



## AURANGABAD DISTILLERY LIMITED

Date: 5<sup>th</sup> September 2023

To,  
The Manager,  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, BKC,  
Bandra—Kurla Complex,  
Bandra (East), Mumbai-400 051.

**Symbol:** AURDIS

**Subject:** Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of the 23<sup>rd</sup> Annual General Meeting (AGM) alongwith Annual Report of Aurangabad Distillery Limited for the Financial Year 2022-23.

Dear Sir/Madam,

In terms of the requirement of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company including the Notice of AGM for the Financial Year 2022-23. The Company has sent the same today i.e., on 5<sup>th</sup> September 2023, through electronic mode to the Members who have registered their E-Mail IDs with the Company's R&TA/Depository Participant.

The Notice of AGM along with the Annual Report for the Financial Year 2022-23 is also available on the website of the Company viz. <https://aurangabaddistillery.com/>.

Kindly take the same on your record.

Thanking you,

Yours Faithfully

**For Aurangabad Distillery Limited**

**Komal Shendge**  
**Company Secretary**



**Aurangabad Distillery Limited**

# **ANNUAL REPORT**

**2022-2023**

**EMBRACING OPPORTUNITIES  
EXPLORING POSSIBILITIES**



# Contents

## The Essence of Our Company: A Comprehensive Overview

Empowering Possibilities, Inspiring Results	2
About us	4
Advancing Sustainable Practices: A Significant Step Forward	
Where Variety Meets Quality: Unveiling Our Impressive Product Lineup	
Remarkable Events in our Trajectory	
Deep Dive into plant and other details	
Financial Highlights	14
Chairman's Message	16
Managing Director's Message	17
Corporate Information	18
Constitution of Committees	18
Board of Directors	19



## Statutory Section

Boards Report	20
Management Discussion and Analysis Report	30
Report on CSR activities	34
CEO/CFO Certