	94.27	94.27



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 9.1 Disclosure under Section 186(4) of the Companies Act, 2013

Particulars	As at 31 March 2024	As at 31 March 2023
Loan given to related parties	-	-
Loan given to others (credit impaired)	94.27	94.27

There are no loans receivable from Directors or other officers of the Group or any of them either severally or jointly with any other person or loans receivables from firms or private companies respectively in which any director is a partner or a director or a member other than those disclosed in note 46.

### 10 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured considered good (unless otherwise stated)</b>		
Security deposits		
- Others	806.85	938.29
- Credit impaired	-	53.67
Less : Provision for expected credit loss	-	(53.67)
	-	
Due from tie-up units	2,493.63	2,453.72
Bank deposits with more than 12 months maturity*	895.57	1,924.21
Less : Provision for doubtful deposits	(3.00)	(3.00)
	892.57	1,921.21
<b>Total</b>	<b>4,193.05</b>	<b>5,313.22</b>

\* Bank deposits shown above are kept under lien with various statutory authorities of ₹ 895.57 lakhs (31 March 2023: ₹ 804.72 lakhs) and short term borrowings availed from banks of Nil (31 March 2023: ₹ 1,119.49 lakhs).

#### Break up of security details :

Security deposits considered good - secured	-	-
Security deposits considered good - unsecured	806.85	938.29
Security deposits which have significant increase in credit risk	-	-
Security deposits - credit impaired	-	53.67

### 11 Deferred tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities arising on account of:</b>		
Property, Plant and equipment, Goodwill and Other intangible assets	562.70	1,014.74
Financial assets and financial liabilities at amortised cost	263.35	90.52
Others	38.26	53.13
<b>Total deferred tax liabilities (A)</b>	<b>864.31</b>	<b>1,158.39</b>
<b>Deferred tax asset arising on account of :</b>		
Employee benefits	680.23	927.12
Provision for expected credit loss	793.71	1,275.25
Difference in book values and tax base values of right of use assets and lease liabilities	60.07	70.00
Others	307.99	99.19
<b>Total deferred tax assets (B)</b>	<b>1,842.00</b>	<b>2,371.56</b>
<b>Deferred tax assets (net) (B-A)</b>	<b>977.69</b>	<b>1,213.17</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 12 Income-tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (Net of provision for tax of ₹ 5,860.20 lakhs, 31 March 2023: ₹ 5,775.99 lakhs)	1,862.89	1,677.96
<b>Total</b>	<b>1,862.89</b>	<b>1,677.96</b>

### 13 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Capital advances		
- Others good	840.16	150.08
- Others credit impaired	20.00	20.00
Less : Provision for doubtful advances	(20.00)	(20.00)
Prepayments	480.94	294.00
Balance with statutory authorities	1,381.62	1,276.12
<b>Total</b>	<b>2,702.72</b>	<b>1,720.20</b>

### 14 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Raw materials</b>		
Goods in transit	1,535.79	4,849.73
Others	17,475.02	17,785.53
Packing materials	5,719.58	7,896.91
Provision for reduction in value of raw materials and packing materials (net of write offs)	(931.21)	(1,209.33)
Finished goods		
Goods in transit	1,363.99	1,693.79
Others	13,543.52	21,329.06
Work-in-progress	2,415.78	2,553.54
Stock-in-trade	20.54	27.92
Stores, spares and consumables	740.91	991.18
<b>Total</b>	<b>41,883.92</b>	<b>55,918.33</b>

Allowance for obsolete inventories for the year amounted to ₹ 429.07 lakhs (31 March 2023: ₹ 622.17 lakhs) has been recognised as an expense during the year and is included in cost of materials consumed in the statement of profit and loss.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 15 Trade receivables (current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Trade receivables		
- Others good	1,24,371.15	95,761.36
- Others credit impaired	2,200.22	2,692.80
Less: Provision for expected credit loss	(2,200.22)	(2,692.80)
<b>Total</b>	<b>124,371.15</b>	<b>95,761.36</b>

Refer note number 57 for ageing of trade receivables.

There are no debts due by Directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and the payment terms are 45 to 60 days

Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	124,371.15	95,761.36
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2,200.22	2,692.80

### 16 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balances with banks</b>		
in current accounts	664.10	1,297.25
in Bank deposits (original maturity period less than 3 months)	30.72	27.67
Cheques, drafts on hand	1,965.87	1,333.26
Cash on hand	67.93	96.32
<b>Total</b>	<b>2,728.62</b>	<b>2,754.50</b>

Note : There are no repatriation restrictions with respect to cash and bank balances held by the Company.

### 17 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2024	As at 31 March 2023
In bank deposits (original maturity period more than 3 months but less than 12 months)*	3,302.76	1,031.39
In bank deposits (original maturity period more than 12 months, but less than 12 months from reporting date)*	1,494.95	1,516.21
<b>Total</b>	<b>4,797.71</b>	<b>2,547.60</b>

\* Bank deposits shown above are kept under lien with various statutory authorities of ₹ 3,066.17 lakhs (31 March 2023: ₹ 744.73 lakhs), short term borrowings availed from banks of ₹ 100 lakhs (31 March 2023: ₹ 1,802.87 lakhs) and long term borrowings availed from banks ₹ 1,631.54 lakhs (31 March 2023: Nil).

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 18 Current Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to employees	42.80	7.74
<b>Total</b>	<b>42.80</b>	<b>7.74</b>

There are no loans receivable from Directors or other officers of the Group or any of them either severally or jointly with any other person or loans receivables from firms or private companies respectively in which any director is a partner or a director or a member.

Break up of security details :

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	42.80	7.74
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-

#### Note 18.2 Disclosure under Section 186(4) of the Companies Act, 2013

Loan given to director	-	-
Loan given to others	42.80	7.74

### 19 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Security deposits	115.77	131.55
Due from tie-up units	717.02	856.40
Export entitlements receivables	1,193.27	1,172.77
Others	101.90	442.08
<b>Total</b>	<b>2,127.96</b>	<b>2,602.80</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 20 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advance to suppliers		
Related party (Refer note 46)*	22.53	22.50
Others good	2,243.17	1,831.10
Others credit impaired	827.41	776.87
Less: Provision for doubtful advances	(827.41)	(776.87)
Balance with statutory authorities	1,686.95	1,803.36
Prepayments	5,218.34	4,961.81
Share issue expenses#	3,268.88	2,721.48
Other current assets		
Considered good	393.55	547.03
Credit impaired	8.80	8.80
Less : Provision for expected credit loss	(8.80)	(8.80)
<b>Total</b>	<b>12,833.42</b>	<b>11,887.28</b>

\*Private Company in which Director of the Group is a Director.

#Represents expenses incurred by the Holding Company in connection with proposed public offer of equity shares. In accordance with the Act and also as per the offer agreement entered between the Holding Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Holding Company will partly recover the expenses incurred in connection with the issue on completion of Initial Public Offer (IPO). The Holding Company's share of expenses shall be adjusted against securities premium to the extent possible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under 'Other current assets' and the amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO.

During the current year, SEBI approval dated 16 December 2022 for the Draft red herring prospectus filed on 28 June 2022 was withdrawn by the Holding Company on 08 December 2023. Accordingly ₹ 498.62 lakhs have been charged to the statement of profit & loss as an exceptional item.

### 20A Assets and Liabilities classified as held for sale\*

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Assets classified as held for sale</b>		
Cash and Cash Equivalents - Bank Balances	-	73.56
Property, plant & equipment - Building	-	8,345.03
Others	-	0.13
<b>Total</b>	<b>-</b>	<b>8,418.72</b>
<b>Liabilities classified as held for sale</b>		
Indian rupee term loans from banks (Refer note 23.b.i)	-	447.99
Loan from director (Refer note 46)	-	9.60
Others	-	2.56
<b>Total</b>	<b>-</b>	<b>460.15</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

\*The Holding Company has entered into agreement for sale dated 15 June 2022, with Bina K Chhabria, Neesha Chhabria and Resham Chhabria Jeetendra Hemdev for sale of equity shares and compulsory convertible debentures at their face value which is representative of fair value as at agreement date of ABD Dwellings Private Limited and Mandanlal Estate Private Limited, on such terms and conditions as mutually decided between the parties, as stipulated within the respective agreements. In terms of the resolution dated 14 March 2024, passed by the Board of Directors of the Holding Company, the aforesaid agreements have since been terminated. Consequently, the assets and liabilities, earlier classified separately as held for sale, have been re-classified and disclosed in the respective financial statement line items as per the requirements of the Indian accounting standard.

However, in the event of a disposal arising at any time in the future, the Holding Company has received an undertaking (which would be operative as per the provisions of law prevailing at that point of time) from the chairman confirming his willingness to compensate the Holding Company for shortfall, if any, in the carrying value as compared with its recoverable value. Such undertaking would enable the Holding Company to safeguard the carrying value of these assets from impairment, if any, in the future.

### 21 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised share capital</b>		
<b>Equity shares</b>		
362,150,000 (31 March 2023 - 362,150,000) equity shares of ₹ 2 each	7,243.00	7,243.00
<b>Issued, subscribed and fully paid-up</b>		
<b>Equity shares</b>		
244,113,665 (31 March 2023 - 244,113,665) equity shares of ₹ 2 each	4,882.27	4,882.27
<b>Total</b>	<b>4,882.27</b>	<b>4,882.27</b>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Balance as at the beginning of the year	244,113,665	4,882.27	235,566,665	4,711.33
Add: Shares issued on conversion of CCD (Refer note 62)	-	-	8,547,000	170.94
<b>Balance outstanding at the end of the year</b>	<b>244,113,665</b>	<b>4,882.27</b>	<b>244,113,665</b>	<b>4,882.27</b>

#### (b) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares (of ₹ 2 each)	% of holding	No. of shares (of ₹ 2 each)	% of holding
<b>Equity shares</b>				
Bina K Chhabria	176,142,969	72.16%	127,428,650	52.20%
Resham Chhabria Jeetendra Hemdev	58,714,320	24.05%	58,714,320	24.05%
Neesha Chhabria	-	-	48,714,320	19.96%
<b>Total</b>	<b>234,857,289</b>	<b>96.21%</b>	<b>234,857,290</b>	<b>96.21%</b>

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



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (c) Details of equity shares held by promoters

#### As at 31 March 2024

Particulars	Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Equity shares of ₹ 2 each fully paid	Mrs. Bina K Chhabria	127,428,650	48,714,319	176,142,969	72.16%	38.23
Equity shares of ₹ 2 each fully paid	Mrs. Resham Chhabria Jeetendra Hemdev	58,714,320	-	58,714,320	24.05%	-
Equity shares of ₹ 2 each fully paid	Mrs. Neesha K Chhabria	48,714,320	(48,714,320)	0	0.00%	100.00
Equity shares of ₹ 2 each fully paid#	Bina Chhabria Enterprises Private Limited	141,094	-	141,094	0.06%	-
Equity shares of ₹ 2 each fully paid	Oriental Radios Private Limited	9,113,665	-	9,113,665	3.73%	-
Equity shares of ₹ 2 each fully paid	Officer's Choice Spirits Private Limited	1,615	-	1,615	0.00%	-
Equity shares of ₹ 2 each fully paid	Mr. Kishore Rajaram Chhabria	-	1.00	1	0.00%	-
Equity shares of ₹ 2 each fully paid	BKC Enterprises Private Limited	1	-	1	0.00%	-
<b>Total</b>		<b>244,113,665</b>	<b>0</b>	<b>244,113,665</b>	<b>100%</b>	<b>0.00%</b>

#### As at 31 March 2023

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mrs. Bina K Chhabria	117,428,650	10,000,000	127,428,650	52.20%	8.52%
Equity shares of ₹ 2 each fully paid	Mrs. Resham Chhabria Jeetendra Hemdev	58,714,320	-	58,714,320	24.05%	-
Equity shares of ₹ 2 each fully paid	Mrs. Neesha K Chhabria	58,714,320	(10,000,000)	48,714,320	19.96%	-17.03%
Equity shares of ₹ 2 each fully paid#	Bina Chhabria Enterprises Private Limited	141,095	(1)	141,094	0.06%	0.00%
Equity shares of ₹ 2 each fully paid	Oriental Radios Private Limited	566,665	8,547,000	9,113,665	3.73%	1508.30%
Equity shares of ₹ 2 each fully paid	Officer's Choice Spirits Private Limited	1,615	-	1,615	0.00%	-
Equity shares of ₹ 2 each fully paid	BKC Enterprises Private Limited	-	1	1	0.00%	100.00%
<b>Total</b>		<b>235,566,665</b>	<b>8,547,000</b>	<b>244,113,665</b>	<b>100%</b>	<b>3.63%</b>

# change during the year is less than 0.005%

### (d) Rights, preferences and restrictions attached to each class of shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in the case of interim dividend.

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 fully paid-up equity shares held by the shareholders.

### (e) The Company has not issued any equity shares as fully paid-up for consideration other than cash during the period of five years immediately preceding the reporting date (31 March 2024).

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- (f) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.
- (g) During the year ended March 2019, equity shares of face value ₹ 10 each were sub divided into 5 shares of ₹ 2 each.
- (h) There are no bonus shares issued, or shares bought back during the period of five years immediately preceding the reporting date i.e. 31 March 2024.

### 22 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	0.80	0.80
Securities premium	20,385.04	20,385.04
General reserve	4,822.94	4,822.94
Capital redemption reserve	681.82	681.82
Equity component of compound financial instrument	-	-
Surplus in the statement of profit and loss (retained earnings)	9,919.95	9,837.44
<b>Total</b>	<b>35,810.55</b>	<b>35,728.04</b>

#### Nature and purpose of reserves

##### (i) Capital reserve

Capital reserve represents capital surplus. The reserve is not for any specific purpose but the utilisation will be in accordance with provisions of Companies Act, 2013.

##### (ii) Securities premium

Securities premium represents the premium received on the issue of shares. The reserve is to be utilised in accordance with the provisions of Companies Act, 2013.

##### (iii) General reserve

General reserve is created by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

##### (iv) Capital redemption reserve

The reserve is created by way of transfer of profits from general reserve on account of redemption of non-cumulative convertible preference shares. This reserve will be utilised as per the provision of Companies Act, 2013.

##### (v) Surplus in the statement of profit and loss

Surplus in the statement of profit and loss pertain to the accumulated earnings made by the Group over the years.

#### Change in balance of capital reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	0.80	0.80
<b>Balance at the end of the year</b>	<b>0.80</b>	<b>0.80</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### Change in balance of securities premium

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	20,385.04	11,027.80
Issue of equity shares on conversion of CCD	-	9,357.24
<b>Balance at the end of the year</b>	<b>20,385.04</b>	<b>20,385.04</b>

### Change in balance of general reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	4,822.94	4,822.94
<b>Balance at the end of the year</b>	<b>4,822.94</b>	<b>4,822.94</b>

### Change in balance of capital redemption reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	681.82	681.82
<b>Balance at the end of the year</b>	<b>681.82</b>	<b>681.82</b>

### Change in balance of equity component of compound financial instrument

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	9,528.18	9,528.18
Issue of equity shares on conversion of CCD (Refer note 62)	(9,528.18)	(9,528.18)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

### Surplus in the statement of profit and loss

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year (profit and loss)	9,837.44	9,637.37
Add: Profit for the year	182.89	160.01
Actuarial gains/(loss) on defined benefit obligations (net of tax)	(100.38)	40.06
<b>Balance at the end of the year</b>	<b>9,919.95</b>	<b>9,837.44</b>

## 23 Borrowings (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Terms loans, Secured</b>		
Vehicle loans from banks (Refer note a)	404.84	-
Indian rupee term loans from banks (Refer note b.i)	11,878.23	7,698.18
Indian rupee term loans from financial institutions (Refer note b.ii)	6,843.22	6,168.19
Foreign currency term loans from banks (Refer note b.iii)	-	-
<b>Total</b>	<b>19,126.29</b>	<b>13,866.37</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### Nature of securities and terms of repayment

- a) The vehicle loans from banks and others are secured against specific vehicles. The loans are repayable in monthly instalments ranging 31 March 2024: ₹ 1.53 lakhs to ₹ 5.37 lakhs (31 March 2023 : ₹ 1.67 lakhs to ₹ 3.06 lakhs) the last installment due in September 2028. The rate of interest on these loans 31 March 2024 : 8.50% p.a.(31 March 2023 : 8.79% to 9.00% p.a.).
- b) **Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities:**

Name of the Lender/ Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023
<b>(i) Indian rupee term loans from banks</b>				
<b>South Indian Bank Limited:</b> <b>Primary Securities:</b> (1) First pari passu charge on the entire movable and immovable fixed assets of the Company (both present and future) other than exclusively charged along with existing lenders; (2) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited (Refer note 46); (3) Second pari-passu charge on entire current assets of the Company; and (4) Corporate guarantee of M/s Tracstar Distillers Private Limited. (Refer note 46)	2.80% spread over and above 12 month MCLR. 31 March 2024 12.20% p.a (31 March 2023: 12.20% p.a.)	1 quarterly installment of ₹ 206.94 lakhs till April 2024	206.90	1,035.48
<b>IndusInd Bank Limited:</b> (1) First pari passu charge on the entire movable and immovable fixed assets of the Company (both present and future) other than exclusively charged along with existing lenders; and ; (2) Second pari-passu charge on entire current assets of the Company both present and future including and; (3) Debt Service Reserve Account (DSRA) for an amount equal to the principal and interest payment due to the lender for the subsequent one quarter.	1.00% spread over and above 1 year MCLR - 31 March 2024: NA (31 March 2023: 9.85% p.a.) 1.00% spread over and above 1 year MCLR - 31 March 2024: NA (31 March 2023: 10.45% p.a.) Effective Rate of Interest 31 March 2024: 8.80% p.a. (31 March 2023: NA)	Repaid in June 2023 ^  Repaid in July 2023 ^  18 quarterly installment till July 2028 ranging from ₹ 150 lakhs to 600 lakhs.	-  - 4,920.91	343.98  2,218.49 -
<b>IndusInd Bank Limited:</b> (1) Exclusive charge on commercial property located at Ashford Centre, Floor No. 3, 4, 7 Senapati Bapat Marg, Lower Parel (west) Mumbai-400013	Effective Rate of Interest 31 March 2024: 8.80% p.a. (31 March 2023: NA)	18 quarterly installment till July 2028 ranging from ₹ 125 lakhs to 500 lakhs.	4,635.14	-



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### b) Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities:

Name of the Lender/ Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023
<p><b>SVC Co-operative Bank Ltd.:</b></p> <p>1. First pari passu charge on the entire movable (except vehicles) and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders. Fair value of immovable and movable fixed assets should not be less than ₹ 435.42 crores.</p> <p>2. Second parri passu charge with existing term lenders on current assets. (First charge on current assets is with working capital bankers. 2nd charge would be ceded on reciprocal basis, in line with the existing security structure.)</p>	<p>-8.30% spread over PLR.</p> <p>Effective Rate of Interest 31 March 2024: 12.40% p.a. (31 March 2023: 12.15% p.a)</p>	<p>41 monthly instalments of ₹ 83.33 lakhs till August 2027</p>	3,396.06	4,382.68
<p><b>Karur Vysya Bank Ltd (KVB):</b></p> <p>Exclusive charge on commercial property located at Ashford Centre, Floor No. 3,4,7 Senapati Bapat Marg, Lower Parel</p>	<p>0.75% over and above the MCL rate of the bank effective rate 31 March 2024: NA (31 March 2023 : 9.25% p.a.)</p>	<p>Repaid in August 2023 ^</p>	-	2,719.33
<p><b>Standard Chartered Bank:</b></p> <p>Equitable mortgage of premises owned by ABD Dwelling Private Limited</p>	<p>Rate of interest 31 March 2024: NA (31 March 2023 : 9.15 %)</p>	<p>Repaid in September 2023 ^</p>	-	447.99
<b>(ii) Indian rupee term loans from financial institutions</b>				
<p><b>Aditya Birla Finance Limited (ABFL):</b></p> <p>Exclusive charge on commercial property located at Ashford Centre, Floor No. 1 and 2 Senapati Bapat Marg, Lower Parel</p> <p>First pari passu charge on the entire fixed assets other than exclusively charged along with existing lenders.</p>	<p>Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 17.85%. Spread at present is - 5.65%.</p> <p>Effective rate of interest 31 March 2024: 12.20% p.a. (31 March 2023: 11.40% p.a.)</p>	<p>24 equated monthly instalments of ₹ 108.03 lakhs till 15 March 2026, 1 installment of ₹ 6.11 lakhs in April 2026, February 2026 and 26 additional monthly installments in aggregate of ₹ 255.30 lakhs till 15 May 2026.</p>	2,508.27	3,447.21

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### b) Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities:

Name of the Lender/ Nature of securities	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023
<b>Aditya Birla Finance Limited (ABFL):</b> Exclusive charge at Industrial Property spread across land area of 6.73 acres owned by Ashoka Liquors Private Limited. (Refer note 46)	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 17.85%. Spread at present is - 5.65%. Effective rate of interest as on 31 March 2024: 12.20% p.a. (31 March 2023: 11.40% p.a.)	78 equated monthly instalments of ₹ 68.83 lakhs till 15 September 2030, 1 installment of ₹ 47.55 lakhs in October 2030 and 66 additional monthly installments in aggregate of ₹ 197,76 lakhs till 15 September 2029.	3,770.37	4,104.39
<b>Aditya Birla Finance Limited (ABFL):</b> Exclusive charge on commercial property located at Ashford Centre, Floor No. 1 and 2 Senapati Bapat Marg, Lower Parel First pari passu charge on the entire fixed assets other than exclusively charged along with existing lenders.	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 20.25%. Spread at present is - 9.25%. Effective rate of interest as on 31 March 2024: 11.00% p.a. (31 March 2023: NA)	54 equated monthly instalments of ₹ 63.62 lakhs till 15 September 2028, 1 installment of ₹ 19.07 lakhs in October 2028	2,700.82	-
<b>Aditya Birla Finance Limited (ABFL):</b> Exclusive charge on commercial property located at Ashford Centre, Floor No. 1 and 2 Senapati Bapat Marg, Lower Parel First pari passu charge on the entire fixed assets other than exclusively charged along with existing lenders.	Long Term Reference Rate of ABFL(LTRR) + Spread. LTRR at present is 20.25%. Spread at present is - 9.25%. Effective rate of interest as on 31 March 2024: 11.00% p.a. (31 March 2023: NA)	60 monthly instalments of ₹ 1,186.16 lakhs in aggregate till March 2029	930.56	-
<b>(iii) Foreign currency term loans from banks</b>				
<b>Axis Bank Limited:</b> (1) First pari passu charge on the entire movable and immovable fixed assets (both present and future) other than exclusively charged along with existing lenders; (2) Second pari-passu charge on entire current assets of the Company ; and (3) Personal guarantee of Mr. Kishore Chhabria (Refer note 46)	LIBOR+5.731% 31 March 2024: NA (31 March 2023: 9.90% p.a.)	Repaid in September 2023 ^	-	291.43
<b>Total</b>			<b>23,069.03</b>	<b>18,990.98</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

^ Since the aforesaid loans have been repaid during the year the charges with respect to the repaid loans have been vacated including the personal gurantee of Mr. Kishore Chhabria.

**Note :** First charge on current assets is with working capital bankers. Second charge would be ceded on reciprocal basis, in line with the existing security structure.

### (c) Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	2,728.62	2,754.50
Lease liabilities	1,062.58	1,640.13
Non-current borrowings (including current maturities)	23,694.09	19,008.88
Current borrowings	58,717.67	59,073.46

Particulars	Cash and cash equivalents	Lease liabilities	Non-current borrowings (including current maturities)	Current borrowings	Others#	Total
<b>Balance as at 1 April 2022</b>	<b>1,966.93</b>	<b>1,589.35</b>	<b>27,286.90</b>	<b>57,404.32</b>	<b>-</b>	<b>84,313.64</b>
Cash flows (net)	861.13	-	-	-	-	(861.13)
Cash and cash equivalents included in assets held for sale	(73.56)	-	-	-	-	73.56
Unrealised gain	-	-	(79.63)	-	-	(79.63)
Proceeds/repayment of borrowings (net)	-	-	(8,207.99)	1,870.26	-	(6,337.73)
Deletion of lease liabilities	-	(28.17)	-	-	-	(28.17)
Addition of lease liabilities	-	337.38	-	-	-	337.38
Repayment of lease liabilities	-	(258.43)	-	-	-	(258.43)
Finance costs	-	175.27	2,680.69	6,595.53	4,045.58	13,497.07
Finance costs paid	-	(175.27)	(2,680.69)	(6,787.05)	(4,045.58)	(13,688.59)
<b>Balance as at 31 March 2023</b>	<b>2,754.50</b>	<b>1,640.13</b>	<b>19,008.88</b>	<b>59,073.46</b>	<b>-</b>	<b>76,967.97</b>
Cash flows (net)	(99.44)	-	-	-	-	99.44
Cash and cash equivalents reclassified from assets held for sale	73.56	-	-	-	-	(73.56)
Unrealised gain	-	-	-	-	-	-
Proceeds/repayment of borrowings (net)	-	-	4,651.64	(437.94)	-	4,213.70
Adjustment of lease liabilities	-	(309.12)	-	-	-	(309.12)
Addition of lease liabilities	-	-	-	-	-	-
Repayment of lease liabilities	-	(268.43)	-	-	-	(268.43)
Finance costs	-	142.94	2,776.14	8,504.30	5,853.23	17,276.61
Finance costs paid	-	(142.94)	(2,732.97)	(8,431.75)	(5,853.23)	(17,160.89)
<b>Balance as at 31 March 2024</b>	<b>2,728.62</b>	<b>1,062.58</b>	<b>23,694.09</b>	<b>58,717.67</b>	<b>-</b>	<b>80,745.72</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 24 Lease liabilities (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease obligation (Refer note 54)	1,062.58	1,640.13
Less: Current maturities of lease obligation	(319.92)	(306.01)
<b>Total</b>	<b>742.66</b>	<b>1,334.12</b>

### 25 Provisions (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity (Refer note 47)	1,099.06	976.45
Superannuation (Refer note 47)	331.52	338.78
Provision for medical benefits (Refer note 47)	886.00	-
<b>Total</b>	<b>2,316.58</b>	<b>1,315.23</b>

### 26 Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Cash credit/working capital demand loan from banks (repayable on demand) (Refer note (a)(i))	24,211.14	26,724.80
Bill discounting (repayable on demand) (Refer note (a)(ii))	30,268.88	29,918.31
Current maturities of long-term debts	4,347.58	4,676.62
Current maturities of vehicle loans from banks	220.22	8.30
<b>Unsecured</b>		
From other corporates	379.90	379.90
Cash credit/working capital demand loan from banks (repayable on demand)	3,144.28	1,797.14
From related party (Director) (repayable on demand) (Refer note 46)	713.47	250.00
From related party	-	-
Others corporate (Refer note 46)	-	3.31
<b>Total</b>	<b>63,285.47</b>	<b>63,758.38</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### a) Details of security for loans:

Name of the Bank	Nature of securities	As at 31 March 2024	As at 31 March 2023
<b>(i) Cash credit/working capital demand loan from banks (repayable on demand)</b>			
Axis Bank Limited	<p>Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.</p> <p>Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all movable and immovable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders; Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).</p>	3,440.25	4,623.44
State Bank of India	<p>Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.</p> <p>Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on fixed assets or mortgaged properties of the Company present and future except building / vehicle which are exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).</p>	6,856.79	7,750.02
Yes Bank Limited	<p>(i) First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.</p> <p>(ii) Second pari passu charge on all movable fixed assets of the Company present and future except assets which are exclusively charged to term loan lenders.</p> <p>(iii) Extension of second pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets of the company located at plot no. 5,6,7 and 7A, MIDC, Industrial Area, Aurangabad.</p> <p>(iv) Extension of first pari passu charge by way of equitable mortgage over the factory, land and building and other immovable assets belonging to M/s Tracstar Distillers Private Limited.</p> <p>(v) Corporate guarantee of M/s Tracstar Distillers Private Limited (Refer note 46).</p>	2,445.67	2,429.33

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Name of the Bank	Nature of securities	As at 31 March 2024	As at 31 March 2023
South Indian Bank Limited	Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.  Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all immovable fixed asset of the Company excluding exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	4,461.90	4,387.26
Saraswat Co-operative Bank Ltd.	Primary - First pari passu charge on entire current assets of the Company, other than exclusively charged to other lenders.  Collateral - (i) Second hypothecation charge on pari passu basis on all movable and immovable assets of the Company (except vehicle, freehold land of Ambala and office premises); (ii) Second Pari passu charge on factory land and building of M/s Tracstar Distilleries Private Limited. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	3,992.28	3,946.96
SVC Co-operative Bank Ltd.	Secured against fixed deposit	56.15	88.79
CSB - Catholic Syrian Bank	Primary - First pari passu hypothecation charge on entire current assets, other than exclusively charged to other lenders.  Collateral - (i) First pari passu charge on property in the name of M/s Tracstar Distillers Private Limited; (ii) Second pari passu charge on all immovable fixed asset of the Company excluding exclusively charged to other lenders. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	2,958.10	3,499.00
<b>Sub-total</b>		<b>24,211.14</b>	<b>26,724.80</b>
<b>(ii) Bill discounting (repayable on demand)</b>			
IDFC First Bank	Primary - Exclusive charge over Telangana State Beverage Corporation Ltd. (TSBCL) cash flows.  Collateral - Second pari passu charge on immovable assets excluding exclusively charged to other lenders of the Company. Corporate guarantee - M/s Tracstar Distillers Private Limited (Refer note 46).	23,000.00	23,299.08
IndusInd Bank Limited	Book debts: Sales Invoice Discount Receivables Exclusive Charge over receivable of Andhra Pradesh Beverages Corporation Limited and Rajasthan State Beverages Corporation Limited to the extent of 1.1x	7,268.88	6,619.23
<b>Sub-total</b>		<b>30,268.88</b>	<b>29,918.31</b>

**Note :** First charge on current assets is with working capital bankers. Second charge would be ceded on reciprocal basis, in line with the existing security structure.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 27 Current lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease obligation (Refer note 54)	319.92	306.01
<b>Total</b>	<b>319.92</b>	<b>306.01</b>

### 28 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade payables (including Acceptances)*</b>		
Total outstanding dues of micro and small enterprises	22,777.83	16,312.88
Total outstanding dues of creditors other than micro and small enterprises		
- Related party (Refer note 46)	76.19	35.67
- Others	47,385.56	40,239.85
<b>Sub-total</b>	<b>47,461.75</b>	<b>40,275.52</b>
<b>Total</b>	<b>70,239.58</b>	<b>56,588.40</b>

\*Acceptances amounting to ₹ 20,427.32 lakhs (31 March 2023: ₹ 10,044.54 lakhs).

Refer note number 58 for ageing of trade payables

**Note -** The dues to micro and small enterprises as required under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED) to the extent information available with the Company is given below:

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 :		
Principal amount due to micro and small enterprises	22,250.17	16,071.94
Interest due on above	527.66	240.94
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	527.66	240.94
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 29 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Employees related liabilities	1,153.13	1,311.35
Due to tie-up units	10,158.53	12,215.24
Trade and other deposits	5,401.24	5,213.46
Payable towards capital expenses	8.76	25.22
Other financial liabilities	1,479.25	428.27
<b>Total</b>	<b>18,200.91</b>	<b>19,193.54</b>

### 30 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	44,094.97	47,773.51
Advances from customers	2,960.69	2,207.35
<b>Total</b>	<b>47,055.66</b>	<b>49,980.86</b>

### 31 Current Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity (Refer note 47)	313.22	202.36
Compensated absences (Refer note 47)	917.01	1,046.78
Provision for medical benefits (Refer note 47)	54.00	-
<b>Total</b>	<b>1,284.23</b>	<b>1,249.14</b>

### 32 Current tax liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax (Net of advance tax of ₹ 1,448.38 lakhs (31 March 2023: ₹ 1,081.22 lakhs))	302.90	107.47
<b>Total</b>	<b>302.90</b>	<b>107.47</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 33 Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from contracts with customer</b>		
<b>Sale of goods</b>		
Indian made foreign liquor (IMFL)	7,44,282.60	6,96,099.05
Extra neutral spirit (ENA)	11,694.85	5,284.04
By-products	7,866.14	6,516.54
<b>Revenue from contracts with customer</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>
<b>Other operating revenue</b>		
Royalty	23.14	43.95
Export entitlements	1,609.27	1,180.71
Scrap and other sales	1,381.03	1,443.73
<b>Other operating revenue</b>	<b>3,013.44</b>	<b>2,668.39</b>
<b>Total</b>	<b>7,66,857.03</b>	<b>7,10,568.02</b>

### 34 Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Interest income on financial assets measured at amortised cost</b>		
Interest on deposits with bank	223.99	208.78
Interest on deposits and advances	2.19	6.61
Liabilities no longer required written back	109.21	123.38
Profit on sale of property, plant and equipment	96.89	-
Provision no longer required written back	14.58	152.06
Refund of excess statutory dues paid	-	9.32
Recovery on account of loss of goods	71.31	395.63
Miscellaneous income	107.87	211.12
<b>Total</b>	<b>626.04</b>	<b>1,106.90</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 35 Cost of materials consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Raw Materials</b>		
Opening inventory	22,635.26	7,145.62
Add: Purchases	1,19,219.47	1,27,111.81
	<b>1,41,854.73</b>	<b>1,34,257.43</b>
Less: Closing inventory	(19,010.81)	(22,635.26)
Raw materials consumed	<b>1,22,843.92</b>	<b>1,11,622.17</b>
<b>Packing materials</b>		
Opening Inventory	7,896.91	6,213.76
Add: Purchases	81,662.29	89,629.65
	<b>89,559.20</b>	<b>95,843.41</b>
Less: Closing inventory	(5,719.58)	(7,896.91)
Packing materials consumed	<b>83,839.62</b>	<b>87,946.50</b>
<b>Total</b>	<b>2,06,683.54</b>	<b>1,99,568.67</b>

### 36 Purchases of stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of Indian made foreign liquor (IMFL)	565.00	562.70
<b>Total</b>	<b>565.00</b>	<b>562.70</b>

### 37 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Opening stock</b>		
Finished goods	23,022.85	19,384.85
Work-in-progress	2,553.54	2,568.19
Stock-in-trade	27.92	32.47
	<b>25,604.31</b>	<b>21,985.51</b>
Less:		
Closing stock		
Finished goods	14,907.51	23,022.85
Work-in-progress	2,415.78	2,553.54
Stock-in-trade	20.54	27.92
	<b>17,343.83</b>	<b>25,604.31</b>
(Decrease) in inventories	<b>8,260.48</b>	<b>(3,618.80)</b>
Increase in excise duty on finished goods	(5,718.39)	891.77
<b>Total</b>	<b>2,542.09</b>	<b>(2,727.03)</b>





## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 38 Employee benefit expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	16,252.41	17,133.93
Sitting fees to directors (Refer note 46)	54.26	24.78
Contribution to provident and other funds (Refer note 47)	843.66	1,106.89
Staff welfare expenses	411.82	325.98
<b>Total</b>	<b>17,562.15</b>	<b>18,591.58</b>

### 39 Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial liabilities measured at amortised cost		
Term loans	2,776.14	2,680.69
On working capital facility from bank	8,469.03	6,506.36
On lease liabilities	142.94	175.27
Interest on delay in payment of statutory dues	4,105.57	3,333.04
Reimbursement to tie-up units for interest on delayed payments	1,188.73	457.69
Interest on loan from related party (Refer note 46)	35.27	89.17
Interest others	558.93	254.85
<b>Total</b>	<b>17,276.61</b>	<b>13,497.07</b>

### 40 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	4,990.53	4,728.14
Depreciation of right to use assets	395.20	383.69
Amortisation of intangible assets	400.01	402.53
<b>Total</b>	<b>5,785.74</b>	<b>5,514.36</b>

### 41 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	2,348.84	2,227.14
Power and fuel	6,094.05	7,354.33
Rent	907.02	794.09
Contract labour charges	7,540.62	6,952.46
Repairs to building	69.59	55.74
Repairs to machinery	1,069.72	790.12
Repairs others	1,511.62	1,291.12
Insurance	912.93	751.67

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Security charges	607.33	581.93
Rates and taxes	5,317.69	4,875.55
Excise levies and escort charges	12,007.56	12,415.54
Import fee	42.18	44.53
Bottling charges	6,806.30	6,892.09
Water charges	197.76	196.76
Travelling expenses	3,007.25	2,614.53
Legal and professional fees	3,059.80	3,009.33
Selling and distribution expenses	11,861.86	11,524.87
Sales and business promotion	11,441.04	13,040.16
Commission	3,885.85	2,890.92
Conference and seminar	45.39	21.77
Provision for doubtful debts	932.87	329.50
Provision for doubtful advances	51.52	22.04
Bad debts and advances written off (net of provision reversal ₹ 1,465.78 lakhs (31 March 2023 ₹ 33.50 lakhs))	29.40	-
Loss on sale of property, plant and equipment	-	4.04
Donations	0.27	18.26
Corporate social responsibilities (Refer note 52)	51.83	30.00
Bank charges	54.02	83.57
Foreign exchange loss - (net)	63.03	369.73
Miscellaneous expenses	1,301.68	986.10
<b>Total</b>	<b>81,219.02</b>	<b>80,167.89</b>

### 41A Other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gains on defined benefit obligations	(134.14)	61.63
Income taxes on above	33.76	(21.57)
<b>Total</b>	<b>(100.38)</b>	<b>40.06</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 42 Tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current tax</b>		
Current tax for the year	834.32	123.81
Tax adjustments in respect of earlier years	(8.04)	(4.23)
<b>Total current tax expense</b>	<b>826.28</b>	<b>119.58</b>
<b>Deferred taxes</b>		
Change in deferred tax assets (Other than adjustments in OCI and Equity)	563.32	340.16
Change in deferred tax liabilities	(294.08)	(25.21)
<b>Net deferred tax expense</b>	<b>269.24</b>	<b>314.95</b>
<b>Total income tax expense</b>	<b>1,095.52</b>	<b>434.53</b>

**42.1** The reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss is as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit before exceptional items and income tax expense</b>	1,777.03	594.54
Income tax expense at statutory tax rate i.e. 25.17% (31 March 2023: 34.94%)	447.24	207.73
<b>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income</b>		
Permanent difference on account of fair valuation of asset acquired	157.20	259.49
Permanent differences on account of expenses disallowed	13.56	16.92
One time impact on account of change in tax regime (Refer note below)	337.00	-
Tax adjustments in respect of earlier years	(8.04)	(4.23)
Others	148.56	(45.41)
<b>Income tax expense</b>	<b>1,095.52</b>	<b>434.50</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 42.2 Deferred tax related to the following:

Particulars	As at 1 April 2023	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities on account of:</b>				
Property, Plant and equipment, Goodwill and Other intangible assets	1,014.74	(452.04)	-	562.70
Financial assets and financial liabilities at amortised cost	90.52	172.83	-	263.35
Others	53.13	(14.87)	-	38.26
<b>Total deferred tax liabilities (A)</b>	<b>1,158.39</b>	<b>(294.08)</b>	<b>-</b>	<b>864.31</b>
<b>Deferred tax assets on account of:</b>				
Employee benefits	927.12	(280.65)	33.76	680.23
Provision for expected credit loss	1,275.25	(481.54)	-	793.71
Difference in book values and tax base values of ROU assets and lease liabilities	70.00	(9.93)	-	60.07
Others	99.19	208.80	-	307.99
<b>Total deferred tax assets (B)</b>	<b>2,371.56</b>	<b>(563.32)</b>	<b>33.76</b>	<b>1,842.00</b>
<b>Deferred tax assets (net) (B - A)</b>	<b>1,213.17</b>	<b>(269.24)</b>	<b>33.76</b>	<b>977.69</b>
<b>Deferred tax liabilities on account of:</b>				
Property, Plant and equipment, Goodwill and Other intangible assets	945.29	69.45	-	1,014.74
Financial assets and financial liabilities at amortised cost	174.84	(84.32)	-	90.52
Others	63.47	(10.34)	-	53.13
<b>Total deferred tax liabilities (A)</b>	<b>1,183.60</b>	<b>(25.21)</b>	<b>-</b>	<b>1,158.39</b>
<b>Deferred tax assets on account of:</b>				
MAT credit entitlement	362.51	(362.51)	-	-
Employee benefits	962.90	(14.21)	(21.57)	927.12
Provision for expected credit loss	1,221.30	53.95	-	1,275.25
Difference in book values and tax base values of ROU assets and lease liabilities	58.54	11.46	-	70.00
Compound Financial Instrument	68.61	(68.61)	-	-
Others	59.43	39.76	-	99.19
<b>Total deferred tax assets (B)</b>	<b>2,733.29</b>	<b>(340.16)</b>	<b>(21.57)</b>	<b>2,371.56</b>
<b>Deferred tax assets (net) (B - A)</b>	<b>1,549.69</b>	<b>(314.95)</b>	<b>(21.57)</b>	<b>1,213.17</b>

During the year ended 31 March 2024, the Company decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961 ("new tax regime") as introduced by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act"). Consequently, during the year, the Company has reversed the deferred tax asset recognised based on the tax provisions applicable prior to adoption of the new tax regime, pertaining to the period before 31 March 2023.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 43 Fair value measurements

#### Fair value instruments by category and hierarchy

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1. Fair value of cash and term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments. The fair value of lease liability is not required to be disclosed.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cashflows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Financial assets and liabilities as at 31 March 2024	Non-current	Total amount		Routed through profit and loss			Routed through OCI			Carried at amortised cost			
		Current	Total	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Assets</b>													
Investment (excluding investment in subsidiaries)	0.39	-	0.39	-	-	0.28	-	-	-	-	-	0.11	0.11
Loans	-	42.80	42.80	-	-	-	-	-	-	-	-	42.80	42.80
Other financial assets	4,193.05	2,127.96	6,321.01	-	-	-	-	-	-	-	-	6,321.01	6,321.01
Trade receivables	-	1,24,371.15	1,24,371.15	-	-	-	-	-	-	-	-	1,24,371.15	1,24,371.15
Cash and cash equivalents	-	2,728.62	2,728.62	-	-	-	-	-	-	-	-	2,728.62	2,728.62
Other bank balances	-	4,797.71	4,797.71	-	-	-	-	-	-	-	-	4,797.71	4,797.71
<b>Liabilities</b>													
Borrowings	19,126.29	63,285.47	82,411.76	-	-	-	-	-	-	-	-	82,411.76	82,411.76
Lease liabilities	742.66	319.92	1,062.58	-	-	-	-	-	-	-	-	1,062.58	1,062.58
Trade payables	-	70,239.58	70,239.58	-	-	-	-	-	-	-	-	70,239.58	70,239.58
Other financial liabilities	-	18,200.91	18,200.91	-	-	-	-	-	-	-	-	18,200.91	18,200.91

All amounts are net of provision for impairment if any.

Financial assets and liabilities as at 31 March 2023	Non-current	Total amount		Routed through profit and loss			Routed through OCI			Carried at amortised cost			
		Current	Total	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Assets</b>													
Investment (excluding investment in subsidiaries)	0.39	-	0.39	-	-	0.28	-	-	-	-	-	0.11	0.11
Loans	-	7.74	7.74	-	-	-	-	-	-	-	-	7.74	7.74
Other financial assets	5,313.22	2,602.80	7,916.02	-	-	-	-	-	-	-	-	7,916.02	7,916.02
Trade receivables	-	95,761.36	95,761.36	-	-	-	-	-	-	-	-	95,761.36	95,761.36
Cash and cash equivalents	-	2,828.06	2,828.06	-	-	-	-	-	-	-	-	2,828.06	2,828.06
Other bank balances	-	2,547.60	2,547.60	-	-	-	-	-	-	-	-	2,547.60	2,547.60
<b>Liabilities</b>													
Borrowings	13,866.37	64,215.97	78,082.34	-	-	-	-	-	-	-	-	78,082.34	78,082.34
Lease liabilities	1,334.12	306.01	1,640.13	-	-	-	-	-	-	-	-	1,640.13	1,640.13
Trade payables	-	56,588.40	56,588.40	-	-	-	-	-	-	-	-	56,588.40	56,588.40
Other financial liabilities	-	19,193.54	19,193.54	-	-	-	-	-	-	-	-	19,193.54	19,193.54

All amounts are net of provision for impairment if any.

Fair value of non current financial assets and non current financial liabilities measured at amortised cost-

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investment others	0.11	0.11	0.11	0.11
Other financial assets	4,193.05	4,193.05	5,313.22	5,313.22
<b>Financial Liabilities</b>				
Borrowings	19,126.29	19,126.29	13,866.37	13,866.37

The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to the fair value.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 44 Financial risk management

The Group is exposed primarily to fluctuations in foreign exchange, interest rate, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Group has a risk management policy which covers the risk associated with its financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Group.

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade payables and other financial liabilities. The Group's principal financial assets include loans, trade receivables, cash and bank balances and other bank balances, other financial assets that derive directly from its operations.

#### A Credit risk

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

##### a: Trade receivables (net of loss allowance)

Trade receivables are unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private parties. A substantial portion of the Group's trade receivables are from government corporation customers having strong credit worthiness. Further, Group's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets. The Group measured the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual loss experience and past trends. Based on historical data, loss on collection of receivable is not material hence no additional provision considered.

The table below provide details regarding past dues receivables as at each reporting date:

Particulars	As at 31 March 2024		As at 31 March 2023	
	₹ in lakhs	%	₹ in lakhs	%
<b>Trade receivables</b>				
from government corporation	75,193.63	60.46%	55,328.44	57.78%
from private parties	49,177.52	39.54%	40,432.92	42.22%
<b>Total trade receivables (Refer note 15)</b>	<b>1,24,371.15</b>	<b>100.00%</b>	<b>95,761.36</b>	<b>100.00%</b>

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	2,692.80	2,517.85
Impairment allowance	932.87	329.50
Written back during the year	(14.58)	(121.05)
Written off during the year	(1,410.87)	(33.50)
<b>Balance at the end of the year (refer note 15)</b>	<b>2,200.22</b>	<b>2,692.80</b>

##### b: Other financial assets

Cash balances are maintained with banks having high credit rating. Loans given to related parties and employees are fully recoverable and loans given to others are fully provided. Majority of other security deposits are placed majorly with government agencies. The credit loss recognised is for a specific scenario and is not expected in the future.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### B Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, lease liabilities, trade payables and other financial liabilities.

The finance department of the Group is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through trade receivables or through short term borrowings on need basis.

#### (i) Financing arrangements:

The Group had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Floating rate</b>		
Expiring within one year (Cash credit/ working capital demand loan, term loan)	4,445.81	2,110.00

#### (ii) Maturities of financial liabilities:

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments at each reporting date. Amounts disclosed under note 23 are carrying values based on amortised cost:

##### As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>				
Borrowings (including current maturities)	65,421.80	22,579.00	1,411.14	89,411.94
Lease liabilities	422.40	858.54	30.58	1,311.52
Trade payables	70,239.58	-	-	70,239.58
Other financial liabilities	18,200.91	-	-	18,200.91
<b>Total</b>	<b>1,54,284.69</b>	<b>23,437.54</b>	<b>1,441.72</b>	<b>1,79,163.95</b>

##### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>				
Borrowings (including current maturities)	65,910.98	13,983.94	3,760.02	83,654.94
Lease liabilities	476.87	1,503.40	155.23	2,135.50
Trade payables	56,588.40	-	-	56,588.40
Other financial liabilities	19,193.54	-	-	19,193.54
<b>Total</b>	<b>1,42,169.79</b>	<b>15,487.34</b>	<b>3,915.25</b>	<b>1,61,572.38</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in receivables, trade payables, borrowings and other payables denominated in USD, GBP, SGD and AED against the functional currency INR of the Group.

The Group's risk management policy is to assess the Group's net exposures which is mainly represented by receivable and payable towards exports and imports respectively, and partly represented by the loans availed in foreign currencies. The Group can hedge its net exposures with a view on forex outlook.

#### Derivative instruments and unhedged foreign currency exposure

##### (a) Derivative contracts outstanding

Particulars	31 March 2024		31 March 2023	
Forward contracts to sell	USD	35.00	USD	18.50

##### (b) The Group's exposure to unhedged foreign currency risk at the end of reporting period are as under:

Particulars	31 March 2024				31 March 2023			
	USD	GBP	AED	SGD	USD	GBP	AED	SGD
<b>Financial assets</b>								
Trade receivables	19.05	-	-	-	17.38	-	-	-
Others	0.00	-	-	-	-	-	-	-
<b>Exposure to foreign currency risk (assets)</b>	<b>19.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.38</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
Trade payables	-	8.21	-	-	-	24.28	-	0.05
Borrowings	-	-	-	-	3.57	-	-	-
Employees related liabilities	-	-	0.26	-	-	-	0.30	-
<b>Exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>8.21</b>	<b>0.26</b>	<b>-</b>	<b>3.57</b>	<b>24.28</b>	<b>0.30</b>	<b>0.05</b>

Particulars	USD	GBP	AED	SGD
Closing rate of foreign currency as on 31 March 2024 (in ₹)	83.34	105.21	22.69	61.68
Closing rate of foreign currency as on 31 March 2023 (in ₹)	82.16	101.62	22.37	61.81

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in foreign currency with all other variables held constant. The below impact on the Group's profit before tax and equity is based on changes in the fair value of foreign currency monetary assets and liabilities at balance sheet date:

Currencies	31 March 2024		31 March 2023	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	31.76	(31.76)	22.70	(22.70)
GBP	(17.27)	17.27	(49.35)	49.35
AED	(0.12)	0.12	(0.14)	0.14
SGD	-	-	(0.07)	0.07

### (ii) Cash flow and fair value interest rate risk

This refers to risk to Group's cash flow and profits on account of movement in market interest rates. The Group's interest rate risk is mainly due to the borrowings acquired at floating interest rate.

The Group's borrowings (non-current and current) structure at the end of reporting period are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate borrowings	50,788.33	47,512.92
Fixed rate borrowings	31,607.41	30,556.51
Interest free rate borrowings	16.02	12.91
<b>Total</b>	<b>82,411.76</b>	<b>78,082.34</b>

### Sensitivity analysis

Particulars	Impact on profit before tax and equity	
	As at 31 March 2024	As at 31 March 2023
Increase by 50 bps	(253.94)	(237.56)
Decrease by 50 bps	253.94	237.56

## 45 Capital management

The Group's objectives when managing capital are to -

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

The Group monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes non-current borrowings (including current maturities) and short term borrowings net of cash and cash equivalents and equity comprises of equity share capital and other equity.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### A. The amount managed as capital by the Group are summarised as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Debt	82,411.76	78,082.34
Less: Cash and cash equivalents	(2,728.62)	(2,828.06)
Net Debt	79,683.14	75,254.28
Total Equity	40,692.82	40,610.31
<b>Capital gearing ratio</b>	<b>1.96</b>	<b>1.85</b>

Bank loans availed by the Group contain certain debt covenants which are required to be complied with. The Limitation of indebtedness covenant gets suspended once the Group meets the certain prescribed criteria. As of the reporting date, the Group is not in compliance with certain performance linked financial covenants. The Group is trying to ensure compliance with the covenants as soon as possible. The banks have not levied any material interest/penalty nor have they communicated any intention to recall the loans or make them repayable immediately, in view of the above matter. Subsequent to the year ended 31 March 2024, bank loans have been repaid by the Group.

### B. Dividends

The Group has not paid any dividend to its shareholders for year ended 31 March 2024 and 31 March 2023.

## 46 Related party disclosures, as per Ind AS 24

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party and related party relationships, are disclosed where transactions have taken place during the reporting period, and for all parties in the case of relationship of control.

### (a) List of related parties

Enterprises where key management personnel or their relatives have significant influence	Oriental Radios Private Limited Rayonyarns Import Company Private Limited Starvoice Properties Private Limited Pitambari Properties Private Limited Lalita Properties Private Limited Bhuneshwari Properties Private Limited Ashoka Liquors Private Limited M Mulla Associates Tracstar Investments Private Limited Manoharlal Realtors Private Limited Tracstar Distillers Private Limited Woodpecker Investments Private Limited Iconiq Brands India Private Limited
Key management personnel and their relatives	<b>Key management personnel:</b> <b>Executive Directors</b> Shekhar Ramamurthy Resham Chhabria Jeetendra Hemdev Arun Barik (w.e.f. 2 June 2022 till 20 June 2022 and w.e.f. 9 August 2022) <b>Managing Director</b> Alok Gupta (w.e.f. 1 September 2023) <b>Chief Financial Officer</b> Ramakrishnan Ramaswamy <b>Non Executive Director</b> Kishore Chhabria - Chairman (Executive Chairman till 30 June 2023) Bina K Chhabria Maneck Navel Mulla

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Key management personnel and their relatives	<p><b>Independent Directors</b>  Balaji Viswanathan Swaminathan  Mehli Maneck Golvala (w.e.f. 21 October 2023)  Narayanan Sadanandan (w.e.f. 16 October 2022)  Paul Henry Skipworth (w.e.f. 2 June 2022)  Rukshana Jina Mistry (w.e.f. 2 June 2022)  Vinaykant Gordhandas Tanna (w.e.f. 9 August 2022)  Vivek Anilchand Sett (w.e.f. 2 June 2022)</p> <p><b>Relatives of key management personnel</b>  Neesha Chhabria</p>
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### (b) Transactions during the year with related parties:

Particulars	Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Interest on unsecured loan</b>				
Oriental Radios Private Limited	2.47	-	-	-
Bina K Chhabria	-	-	32.80	83.65
<b>Sub-total</b>	<b>2.47</b>	<b>-</b>	<b>32.80</b>	<b>83.65</b>
<b>Legal and professional fees</b>				
M Mulla Associates	219.57	-	-	-
<b>Rent Expenses</b>				
Starvoice Properties Private Limited	6.00	6.00	-	-
Pitambari Properties Private Limited	5.40	7.20	-	-
Lalita Properties Private Limited	6.75	9.00	-	-
Woodpecker Investments Private Limited	1.18	1.20	-	-
Bhuneshwari Properties Private Limited	6.75	9.00	-	-
<b>Sub-total</b>	<b>26.08</b>	<b>32.40</b>	<b>-</b>	<b>-</b>
<b>Unsecured loan / advances granted</b>				
Manoharlal Realtors Private Limited	0.03	-	-	-
<b>Unsecured borrowing / CCD availed</b>				
Bina K Chhabria	-	-	448.87	1.00
Resham Chhabria Jeetendra Hemdev	-	-	7.51	2.00
Neesha K. Chhabria	-	-	0.40	-
Oriental Radios Private Limited	80.00	-	-	-
<b>Sub-total</b>	<b>80.00</b>	<b>-</b>	<b>456.78</b>	<b>3.00</b>
<b>Repayment of unsecured borrowing and interest thereon</b>				
Bina K Chhabria	-	-	30.35	1,590.39
Resham Chhabria Jeetendra Hemdev	-	-	5.36	-
Oriental Radios Private Limited	82.23	0.40	-	-
Tracstar Investments Private Limited	3.31	2.84	-	-
<b>Sub-total</b>	<b>85.53</b>	<b>3.24</b>	<b>35.71</b>	<b>1,590.39</b>
<b>Interest of liability component of compound financial instrument issued</b>				
Oriental Radios Private Limited	-	5.52	-	-



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Repayment of liability component of compound financial instrument issued and interest thereon</b>				
Oriental Radios Private Limited	-	197.04	-	-
<b>Issue of equity shares on conversion of CCD</b>				
Oriental Radios Private Limited	-	9,528.18	-	-
<b>Royalty expenses</b>				
Iconiq Brands India Private Limited	22.77	3.28	-	-
<b>Interest on superannuation fund payable</b>				
Kishore Chhabria	-	-	4.64	21.48
Resham Chhabria Jeetendra Hemdev	-	-	0.92	1.05
Neesha Chhabria	-	-	0.30	1.35
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>5.86</b>	<b>23.88</b>
<b>Managerial remuneration/Short term employee benefits *</b>				
Kishore Chhabria	-	-	1,067.12	4,322.95
Shekhar Ramamurthy	-	-	591.41	1,000.00
Alok Gupta	-	-	628.96	-
Ramakrishnan Ramaswamy	-	-	216.43	228.77
Resham Chhabria Jeetendra Hemdev	-	-	369.60	369.60
Neesha Chhabria	-	-	14.85	59.49
Arun Barik	-	-	181.21	181.32
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>3,069.58</b>	<b>6,162.13</b>
<b>Independent Directors' sitting fees#</b>				
Kishore Chhabria	-	-	2.50	-
Bina K Chhabria	-	-	0.50	-
Balaji Viswanathan Swaminathan	-	-	7.00	4.50
Maneck Navel Mulla	-	-	8.00	3.50
Mehli Maneck Golvala	-	-	2.00	-
Nasser Mukhtar Munjee (till 6 October 2022)	-	-	-	1.50
Paul Henry Skipworth	-	-	4.50	3.00
Rukhshana Jina Mistry	-	-	7.50	3.50
Vinaykant Gordhandas Tanna	-	-	4.50	1.50
Vivek Anilchand Sett	-	-	5.00	2.50
Narayanan Sadanandan	-	-	4.50	1.00
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>46.00</b>	<b>21.00</b>

\* Excludes compensated absences, medical benefits and gratuity benefits provided on the basis of actuarial valuation on an overall Group basis.

#All expenses are excluding goods and service tax

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (c) Balances at the year end:

Particulars	Enterprises where key management personnel have significant influence		Key management personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Advance to supplier</b>				
Starvoice Properties Private Limited	21.68	21.68	-	-
Manoharlal Realtors Private Limited	0.03	-	-	-
Rayonyarns Import Company Private Limited	0.82	0.82	-	-
<b>Sub-total</b>	<b>22.53</b>	<b>22.50</b>	<b>-</b>	<b>-</b>
<b>Trade payables</b>				
Starvoice Properties Private Limited	10.80	-	-	-
M. Mulla Associates	0.83	0.31	-	-
Pitambari Properties Private Limited	11.34	-	-	-
Lalita Properties Private Limited	14.18	-	-	-
Woodpecker Investments Private Limited	2.38	-	-	-
Bhuneshwari Properties Private Limited	14.18	-	-	-
Iconiq Brands India Private Limited	2.66	2.96	-	-
<b>Sub-total</b>	<b>56.37</b>	<b>3.27</b>	<b>-</b>	<b>-</b>
<b>Current borrowings</b>				
Tracstar Investments Private Limited	-	3.31	-	-
Resham Chhabria Jeetendra Hemdev	-	-	5.00	2.85
Neesha K. Chhabria	-	-	0.40	-
Bina K Chhabria	-	-	708.07	256.75
<b>Sub-total</b>	<b>-</b>	<b>3.31</b>	<b>713.47</b>	<b>259.60</b>
<b>Superannuation fund payable</b>				
Kishore Chhabria	-	-	296.47	291.83
Resham Chhabria Jeetendra Hemdev	-	-	16.27	15.35
Neesha Chhabria	-	-	18.78	18.48
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>331.51</b>	<b>325.66</b>
<b>Outstanding expenses</b>				
Iconiq Brands India Private Limited	19.82	-	-	-
Starvoice Properties Private Limited	-	6.00	-	-
Pitambari Properties Private Limited	-	7.20	-	-
Lalita Properties Private Limited	-	9.00	-	-
Woodpecker Investments Private Limited	-	1.20	-	-
Bhuneshwari Properties Private Limited	-	9.00	-	-
<b>Sub-total</b>	<b>19.82</b>	<b>32.40</b>	<b>-</b>	<b>-</b>

Reference is also invited to footnote to note 23 and note 26 for guarantee provided by and assets pledged of Tracstar Distillers Private Limited towards loans availed by the Group.

Reference is also invited to footnote to note 23 for guarantee provided by Mr. Kishore Chhabria towards loan availed by the Group.

Reference is also invited to footnote to note 23 for assets pledged of Ashoka Liquors Private Limited towards loan availed by the Group.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Equity (or equity like) investments by the Company and equity (or equity like) infusion into the Company are not considered for disclosure under balances as these are not considered “outstanding” exposures. Refer note 8 and 21 for the same.

The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Reference is also invited to Note 20 for ‘Share issue expenses’ which will be reimbursed by the selling shareholders in proportion to their respective shares offered for sale as a part of the IPO, amount for which will be determined on completion of the IPO.

Reference is also invited to Note 20A for agreement for sale of securities held in subsidiaries and the subsequent termination of such agreement, resulting in the re-classification of these securities, and the undertaking confirming willingness to compensate the Company for impairment / shortfall in recoverable value, if any, as detailed in the said note.

Reference is also invited to Note 47(e) for provision of post employment medical benefits made by actuarial valuation to extend the facility of payment for medical insurance premium at actuals in respect of the Non- Executive Chairman and certain specified family members.

### d) Key managerial personnel compensation:

Particulars	31 March 2024	31 March 2023
Short term employee benefits*	3,121.44	6,207.01

\* Excludes compensated absences, post employment medical benefits (Refer note (479)(e)) and gratuity benefits provided on the basis of actuarial valuation on an overall Company basis.

### 47 As per Indian Accounting Standard-19, ‘Employee Benefits’, the disclosure of employee benefits as defined in the standard are given below:

#### (a) Contribution to defined contribution plan, recognised as expense for the year are as under:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employers’ contribution to provident fund	649.98	895.71
Employers’ contribution to superannuation fund	5.94	24.79
Employers’ contribution to employees’ state insurance	2.57	2.31
Employers’ contribution to employees’ pension scheme 1995	128.58	115.65
Employers’ contribution to national pension scheme	15.70	18.75
Employers’ contribution to labour welfare fund	0.29	0.25
Employees deposit linked insurance	8.15	7.29
Employees provident fund administration charges	32.45	42.14
<b>Total</b>	<b>843.66</b>	<b>1,106.89</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (b) Defined benefit plan

#### Defined benefit obligations - Gratuity (unfunded)

#### Characteristics of defined benefit plan (Paragraph 139 (a) of Indian Accounting Standard (Ind AS) 19)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

Gratuity	Year ended 31 March 2024	Year ended 31 March 2023
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate	7.22%	4.40% to 7.3%
Salary growth rate	7.00% p.a.	1.50% to 7% p.a.
Attrition rate	15.00%	15.00%

Changes in the present value of obligation	Year ended 31 March 2024	Year ended 31 March 2023
Present value of obligation at the beginning of the year	1,178.81	1,177.73
Current service cost	85.87	124.48
Interest expenses	132.73	64.09
Benefits paid	(119.27)	(125.86)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(2.52)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	6.18	(78.10)
Actuarial (gains)/losses on obligations - due to experience	130.48	16.47
<b>Present value of obligation at the end of the year</b>	<b>1,412.28</b>	<b>1,178.81</b>

Amount recognised in the balance sheet	Year ended 31 March 2024	Year ended 31 March 2023
Present value of obligation at the end of the year	1,412.28	1,178.81
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised at the end of the year</b>	<b>1,412.28</b>	<b>1,178.81</b>
Non-current provisions	1,099.06	976.45
Current provisions	313.22	202.36

Expenses recognised in the statement of profit and loss	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	85.87	124.48
Net interest cost	132.73	64.09
<b>Total expenses recognised in the statement of profit and loss</b>	<b>218.60</b>	<b>188.57</b>
Re-measurement (or actuarial) (gain) arising from change in assumptions	134.14	(61.63)

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

<b>Maturity profile of defined benefit obligation</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>Expected cash flows over the next (valued on undiscounted basis):</b>		
1st following year	313.22	202.36
2nd following year	183.94	172.52
3rd following year	181.42	165.60
4th following year	188.87	157.13
5th following year	191.79	148.04
Sum of years 6 to 10	538.33	501.96
Sum of years 11 and above	315.85	297.08

### Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis on the DBO is given below:

<b>Particulars</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Delta effect of +1% change in rate of discounting	(48.32)	(43.34)
Delta effect of -1% change in rate of discounting	52.44	47.11
Delta effect of +1% change in rate of salary increase	45.26	39.82
Delta effect of -1% change in rate of salary increase	(43.10)	(37.89)
Delta effect of +1% change in rate of employee turnover	(1.01)	(0.56)
Delta effect of -1% change in rate of employee turnover	1.13	0.41

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation from the prior period.

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated.

### (c) Compensated absences

The leave obligations cover the Company's liability for sick and privilege leaves. The leave obligation is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

<b>Particulars</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Opening Balance	1,046.78	1,112.99
Add: Addition during the year	(36.40)	45.17
Less: Payment during the year	(93.37)	(111.38)
<b>Closing balance</b>	<b>917.01</b>	<b>1,046.78</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### (d) Superannuation

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	338.78	313.99
Add: Addition during the year	5.95	24.79
Less: Payment during the year	(13.21)	-
<b>Closing balance</b>	<b>331.52</b>	<b>338.78</b>

### (e) Post employment medical benefits

The Board of Directors on 11 January 2024 passed a resolution to extend the facility of payment for medical expenditure without limitation and medical insurance premium at actuals in respect of the Non- Executive Chairman and for his family members viz. Mrs. Bina Kishore Chhabria, Mrs. Resham Chhabria J Hemdev and Mrs. Neesha K Chhabria for their life. Therefore the Company has carried out actuarial valuation in order to determine the defined benefit obligation as at the close of the year. The significant assumptions given below:

Particulars	Year ended 31 March 2024
Mortality table	Indian Individual Annuitant's Mortality Table (1996-98)
Discount rate	7.24% p.a
Premium Escalation Rate	15.23% p.a.

## 48 Contingent liabilities and commitments

### (A) Contingent liabilities not provided for:

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Provident fund matter (Refer note a below)	Not ascertainable	Not ascertainable
(ii) Transport pass fees claimed by excise authorities (Refer note b below)	873.01	873.01
(iii) Water Charges claim by MIDC, Aurangabad (Refer note c below)	196.07	185.98
(iv) Additional license fees on account of restructuring of the Group, levied by, the Maharashtra State Excise Department, Aurangabad (Refer note d below)	32.80	32.80
(v) Differential Octroi Duty on Extra Neutral Alcohol / Rectified Spirit by Aurangabad Municipal Corporation (Refer note e below)	157.97	157.97
(vi) Demand notice from the Commissioner of Central Excise, Customs and Service Tax, Aurangabad, towards service tax on reverse charge basis on expenditure incurred in foreign currency on sales promotion, travelling and other expenditure (Refer note f below)	538.08	538.08
(vii) Income tax matters (Refer note g below)	Nil	333.11
(viii) Rajasthan VAT department has demanded sales Tax along with interest and penalty from a contract bottling unit on ENA produced by them to be used as intermediary product for the manufacture of IMFL (Refer note h below)	107.55	107.55



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
(ix) Excise demand relating to excess transit wastages for ENA supplied by Contract Bottling unit (Refer note i below)	286.02	286.02
(x) Show cause notice from Canteen Stores Department (CSD) on account of differential trade rate relating to the period from October 2014 to December 2020 (Refer note j below)	857.69	857.69
(xi) Demand notice by the Government of Andhra Pradesh (Refer note k below)	2,725.00	2,725.00
(xii) VAT / GST on ENA procured by the Group in Uttar Pradesh (Refer note l below)	1,629.01	1,629.01
(xiii) A contract bottling unit had been issued notice of demand under the Assam Entry Tax Act by the Government of Assam (Refer note m below)	131.17	131.17
(xiv) The Group was receiving taxable invoices from its CBUs at the rate of 18% on the bottling charges on manufacturing of IMFL for the Group (brand owner). However, based on the notification dated 13 October 2017, no. 31/2017 - Central Tax (rate), the Group has asked its bottlers to charge GST on bottling charge at 5% (Refer note n below)	1054.20	600.40
(xv) Group has received summon notice dated 11 August 2020 from the Director General of GST Intelligence, Hyderabad on applicability of GST on Distillery Wet Grain Soluble (DWGS) and Distillery Dry Grain Soluble (DDGS). On 20 June 2022, the Group has received Show Cause Notice on the subject matter from Directorate General of Goods and Services Tax Intelligence (DGGI), Telangana. (Refer note o below)	726.19	726.19
(xvi) Income Tax matter (Refer note p below)	Nil	17.34
(xvii) GST on supply of ENA in the state of Uttar Pradesh and Kerala. (Refer note q below)	420.78	420.78
(xviii) Short payment of wages and levy to the Mathadi Workers (Refer note r below)	252.95	252.95
(xix) Excise demand relating to low strength of ENA (Refer note s below)	27.10	27.10
(xx) Intimation received under Section 73(5) (Form GST DRC-01A) alleging to pay GST on ENA. (Refer note t below)	311.49	294.94
(xxi) VAT liability on amount of Business Surplus received by the Group from tie-up unit arrangements with third parties. (Refer note u below)	5,808.91	5,302.44
(xxii) Debit memorandum from its customer - Canteen Stores Department (Refer note v below)	3,398.71	Nil
(xxiii) Income tax matters (Refer note w below)	5,331.06	Nil

- a) Contingent liability relating to determination of provident fund liability, based on 28 February 2019 Supreme Court judgement, is not determinable at present, due to uncertainty on the period of impact of the judgement in absence of further clarification relating to applicability. The Group will continue to assess any further developments in this matter for their implications on the Group financial statements, if any, which, based on the number of employees, is not expected to be significant.
- b) Transport pass fee claimed by excise authorities @ ₹ 3 per bulk liter (BL) from 12 July 1999 up to 25 August 2009 and @ ₹ 1.50 per BL from 26 August 2009 till 18 May 2011 on Extra Neutral Spirit (ENA) purchased aggregating ₹ 821.97 lakhs (31 March 2023 ₹ 821.97 lakhs) and transport pass fee claimed by excise authorities @ ₹ 1 per BL from 01 April 2010 to 18 May 2011 on rectified spirits purchased aggregating ₹ 48.88 lakhs (31 March 2023 ₹ 48.88 lakhs), transport pass fee claimed by excise authorities @ ₹ 3 per BL from 01 June 2009 to 18 May 2011 on Malt purchased aggregating ₹ 2.16 lakhs (31 March 2023 ₹ 2.16 lakhs) including for one of the Contract Bottling Unit.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

The Group has paid ₹ 303.71 lakhs (31 March 2023 ₹ 303.71 lakhs) under protest which is shown under balance with statutory authorities (non-current).

The Hon'ble High Court of Judicature at Mumbai has, vide its order dated 06 May 2011, upheld Group's appeal and allowed the Group's petition with the direction that the amount paid be refunded along with the interest @ 9% per annum within 10 weeks from the date of receipt of application for refund. As directed, the Group has filed an application for claim of refund before the customs and excise authorities. The Group has also claimed ₹ 163.71 lakhs (including interest of ₹ 29.94 lakhs) on account of transport pass fees charged by suppliers.

The Customs and excise department of Maharashtra has filed a Special leave petition (SLP) before the Hon'ble Supreme Court against the above order. The Supreme Court has directed the registrar to issue notice to all concerned and affected parties pending admission of petition.

Subsequently, the registrar has issued notice to all the concerned and affected parties for admission of petition and accordingly, the Group has filed its response to this notice. The matter has not come up for hearing.

- c) Increased water charges (including delayed payment charges billed by MIDC from time to time for the period November 2001 to March 2024, disputed by the Group aggregating ₹ 196.07 lakhs (31 March 2023 ₹ 185.98 lakhs).

In the above said matter, High Court of Judicature of Bombay, Aurangabad Bench did not allow the stay petition filed by the Group. However, the Hon'ble High Court of Aurangabad Bench has agreed to allow for payment of only principal amount to MIDC towards outstanding water charges and granted stay on levy of interest and penalty till the disposal of final appeal.

Based on the above, the Group has paid till 31 March 2024 ₹ 162.02 lakhs (31 March 2023 ₹ 151.98 lakhs) under protest which is shown under balance with statutory authorities (non-current).

Few of the IMFL manufacturers have filed Special Leave Petition before the Supreme Court challenging the order of the Aurangabad Bench of Bombay High Court. Since the cause of action and reliefs claimed are identical, the outcome of this case will hold good for the Group as well.

- d) The Maharashtra State Excise Department, Aurangabad has raised a demand of ₹ 32.80 lakhs (31 March 2023 ₹ 32.80 lakhs) towards additional license fee on the Group as a consequence of the change of name arising due to restructuring of the Group. The Group has challenged the said demand and filed Writ Petition before High Court of Judicature of Bombay, Aurangabad Bench. The said matter has not come up for hearing yet. The demand of ₹ 32.80 lakhs (31 March 2023 ₹ 32.80 lakhs), which is paid by the Group under protest, is shown under balance with statutory authorities (non-current).

- e) The Aurangabad Municipal Corporation (AMC) had recovered differential Octroi Duty on Extra Neutral Alcohol / Rectified Spirit for the period from December 1991 to June 1997 on the basis of High Court judgment on similar facts in another liquor Group case. This judgment had been reversed by the Hon'ble Supreme Court of India in another case in which interest @ 6 % p. a. was allowed. The Group has entered into an agreement with AMC on 12 March 1993 by which both the parties had agreed that judgment passed shall be binding on both the parties.

The Group had filed a suit for recovery in the Hon'ble Court of Civil Judge, (Senior Division) at Aurangabad. As per the order dated 16 October 2006 of the Court, the Group is entitled to get an amount of ₹ 157.97 lakhs (31 March 2023 ₹ 157.97 lakhs), with interest thereon @ 6% p.a. from the date of suit till the date of payment.

The Municipal Corporation has filed an appeal against this order, which has been disposed off by the Division Bench of the Bombay High Court, Aurangabad bench vide their order dated 12 February 2007 granting the stay of execution of decree passed by Trial Court subject to deposit of ₹ 220 lakhs in 11 instalments commencing from April 2007. Further, the appeal came up for hearing on 29 August 2007 before the High Court at Bombay Bench at Aurangabad and an order was passed allowing the Group to withdraw the aforesaid amount and so far, the Group has received ₹ 220 lakhs up to 31 March 2009. The appeal filed by AMC is pending before the Bombay High Court, Aurangabad Bench

- f) In an earlier year, the Group had received demand notice from the Commissioner of Central Excise, Customs and Service Tax, Aurangabad for the F.Y. 2011-12 to 2014-15 towards service tax on reverse charge basis on expenditure incurred in foreign currency on sales promotion, travelling and other expenditure. Total demand raised is ₹ 538.08 lakhs (31 March



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

2023 ₹ 538.08 lakhs) (including penalty of ₹ 268.28 lakhs, late fees of ₹ 1.60 lakhs excluding interest). The Group has paid ₹ 20.11 lakhs (31 March 2023 ₹ 20.11 lakhs) under protest against the said demand towards mandatory deposit for admission of appeals, which is shown under balance with statutory authorities (non-current). The Group has filed an appeal before Central Excise and Sales Tax Appellate Tribunal (CESTAT), Mumbai.

- g) Post receipt of order under section 153C received for A.Y. 2014-15, the open matter is now merged and part of pending appeal / assessment of A.Y. 2014-15 under section 153C, therefore the liability for 31 March 2024 is Nil (31 March 2023 ₹ 333.11 lakhs). Refer note no. xxiii of the contingent liability schedule. Against the above said demand order, the Holding Company has deposited under protest ₹ 55.12 lakhs (31 March 2023 ₹ 55.12 lakhs) which is disclosed under Income tax (current-tax) assets (net). The balance demand is adjusted by the department with refundable balance of AY 2011-2012 as per intimation dated 20 April 2017.
- h) One of the Group's Contract Bottling Unit (CBU) at Rajasthan had received notice of demand for the A.Y. 2007-08 to 2009-10 amounting to ₹ 91.80 lakhs (31 March 2023 ₹ 91.80 Lakhs) of VAT and interest thereon for ₹ 15.75 lakhs (31 March 2023 ₹ 15.75 lakhs) aggregating ₹ 107.55 lakhs (31 March 2023 ₹ 107.55 lakhs) from Commercial Tax Officer, Government of Rajasthan on alleged VAT payable on captive consumption of ENA for the manufacturing of the Group's brands and deemed sale of ENA to the brand owner. The said demand was upheld by the Hon'ble Rajasthan High Court vide their order dated 20 July 2017. Against the said demand, the CBU has filed a Special Leave Petition before the Hon'ble Supreme Court. Vide order dated 28 August 2017, the Hon'ble Supreme Court has granted stay in the matter in respect of recovery of any demand or interest. In the event, if the matter is decided against the CBU, the Group is liable to compensate the CBU for the tax demand including interest.
- i) In an earlier year, the Group has received excise demand of ₹ 286.02 lakhs (31 March 2023 ₹ 286.02 lakhs) relating to excess transit wastages for ENA supplied by Contract Bottling unit (CBU). Writ petition was filed with the Hon'ble High Court by CBU and is pending for disposal. Amount deposited under protest of ₹ 71.50 lakhs (31 March 2023 ₹ 71.50 lakhs) is shown under balance with statutory authorities (non-current). Madhya Pradesh High Court ordered that, on furnishing an adequate surety to the satisfaction of Excise Commissioner, the recovery of penalty shall remain stayed until next date of hearing. The matter has not come up for hearing yet and the same is under progress.
- j) The Group had received a show cause notice dated 22 March 2021 from its customer – Canteen Stores Department (CSD) for ₹ 857.69 lakhs (31 March 2023 ₹ 857.69 lakhs) on account of differential trade rate relating to the period from October 2014 to December 2020, which has been disclosed as contingent liability. The Group has submitted the explanation and necessary documents demanded by CSD in response letter received from CSD, however consequent to the explanation filed by the Company a show cause notice was issued by CSD to the Company demanding certain clarification and documentation. The Company has sought further time from the CSD department to respond to the said notice.
- k) A letter of Intent (LOI) was granted to the Group along with a demand notice by the Government of Andhra Pradesh on 9 March 2017 based on an application made on 3 December 2014 along with stipulated payment of ₹ 275.00 lakhs (31 March 2023 ₹ 275.00 lakhs). The Group had immediately requested for a waiver of the demand notice. Further, vide letter dated 17 May 2017, the Group had requested for a three-year moratorium for payment of license fees. The request was disallowed vide their letter dated 31 May 2017 which was served on the Group on 12 June 2017.

The Group then requested the Commissioner of Prohibition of Excise for surrendering the LOI and requested for refund of the advance paid ₹ 275.00 lakhs vide letter dated 14 June 2017. However, the Group received a demand notice dated 9 February 2018 from the Government of Andhra Pradesh and Commissioner of Prohibition & Excise for payment of the license fees of ₹ 2,725.00 lakhs in 11 quarterly instalments with first instalment being due on 26 January 2017 which remains unpaid.

Group filed a writ petition under Article 226 of the Constitution of India against the State of Andhra Pradesh represented by the Principal Secretary to Government Revenue (Excise Department) as well as against the Commissioner, Prohibition and Excise, Government of Andhra Pradesh in the High Court of Andhra Pradesh seeking a declaration that the said demand as well as refusal of the Respondents to refund amounts paid by the Group of ₹ 87.48 lakhs and ₹ 275.00 lakhs along with applications made on 22 November 2010 and 03 December 2014 as bad and illegal in law; and a direction to the



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Respondents to cease making demands for payment of instalments and to refund the above amounts paid by the Group along with interest @ 18% p.a. from 17 December 2012 and 31 May 2017 respectively.

In the said Writ Petition, the Hon'ble High Court was pleased to pass an interim order directing the Respondents not to take any coercive action against Group pursuant to the letter dated 6 February 2019 of the 2nd Respondent. The Group filed a writ petition against the said order and obtained an interim stay on the same. The matter is still pending in Andhra Pradesh High Court. The writ petition filed by the Group against the State of Andhra Pradesh represented by Principal Secretary to Government, Revenue (Excise Department) and the Commissioner Prohibition and Excise is pending before the High Court of Andhra Pradesh. The matter was last listed on 19 March 2019 when the order was passed. Thereafter the matter has not been listed. The order subsists even as on today. The Order also stated that no coercive steps can be taken against the petitioner.

- l) The Group is operating its business in the State of Uttar Pradesh by entering into a Lease Agreement with Simbhaoli Sugars Limited ("Simbhaoli") since October 2017. As per UP VAT Act, during pre-GST period i.e., before 30 June 2017, ENA in Uttar Pradesh was charged at Paise 0.80 per liter for intra state purchase of ENA and Inter-state purchase was taxed at 2% CST. After introduction of GST, ENA falls under VAT and there was no clarity on Vat to be charged on ENA. In respect of ENA purchases made by the Group from Simbhaoli since October 2017, no VAT / GST has been recovered or paid by Simbhaoli in line with the request made by the Group. The Group has issued an indemnity to safeguard Simbhaoli from any liability on account of VAT / GST on ENA procurement from them. Department has issued notice to Simbhaoli to deposit arrears of Tax for F.Y 2017-18, 2018-19 and 2019-20. Neither Simbhaoli nor the Group has paid any tax for the period 1 October 2017– 8 December 2019. On 17 December 2019, Uttar Pradesh VAT Authority has notified 5% rate of VAT on ENA, effective from 9 December 2019 onwards, the Group has been paying 5% VAT on ENA purchase. The liability amounts to ₹ 1,428.70 lakhs (31 March 2023 ₹ 1,428.70 lakhs). The Group has been granted stay for 90% of the demand on issuance of surety. Balance 10% of the demand has been paid by the Group amounting to ₹ 142.87 lakhs (31 March 2023 ₹ 142.87 lakhs) for FY 2017-18, FY 2018-19 and FY 2019-20, which is shown under balance with statutory authorities (non-current). The Group has received intimation of tax u/s 74(5) of the CGST Act, 2017 for the period October to November 2022, amounting to ₹ 200.31 lakhs including interest and penalty (31 March 2023 ₹ 200.31 lakhs) on alleged GST on ENA. The Group has replied to the instant notice.
- m) A contract bottling unit had been issued notice of demand of ₹ 131.17 lakhs (31 March 2023 ₹ 131.17 lakhs) on 2 July 2010 under the Assam Entry Tax Act by the Government of Assam. Amount deposited under protest of ₹ 75.79 lakhs (31 March 2023 ₹ 75.79 lakhs) is shown under other financial assets (non-current).
- n) In earlier years, the Group was receiving taxable invoices from its CBUs at the rate of 18% on the bottling charges on manufacturing of IMFL for the Group (brand owner). However, based on the notification dated 13 October 2017, No. 31/2017 - Central Tax (rate), the Group has asked its bottlers to charge GST on bottling charge at 5%. Vide Notification No. CBIC (TRU) Circular no 164/20/2021 a separate new entry was introduced with effect from 01 October 2021, accordingly all the CBUs are charging 18% on job work changes. However, there remains to be lack of clarity in respect of charging the 18% rate from 01 October 2017 to 30 September 2021. Confederation of Indian Alcoholic Beverage Companies (CIABC) has submitted a representation vide letter dated 9 October 2019 to Hon'ble Finance Minister and other Senior Member of the GST Council. However, final disposal of the above representation made has not been received. The Group is of the view that the effective date of applicability of 18% GST should be from 01 October 2021 only and accordingly no provision has been made in the books of account.

Andhra Pradesh High Court vide order dated 20 October 2022, in case of another company in the industry, ruled that the services by way of job work in relation to manufacture of alcoholic liquor for human consumption should be liable to 18% GST retrospectively. A special leave petition has been filed by that Company with Hon'ble Supreme Court against such ruling of Andhra Pradesh High Court and is yet to be concluded. The Company has also been advised by senior counsel that the GST at 18% would not be payable with retrospective effect which is in line with special leave petition filed by aforesaid company.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Some of the State GST departments have raised demand for the differential GST amount as mentioned below for which Group has filed its reply with the department that the Group through its Member Association CIABC has made various representation for clarification to the GST council and is awaiting response on this.

State	Unit Name	Period of Demand	Demand (₹ lakhs)
Maharashtra	Radico NV Distilleries Maharashtra Limited	July 2017 to March 2020	₹ 85.58 (31 March 2023 ₹ 63.06)
Odisha	Hi Tech Bottling Limited	July 2017 to March 2022	₹ 68.43 (31 March 2023 ₹ 81.12)
Odisha	Shakti Maltare & Lemonade Private Limited	July 2017 to March 2020	₹ 50.54 (31 March 2023 ₹ 50.54)
Meghalaya	C M J Breweries Private Limited	July 2017 to March 2019	₹ 38.89 (31 March 2023 ₹ 38.89)
Andhra Pradesh	Sentini Bio Products Private Limited	July 2018 to March 2020	₹ 163.32 (31 March 2023 ₹ 163.32)
Andhra Pradesh	Sentini Beverages Private Limited	July 2017 to June 2018	₹ 35.97 (31 March 2023 ₹ 35.97)
West Bengal	Cosmos Beverages Private Limited	July 2017 to March 2021	₹ 33.03 (31 March 2023 ₹ 87.70)
Rajasthan	Solkit Distillery and Brewery Private Limited	October 2017 to September 2021	₹ 79.80 (31 March 2023 ₹ 79.80)
Chandigarh	Batra Breweries Private Limited	July 2017 to March 2021	₹ 208.09 (31st March 2023 ₹ Nil)
Karnataka	Unistil Alcoblends Private Limited	September 2018 to September 2021	₹ 122.28 (31st March 2023 ₹ Nil)
Assam	Saaran Industries	September 2018 to September 2021	₹ 168.27 (31st March 2023 Nil)

- In the case of Solkit Distillery and Brewery Private Limited the Group has filed appeal before Appellate Authority after paying pre-deposit of 10% of the demand for ₹ 7.98 lakhs. Virtual hearing has been scheduled on 25 July 2024.
  - In the case of Hi-Tech Bottling Limited, Group has received notice of rejecting appeal for period from 01 July 2017 to 31 March 2022 without citing any reason. The CBU is in the process of submitting appropriate response with appellate authority.
  - In the case of Batra Breweries Private Limited, Group has received demand order dated 12 March 2024. The Group is in the process of filing an appeal before first Appellate Authority within stipulated time frame allowed.
  - In the case of Unistil Alcoblends Private Limited, a detailed submission and Personal Hearing was concluded, and final order is awaited.
  - In the case of Shakti Maltare & Lemonade Private Limited the first appellate authority has rejected the appeal of the Company by confirming applicable GST rate of 18% on bottling charges payable to CBU wide order dated 04 July 2024. The company is in a process to filing appropriate response to the GST authority in due course of time.
  - The similar matter is pending with Honorable supreme court in case of Esveer Distilleries Private Limited and scheduled for the hearing on 30 July 2024.
- o) Group has received summon notice dated 11 August 2020 from the Director General of GST Intelligence, Hyderabad on applicability of GST on Distillery Wet Grain Soluble (DWGS) and Distillery Dry Grain Soluble (DDGS). On 20 June 2022, the Group has received Show Cause Notice on the subject matter from Directorate General of Goods and Services Tax Intelligence (DGGI), Telangana for an amount of ₹ 726.19 lakhs (31 March 2023 ₹ 726.19 lakhs). Aggrieved by the earlier orders, the Group has filed an appeal before High Court of Telangana at Hyderabad on 3 December 2022. The Company has filed the rejoinders in the hearing scheduled on 12 June 2023. The hearing of the matter was scheduled on 18 July 2023. The Company is discharging GST on DDGS and DWGS at 5% from 12 August 2020. However, the Company has been advised by senior counsel, that the GST demand for the period prior to the issuance of the clarificatory Circular dated 06 October 2021 is not payable.

Honorable High Court has granted a new date of hearing being 24 July 2024.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- p) Post receipt of order under section 153C received for A.Y. 2016-17, the open matter is now merged and forms part of pending appeal / assessment of A.Y. 2016-17 under section 153C, therefore the liability for 31 March 2024 is Nil (31 March 2023 ₹ 17.34 lakhs). Refer note no. xxiii of the contingent liability schedule. The said demand has arisen due to non-granting of claim of TDS and TCS in respect of Wales Distillers Private Limited, which was merged with the Holding Company with the appointed date of 01 April 2015. The Holding Company has made required representation before the Assessing Officer for rectification of demand. The Holding Company is confident of getting a favorable rectification order and accordingly, no provision has been made in the books of account.
- q) One of the ENA suppliers has received order u/s. 74 of the GST Act for the period April 2022 to August 2022 from the Joint Commissioner, Saharanpur, Uttar Pradesh, raising demand of ₹ 360.40 lakhs (including interest and penalty) (31 March 2023 ₹ 360.40 Lakhs) in respect of supply of ENA to the Group without charging GST. The Group has filed the appeal before the Appellate authority.

The question of chargeability of appropriate Tax (whether UPVAT or GST) is subjudice before Apex Court of India as UPVAT Authority, CIABC and International Spirits and Wines Association of India (ISWAI) has filed Special Leave Petition before Apex Court, challenging Order of Allahabad High Court which has ruled that appropriate tax is not UPVAT. The matter was scheduled for hearing on 10 April 2023, however the hearing got postponed. Next date of hearing is yet to be announced.

Further, Show Cause notice has been received in our Kerala unit from State Goods and Service Tax Department, Kerala raising demand of ₹ 60.38 lakhs (31 March 2023 ₹ 60.38 lakhs) on alleged non-payment of GST on procurement of ENA during the tax period 2017-18. The Group has responded to such notice. No further communication has been received from State GST Department.

- r) By its order dated 18 October 2022, the Aurangabad Mathadi and Unsecured Workers Board, Aurangabad has directed the Group to make the payment of ₹ 252.95 lakhs (31 March 2023 ₹ 252.95) towards short payment of wages and levy to the Mathadi Workers working at its unit situated at Plot No. 06, MIDC Area, Chikalthana, Aurangabad during February 2010 to July 2017 (loading), August 2014 to December 2019 (Unloading) and September 2020 to June 2022 (shifting/ Carriage/Store) from the rates fixed by the Board for the period 2013-16, 2016-19, 2019-22. Challenging the order of the Board, Group has filed a writ petition before Bombay High Court, Aurangabad Bench seeking suspension of operation of the order dated 18 October 2022 passed by the Board. While granting a conditional stay of the order, the Court has directed the Company to deposit a sum of ₹ 50.00 lakhs (31 March 2023 ₹ 50.00 lakhs) along with an undertaking to deposit balance amount on final conclusion. As per the Court directives, Company has deposited a sum of ₹ 50.00 lakhs (31 March 2023 ₹ 50.00 lakhs) reflected under balance with statutory authorities (non-current) along with an undertaking. The matter is pending for filing the reply by the Mathadi Board.
- s) The Group received excise demand of ₹ 27.10 Lakhs (31 March 2023 ₹ 27.10 Lakhs) relating to low strength of ENA. The Group had challenged the same with appropriate authority and has paid the amount under protest, which is disclosed under due from tie-up units (non-current). Rajasthan High Court had left it exclusively for the Excise Commissioner to take a decision, after examining all aspects of the matter. The Group had filed a writ petition in March 2020. The Rajasthan High Court, vide its order dated 15 November 2021 has quashed the orders of the Excise by allowing the writ petition with a direction to pay ₹ 0.10 Lakhs as compounding fee. An appeal has been filed by the State Excise challenging the order before Principal Bench, Jodhpur bench of Rajasthan High Court.
- t) The Group was operating its business in the State of Uttar Pradesh by entering into an arrangement with Dhampur Sugar Mills Limited (Dhampur). As per UP VAT Act, during pre-GST period i.e., before 30 June 2017, ENA in Uttar Pradesh was charged at Paisa 0.80 per liter for intra state purchase of ENA and Inter-state purchase was taxed at 2% CST. Dhampur has received intimation of tax ascertained as being payable under Section 73(5) (Form GST DRC-01A) from Office of Joint Commissioner, Moradabad, Uttar Pradesh for the FY 2019-20, 2020-21 and 2021-22 vide letter dated 12 April 2023 and 12 July 2023 alleging to pay GST on ENA for the following tax period for sale of ENA to the Group.

Financial Year	Amount (₹ lakhs)
2019-20	524.90
2020-21	535.82
2021-22	158.45
<b>Total</b>	<b>1,219.17</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Out of total liability raised on ENA supplier, our Group's liability is restricted to ₹ 311.49 lakhs (Including Interest, excluding penalty) (31 March 2023 ₹ 294.94 lakhs). Dhampur has filed appropriate response against the said intimation and is awaiting response on the same.

The Dhampur Sugar Mills Limited (Dhampur) has filed appeal before the office of the Commissioner (Appeals) of the State Tax, Moradabad, UP, after paying compulsory deposit of ₹ 19.78 lakhs.

- u) VAT liability on account of Business Surplus received by the Group from tie-up unit arrangements with third parties.

Financial Year	Particulars	Demand as at 31 March 2024	Demand as at 31 March 2023
2011-2012	<p>The Group has received an order from the Joint Commissioner of Sales Tax (Appeals) granting a stay on recovery of said demand pending decision by the Hon'ble High Court of Bombay in the case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.</p> <p>The Group has filed appeal with Maharashtra Sales Tax Tribunal and paid ₹ 9.87 lakhs (31 March 2023 ₹ 9.87 lakhs) under protest against the said demand, which is shown under balance with statutory authorities (non-current).</p> <p>MVAT Tribunal adjourned the hearing to 20<sup>th</sup> of August 2024.</p>	3,248.90	3,248.90
2012-2013	The Group has received the MVAT Review Order from Joint Comm. Maharashtra Sales Tax, demand of this order basically on account of Business Surplus, Group has filed the Appeal before Maharashtra Sales Tax Tribunal, Mumbai, Stay order not issued, because Review order has been passed in view of provision under section 23(8) of MVAT Act.	290.31	290.31
2013-2014	The Group has received the MVAT Review Order from Joint Commissioner Maharashtra Sales Tax, demand of this order basically on account of Business Surplus, company has filed the Appeal before Maharashtra Sales Tax Tribunal, Mumbai, Stay order not issued, because Review order has been passed in view of provision under section 23(8) of MVAT Act.	356.85	356.85
2014-2015	The Group has received the MVAT Review Order from Joint Comm. Maharashtra Sales Tax, demand of this order basically on account of Business Surplus, Company has filed the Appeal before Maharashtra Sales Tax Tribunal, Mumbai, Stay order not issued, because Review order has been passed in view of provision under section 23(8) of MVAT Act.	506.47	Nil
2015-2016	The Group has received an assessment order from Deputy Commissioner of Sales Tax, in March 2020 against which, Group has filed copy of appeal to Joint commissioner of State Tax dated 20 July 2020 and paid ₹ 0.49 lakhs, under protest, which is shown under balance with statutory authorities (non-current). The Commissioner has granted a stay on recovery of demand pending decision by the Hon'ble High Court of Bombay in a similar case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.	602.71	602.71

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Financial Year	Particulars	Demand as at 31 March 2024	Demand as at 31 March 2023
2016-2017	The Group has received an assessment order from Deputy Commissioner of Sales Tax, Mazgaon dated 23 February 2021. The Commissioner has granted a stay on recovery of said demand pending decision by the Hon'ble High Court of Bombay in the case of M/s Diageo India Pvt Ltd v/s State of Maharashtra.	582.58	582.58
2017-2018	The Group has received a Rectification order u/s. 24 of the MVAT dated 06 December 2021 for the FY 2017-18 for a total demand of ₹ 198.70 lakhs (31 March 2023 ₹ 198.70 lakhs). For the similar period Group has received Rectification Order u/s. 9(2) of the CST Act Maharashtra raising a total demand of ₹ 22.39 lakhs (31 March 2023 ₹ 22.39 lakhs) of which the Group has already paid ₹ 12.16 lakhs (31 March 2023 ₹ 12.16 lakhs) and same is shown under balance with statutory authorities (non-current). The demand has arisen mainly due to the non-receipt of C Forms and F Forms, and the Group has filed an appeal, and the matter is pending to be heard.	221.09	221.09

- v) The Holding Company in an earlier year had received a debit memorandum from its customer - Canteen Stores Department (CSD) for ₹ 3,661.44 lakhs on account of differential trade rate relating to the period from 01 March 2012 to 31 October 2017. The Holding Company has written off ₹ 874.93 lakhs as bad debts and has recovered the balance amount during the year ended 31 March 2022.

The Holding Company has received another debit memorandum from CSD dated 11 December 2023, on the same matter along with Penalty of ₹ 549.22 Lakhs amounting to ₹ 4,210.66 Lakhs. After adjusting the earlier credit and debit note received from CSD, the total amount of debit note received is ₹ 3,398.72 Lakhs. The Company has contested the same and is in discussion with the authority. The Company is expecting a favorable result in this matter.

- w) The Holding Company has received order under section 153C of the Income Tax Act from the Assistant Commissioner of Income Tax, CC 8(2) Mumbai. In response to the same the assessment was completed by the appropriate authority and demand of ₹ 5,331.06 lakhs was raised including interest for A.Y. 2014-15 to 2020-21. Moreover, the Holding Company has also received notice u/s. 274 regarding Penalty proceedings. The Holding Company has already filed appeal before the first Appellate authority CIT(Appeals), filed rectification of demand letter and abeyance letter to keep the demand in abeyance till the disposal of our appeal by CIT(Appeals). The Holding Company expects favorable order in the above cases and therefore no provision has been created in the books of account.

### (B) Commitments:

Capital commitments (net of advances) ₹ 106.98 lakhs (31 March 2023 ₹ 1,560.06 lakhs)

## 49 Revenue from contracts with customers

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, a performance obligation is satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

At contract inception, the Group assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Group considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of customer contracts that the Group enters into consist of a single performance obligation for the delivery of Indian made foreign liquor. The Group recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery to the customer, i.e., at a point in time. The Group records product sales net of estimated incentives/ discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The payment terms are generally less than a year.

### a) Disaggregation of revenue:

Particulars	31 March 2024	31 March 2023
<b>(i) Based on geographical markets</b>		
Within India	7,46,039.89	6,94,903.03
Outside India	17,803.70	12,996.60
<b>Revenue from contracts with customer</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>
<b>(ii) Based on type of customer</b>		
Government Corporation	3,71,662.84	3,21,934.33
Private parties	3,92,180.75	3,85,965.30
<b>Revenue from contracts with customer</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>

### b) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	31 March 2024	31 March 2023
Revenue as per contracted price	7,97,284.88	7,31,674.94
<b>Adjustments (includes provisions estimated and adjustments there against)</b>		
Sales incentive	(31,334.95)	(21,740.73)
Discount	(2,106.34)	(2,034.58)
<b>Revenue from contract with customers</b>	<b>7,63,843.59</b>	<b>7,07,899.63</b>

## 50 Earnings per share

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit attributable to equity share holders	182.89	160.01
Weighted average number of equity shares outstanding during the year for Basic EPS	24,41,13,665	24,41,13,665
Weighted average number of equity shares outstanding during the year for Diluted EPS	24,41,13,665	24,41,13,665
<b>Earnings per share:</b>		
Basic EPS (in ₹)	0.07	0.07
Diluted EPS (in ₹)	0.07	0.07
Face value per share (in ₹)	2.00	2.00



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 51 Segment reporting

#### (a) Business segment

The Company is engaged in the business of manufacture, purchase and sale of alcoholic beverages. Operating segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Alcoholic beverages/liquids". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment. The Company has not presented any other significant information to the CODM.

#### (b) Entity wide disclosures

Revenue of ₹ 131,665.54 lakhs (31 March 2023 ₹ 113,104.91 lakhs) is derived from the external customer, that individually accounted for more than 10% of the total revenue.

### 52 CSR Expenditure during the year:

As per the Section 135 of the Companies Act, 2013 every year the Company is required to spend at least 2% of its average net profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(A) Gross amount required to be spent by the Company during the year	37.56	33.58
(B) Amount spent during the year on CSR activities		
(a) For construction / acquisition of any assets	-	-
(b) For purposes other than (a) above	51.83	30.00
	<b>51.83</b>	<b>30.00</b>
Shortfall/ (excess) spent during the year (A)	(14.27)	3.58
Unutilised excess CSR spend as at the beginning of the year (B)	119.72	123.30
Unutilised excess CSR spend as at the end of the year (B-A)	133.99	119.72

Nature of CSR Activities - Betterment of communities around the Company's manufacturing site. There are no related party transactions. There are no ongoing projects on which CSR expenditure is made.

### 53 The Government of Bihar by its notification dated 5 April 2016 imposed a ban on trade and consumption of Indian Made Foreign Liquor and foreign liquor in the state of Bihar. The Company had received a letter dated 16 August 2017 from the Government of Bihar, stating that it is not liable to refund the aforesaid statutory duties under the Bihar Prohibition and Excise Act, 2016.

On 17 October 2017, the Company filed a writ petition before the Hon'ble High Court of Patna seeking refund of the aforesaid statutory duties (including statutory duties paid by the Company's tie-up manufacturers) i.e. VAT, excise duty, license fee, bottling fee etc., paid to the Government of Bihar of ₹ 3,124 lakhs in respect of billed stocks destroyed/ returned by Bihar State Beverages Corporation Limited ("BSBCL"). Out of the above VAT and Excise department has processed ₹ 1,062 lakhs till 31 March 2019.

During the year ended 31 March 2022, the Company has received ₹ 239.26 lakhs out of the recoverable balance of ₹ 2,334.56 lakhs as on 31 March 2021. There was no receipt during 1 April 2023 to 31 March 2024.

The Balance recoverable of ₹ 2,095.30 lakhs as at 31 March 2024 is considered good and receivable based on the favourable Order issued by the Hon'ble High Court of Patna dated 18 May 2017 and dated 30 April 2019. The same is disclosed under Note 10 "Due from tie-up units".

The Hon'ble High Court of Patna has passed the order dated November 24, 2023 in favour of the company for refund of Excise Duty Refund. The impugned order passed by the Excise Commissioner, Bihar and the Assistant Commissioner, Excise, Patna has been set aside. However, Excise Department has filed an appeal before the Hon'ble Supreme Court against the order passed by the Hon'ble High Court of Patna.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Consequent to the above claim by the Company, BSBCL has raised a demand for demurrage charges of ₹ 1,111 lakhs on account of IMFL being kept in its godown for the period 2016-17 & 2017-18. In the demurrage charge matter, the writ petition was filed by the company and the impugned demands have been set aside. The matter has been remanded to the MD, BSBCL to furnish detailed claim to the petitioners, whereupon the Company was required to submit the detailed response. The matter would be finally adjudicated by the MD, BSBCL within 6 months.

### 54 Leases

#### Group as lessee

The Group's leased assets primarily consist of leases for land, building and machinery. Leases of land, building and machinery generally have lease term between 10 years to 95 years, 2 to 5 years and 2 to 10 years respectively. The leases includes non-cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

i) Set out below are the carrying amounts of right of use assets and the movements during the year:

Particulars	31 March 2024	31 March 2023
Opening right of use assets	12,971.19	13,044.20
Additions	-	337.38
Deletions/Adjustments	(309.12)	(26.70)
Charge for the year	(395.21)	(383.69)
<b>Closing right of use assets</b>	<b>12,266.86</b>	<b>12,971.19</b>

ii) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2024	31 March 2023
Opening lease liability	1,640.13	1,589.35
Additions	-	337.38
Termination	(309.12)	(28.17)
Accretion of interest	142.94	175.27
Payment of interest	(142.94)	(175.27)
Payment of principle	(268.43)	(258.43)
<b>Closing lease liability</b>	<b>1,062.58</b>	<b>1,640.13</b>

The weighted average rate applied is in the range of 11.30% to 11.50%

iii) The following are the amounts recognised in the statement of profit and loss:

Particulars	31 March 2024	31 March 2023
Depreciation expense of right-of-use assets	395.21	383.69
Interest expense on lease liabilities	142.94	175.27
Expense relating to short-term and cancellable leases (included in other expenses)	907.02	794.09
<b>Total amount recognised in the statement of profit and loss</b>	<b>1,445.17</b>	<b>1,353.05</b>

iv) The undiscounted maturity analysis of lease liabilities is as follows:

Particulars	within 1 year	2-5 years	5-10 years	10 years and above	Total
<b>31 March 2024</b>					
Lease payments	422.40	858.54	16.99	13.59	1,311.52
Finance charge	102.48	135.19	8.67	2.60	248.94
<b>31 March 2023</b>					
Lease payments	476.87	1,503.40	138.24	16.99	2,135.50
Finance charge	170.86	308.39	12.17	3.95	495.37

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 55 Interest in other entities - subsidiaries

The Company's subsidiaries as at reporting date are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation is also their principal place of business. For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information, refer details below:

Name of the entities	Country of incorporation	% of effective holding as at		Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
		31 March 2024	31 March 2023	% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated OCI	Amount	% of consolidated comprehensive income	Amount
<b>Parent:</b>											
<b>Allied Blenders and Distillers Limited</b>	India	NA	NA								
31 March 2024				105.69%	43,006.99	367.20%	671.57	100.00%	(100.38)	692.27%	571.19
31 March 2023				104.50%	42,435.80	308.51%	493.64	100.00%	40.06	266.76%	533.70
<b>Subsidiaries (Domestic):</b>											
<b>ABD Dwellings Private Limited (w.e.f. 15 July 2021)</b>	India	100%	100%								
31 March 2024				10.10%	4,111.82	-45.10%	(82.48)	0.00%	-	-99.96%	(82.48)
31 March 2023				9.37%	3,804.30	-83.67%	(133.88)	0.00%	-	-66.92%	(133.88)
<b>Madanlal Estates Private Limited (w.e.f. 15 July 2021)</b>	India	100%	100%								
31 March 2024				9.17%	3,733.52	-36.45%	(66.66)	0.00%	-	-80.79%	(66.66)
31 March 2023				9.36%	3,800.18	-41.67%	(66.67)	0.00%	-	-33.32%	(66.67)
<b>NV Distilleries &amp; Breweries (AP) Private Limited</b>	India	100%	100%								
31 March 2024				-1.59%	(648.05)	-62.56%	(114.42)	0.00%	-	-138.67%	(114.42)
31 March 2023				-1.34%	(545.75)	-70.00%	(112.01)	0.00%	-	-55.99%	(112.01)
<b>Deccan Star Distilleries Private Limited</b>	India	100%	100%								
31 March 2024				-0.01%	(3.12)	-0.37%	(0.68)	0.00%	-	-0.82%	(0.68)
31 March 2023				-0.01%	(2.44)	-0.53%	(0.85)	0.00%	-	-0.42%	(0.85)

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Name of the entities	Country of incorporation	% of effective holding as at		Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
		31 March 2024	31 March 2023	% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated OCI	Amount	% of consolidated comprehensive income	Amount
<b>Sarthak Blenders &amp; Bottlers Private Limited</b>	India	100%	100%								
31 March 2024				-2.24%	(911.28)	-47.05%	(86.06)	0.00%	-	-104.30%	(86.06)
31 March 2023				-2.03%	(825.20)	-61.12%	(97.80)	0.00%	-	-48.88%	(97.80)
<b>Chitwan Blenders &amp; Bottlers Private Limited</b>	India	100%	100%								
31 March 2024				-0.99%	(401.78)	-1.09%	(1.99)	0.00%	-	-2.41%	(1.99)
31 March 2023				-0.98%	(399.79)	-1.34%	(2.15)	0.00%	-	-1.07%	(2.15)
<b>Allied Blenders and Distillers Maharashtra LLP (w.e.f. 15 June 2022)</b>	India	85%	85%								
31 March 2024				0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
31 March 2023				0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
<b>Subsidiaries (Foreign):</b>											
<b>Allied Blenders and Distillers (UK) Limited (w.e.f. 07 November 2022)</b>	Scotland	100%	100%								
31 March 2024				0.00%	0.85	0.00%	-	0.00%	-	0.00%	-
31 March 2023				0.00%	0.85	0.00%	-	0.00%	-	0.00%	-
<b>Intercompany elimination and consolidation adjustments</b>	India										
31 March 2024				-20.14%	(8,197.13)	-74.58%	(136.39)	0.00%	-	-165.30%	(136.39)
31 March 2023				-18.86%	(7,658.64)	49.83%	79.73	0.00%	-	39.85%	79.73
<b>Total</b>	India										
31 March 2024				100.00%	40,692.82	100.00%	182.89	100.00%	(100.38)	100.00%	82.51
31 March 2023				100.00%	40,610.31	100.00%	160.01	100.00%	40.06	100.00%	200.07

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 56 CWIP ageing schedule

The ageing schedule for CWIP is as below:

Projects in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024	1,083.55	19.77	-	486.52	1,589.84
As at 31 March 2023	816.96	22.64	25.28	537.85	1,402.73
Projects temporarily suspended	-	-	-	-	-

There are no projects in progress whose completion is overdue or has exceeded its cost compared to its original plan.

### 57 Trade receivables ageing schedule

#### 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,19,930.70	1,587.40	1,451.74	1,067.86	333.45	1,24,371.15
(ii) Undisputed Trade Receivables - credit impaired	187.65	110.18	208.43	246.95	467.02	1,220.23
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - credit impaired	2.29	-	71.35	137.36	768.99	979.99
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>1,20,120.64</b>	<b>1,697.58</b>	<b>1,731.52</b>	<b>1,452.17</b>	<b>1,569.46</b>	<b>1,26,571.37</b>

#### 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	90,270.79	1,282.09	3,537.73	227.53	119.44	95,437.58
(ii) Undisputed Trade Receivables - credit impaired	13.75	71.46	223.54	320.60	988.96	1,618.31
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	4.71	1.72	-	222.32	95.03	323.78
(v) Disputed Trade Receivables - credit impaired	2.51	-	-	62.69	1,009.29	1,074.49
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>90,291.76</b>	<b>1,355.27</b>	<b>3,761.27</b>	<b>833.14</b>	<b>2,212.72</b>	<b>98,454.16</b>



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 58 Trade payables ageing schedule

#### 31 March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	1,568.68	20,884.12	268.02	36.14	20.87	22,777.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,613.97	20,210.17	17,990.74	425.39	64.52	156.96	47,461.75
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>8,613.97</b>	<b>21,778.85</b>	<b>38,874.86</b>	<b>693.41</b>	<b>100.66</b>	<b>177.83</b>	<b>70,239.58</b>

#### 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	8,728.61	7,391.90	168.52	8.32	15.53	16,312.88
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,396.81	20,893.66	11,217.52	574.16	83.66	109.71	40,275.52
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>7,396.81</b>	<b>29,622.27</b>	<b>18,609.42</b>	<b>742.68</b>	<b>91.98</b>	<b>125.24</b>	<b>56,588.40</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

### 59 Details of transactions and balances with struck off companies

Name of the Entities	Nature of Transactions	Transactions during the period		Balance as at	
		FY 23-24	FY 22-23	FY 23-24	FY 22-23
1. Glow Infocom Private Limited	Trade Receivables	-	-	16.96	16.96
2. Chanson Hospitality Private Limited	Trade Receivables	-	-	0.47	0.47
3. Vintero Hospitality Private Limited	Advances from customers	-	-	0.01	0.01
4. UPA Hospitality Private Limited	Advances from customers	-	-	0.00	0.00
5. Srisri Creations Jewels And Handicrafts Private Limited	Advances from customers	-	-	0.04	0.04
6. Sukhija Restaurant Private Limited	Advances from customers	-	-	0.03	0.03
7. Focus Hospitality Private Limited	Advances from customers	-	-	0.02	0.02
8. Invictus Hospitality Private Limited	Advances from customers	-	-	0.00	0.00
9. Rosewood Cafe Private Limited	Advances from customers	-	-	0.04	0.04
10. Soul Foodz Private Limited	Advances from customers	-	-	0.03	0.03
11. Bankey Bihari Resources Private Limited	Advances from customers	-	-	0.00	0.00
12. Crudex LNG Petroleum Private Limited	Advances from customers	0.50	-	0.10	(0.40)
13. Green Park Hotels & Resorts Limited	Trade Payables	1.09	0.43	1.09	-
<b>Total</b>		<b>1.59</b>	<b>0.43</b>	<b>18.79</b>	<b>17.20</b>

### 60 Ratios

Following are the ratios computed for the year:

Ratios	Unit	Basis	Year ended 31 March 2024	Year ended 31 March 2023	Variance (%)	Reasons
Current Ratio	Times	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.94	0.94	0.21%	NA
Debt-Equity Ratio	Times	$\frac{\text{Total Debt}}{\text{Total Shareholders Equity}}$	2.03	1.92	5.48%	NA
Debt Service Coverage Ratio*	Times	$\frac{\text{Earnings for debt service}}{\text{Debt service}}$	1.06	0.97	9.70%	NA
Return on Equity Ratio	Percentage	$\frac{\text{Profit After Tax}}{\text{Average Shareholders Equity}}$	0.45%	0.39%	15.36%	NA
Inventory Turnover Ratio**	Days	$\frac{\text{Cost of Goods Sold}}{\text{Avg. Inventory}}$	48.11	49.14	-2.10%	NA
Trade Receivables turnover ratio	Days	$\frac{\text{Revenue from operations}}{\text{Average Trade Receivables}}$	52.39	49.10	6.70%	NA
Trade Payables turnover ratio <sup>#</sup>	Days	$\frac{\text{Credit Purchases}}{\text{Average Trade Payables}}$	109.14	95.31	14.51%	NA
Net Capital turnover ratio	Times	$\frac{\text{Revenue from Operations}}{\text{Average working Capital}}$	-28.14	-21.72	29.55%	Due to increase in net revenue and reduction in average working capital
Net profit ratio <sup>##</sup>	Percentage	$\frac{\text{Net Profit After Tax}}{\text{Net sales}}$	0.05%	0.05%	7.97%	NA
Return on Capital Employed <sup>§</sup>	Percentage	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	16.36%	12.60%	29.81%	Due to Increase in Earnings before Interest and Tax
Return on investment <sup>^</sup>	Percentage	$\frac{\text{Earnings before Interest and Tax}}{\text{Average total assets}}$	9.45%	7.81%	20.99%	NA

\* Earnings for debt service = Net profit after taxes + depreciation and amortisation + Finance cost, Debt service = Interest + Principal Repayments

\*\* Cost of Goods Sold = Cost of Materials Consumed + Purchases of Stock-in-Trade + Changes in Inventories; Average Inventory = (Opening Inventory + Closing Inventory)/2

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

# Credit Purchases = Purchase of Raw Materials on credit included in Cost of Materials Consumed + Purchase of Stock-in-Trade + Other Purchases; Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

## Net Sales = Total sales - sales return- Excise Duty

§ Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability, Tangible Net worth = Total assets -Total liabilities - Other intangible assets- Goodwill

^ Earnings before Interest and Tax= Profit before finance costs, depreciation and amortisation expenses, exceptional items and tax - Other income

**61** The Company has a working capital limit in excess of ₹ 500 lakhs sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and/or financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods which were not subjected to audit/review, except for the following:

Sr. No.	Name of the Bank Financial institution	Aggregate working capital limits sanctioned	Nature of assets offered as per security	Period	Nature of items	Amount disclosed as per return	Amount as per books of accounts	Difference*
1	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	53,108.00	Current Assets	3 months period ended 30 June 2023	Net Sales	81,427.00	81,223.45	(203.55)
					Current Assets	1,66,100.00	1,60,817.05	(5,282.95)
						1,69,900.00	1,71,590.96	1,690.96
2	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	57,036.00	Current Assets	6 months period ended 30 September 2023	Net Sales	1,66,544.00	1,66,544.38	0.38
					Current Assets	1,79,836.00	1,97,024.88	17,188.88
					Current Liabilities	1,72,982.00	2,00,134.68	27,152.68
3	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	60,536.00	Current Assets	9 months period ended 31 December 2023	Net Sales	2,56,305.00	2,56,027.69	(277.31)
					Current Assets	1,98,588.00	2,08,428.05	9,840.05
					Current Liabilities	1,86,109.00	2,11,073.02	24,964.02
4	Axis Bank, State Bank of India, Yes Bank, South Indian Bank, CSB Bank, Saraswat Cooperative Bank, IDFC, IndusInd Bank	60,626.00	Current Assets	Year ended 31 March 2024	Net Sales	3,33,170.00	3,32,785.14	(384.86)
					Current Assets	1,75,496.00	1,88,086.97	12,590.97
					Current Liabilities	1,76,876.00	2,00,402.16	23,526.16

\*Trade receivables are considered gross of provision and Inventories are considered gross of provision but net of excise duty in the quarterly returns filed by the Company. Also, figures are updated for book closure entries recorded post submission of returns/statements to banks/financial institutions.

### 62 Compulsory Convertible Debentures

The Holding Company received the sum of ₹ 10,000 lakhs from Oriental Radios Private Limited, a promoter entity and related party as application money towards allotment of 8.5% Compulsorily Convertible Debentures (convertible securities) on 14 June 2021. However, the application money was subsequently refunded to the party within the prescribed time. On 8 July 2021, the Company has again received ₹ 10,000 lakhs towards allotment of convertible securities and the allotment was completed within statutory timelines.

On 27th July 2021, the Company has issued 8,547,000 compulsory convertible debentures (CCD) to Oriental Radios Private Limited. Coupon on CCD is 8.5% which is to be paid in quarterly instalments. The holder shall have the right to exercise the conversion option of all or part of the CCDs at anytime after the expiry of 60 months after the date of allotment of CCDs at a conversion ratio of 1:1. In the event, the Holding Company proposes a listing at anytime after the date of CCD subscription, then subject to the Holding Company having obtained prior consent of the holder, immediately prior to filing of a draft red herring prospectus ('DRHP') with the Securities Exchange Board of India (SEBI) / Concerned authority in connection with such listing, or such later date as may be permitted by SEBI / concerned authority in accordance with the applicable law, all CCDs that have not been converted into equity shares shall convert into equity shares without any further Act by or on behalf of the holder of CCDs.



## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

Since the Holding Company has filed Draft Red Herring Prospectus on 28 June 2022, Oriental Radios Private Limited has been allotted the Equity Shares pursuant to the conversion of 8,547,000 CCDs of face value of ₹117 each, into 8,547,000 Equity Shares of the Holding Company at a premium of ₹115 per Equity Share on 20 June 2022.

**63** ABD Foundation was incorporated on 4 September 2020 as a Section 8 private company limited by guarantee. The Group was subscriber to the memorandum of association of ABD Foundation which was wholly guaranteed by the Group. ABD Foundation was formed to carry out CSR activities on behalf of the Group such as eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, including special education and employment enhancing vocational skills, etc. As per Ind AS 110, ABD Foundation is controlled by the Group and hence the activities/ transactions of ABD Foundation has been considered/ included in the Standalone Financial Statements of the Holding Company. During the period, the Group has given amount of Nil (31 March 2023 ₹ 0.10 lakhs) and total outstanding as at the balance sheet date is ₹ 0.52 lakhs (31 March 2023 ₹ 0.52 lakhs).

**64** The Income Tax Department ("the Department") has conducted a search operation at some of the premises / plants related to the Holding Company, its promoters, certain officials and few group companies over allegations of tax evasion from 11 December 2023 to 17 December 2023 under Section 132 of the Income Tax Act, 1961. The officials of the Holding Company have co-operated with the officials of the Income Tax Department and responded to all queries raised by them. During the course of search, the search team comprising of various IT authorities, have taken various soft and hard copy records along with written statements of various staff and employees of the Holding Company. No interim tax demand has been placed on the Holding Company by the Income tax authorities. The investigation has no material impact on the Holding Company's operational performance. No interim tax demand and / or restriction has been imposed upon the Holding Company and / or any of its Promoters, Directors, Key Managerial Personnel or Senior Management Team. Till date, the Holding Company has not received any communication from the department in this regard. Based on the available information and facts as of date, the Holding Company believes, that there is no adjustment or provision required in the financial statements.

**65** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company and its subsidiaries use accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated for all relevant transactions recorded in the software. The audit trail (edit logs) feature for any direct changes made at the database level was not enabled for the Holding Company and its two subsidiaries on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly.

**66** Subsequent to the year ended 31 March 2024, the Holding Company completed its Initial Public Offer (IPO) of 53,390,079 equity shares of face value of ₹ 2 each at an issue price of ₹ 281 per share comprising fresh issue of 35,596,486 equity shares and offer for sale of 17,793,593 equity shares by selling shareholders, resulting in equity shares of the Holding Company being listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 02 July 2024.

**67** The figures of the previous years have been regrouped / rearranged wherever necessary

### 68 Other Statutory Information

- The title deeds of all the immovable properties held by the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.
- The Group has not revalued its Property, Plant and Equipment or intangible assets during the year.
- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2024 (₹ in lakhs, except for share data and, if otherwise stated)

- e The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- g The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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,
- h The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- i The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Group.
- j The Group has complied with the provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.
- k The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- l Group is not a declared willful defaulter by any bank or financial Institution or other lender.

The accompanying notes form an integral part of the consolidated financial statements

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

### For Walker Chandio & Co LLP

Chartered Accountants  
Firm Registration No: 001076N / N500013

#### Adi P. Sethna

Partner  
Membership No. 108840  
Place: Mumbai  
Date: 22 July 2024

### For and on behalf of the Board of Directors of Allied Blenders and Distillers Limited

#### Alok Gupta

Managing Director  
DIN: 02330045  
Place: Mumbai  
Date: 22 July 2024

#### Arun Barik

Executive Director  
DIN: 07130542  
Place: Mumbai  
Date: 22 July 2024

#### Ramakrishnan Ramaswamy

Chief Financial Officer  
  
Place: Mumbai  
Date: 22 July 2024

#### Ritesh Shah

Company Secretary and Chief Legal Officer  
A14037  
Place: Mumbai  
Date: 22 July 2024





# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Kishore Rajaram Chhabria  
Chairman & Non-Executive Director

Mrs. Bina Kishore Chhabria  
Co-Chairperson & Non-Executive Director

Mr. Shekhar Ramamurthy  
Executive Deputy Chairman

Mrs. Resham Chhabria Jeetendra Hemdev  
Vice-Chairperson

Mr. Alok Gupta  
Managing Director

Mr. Balaji Swaminathan  
Independent Director

Mr. Vivek Anilchand Sett  
Independent Director

Mr. Paul Henry Skipworth  
Independent Director

Ms. Rukshana Jina Mistry  
Independent Director

Mr. Vinaykant Tanna  
Independent Director

Mr. Arun Barik  
Executive Director

Mr. Narayanan Sadanandan  
Independent Director

Mr. Mehli Maneck Golvala  
Independent Director

Mr. Maneck Navel Mulla  
Non-Executive Director

## CHIEF FINANCIAL OFFICER

Mr. Ramakrishnan Ramaswamy

## COMPANY SECRETARY & CHIEF LEGAL OFFICER

Mr. Ritesh Shah

## STATUTORY AUDITOR

Walker Chandiok & Co LLP

## SECRETARIAL AUDITOR

M/s. B. K. Pradhan & Associates Company Secretaries

## INTERNAL AUDITOR

Mr. P Kulothungan

## TRANSFER AGENT

Link Intime India Pvt Ltd  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400083

## BANKERS

Axis Bank Ltd  
State Bank of India  
IDFC First Bank  
South Indian Bank  
Yes Bank  
IndusInd Bank  
Saraswat bank  
CSB Bank  
Aditya Birla Finance Ltd (NBFC)

## REGISTERED OFFICE

394-C Lamington Chambers Lamington Road,  
Mumbai, Maharashtra, India, 400 004

## CORPORATE OFFICE

Ashford Centre, 3<sup>rd</sup> and 4<sup>th</sup> floor, Shankarrao  
Naram Marg, Lower Parel (West), Mumbai – 400 013



**Allied Blenders  
& Distillers**

**REGISTERED OFFICE**

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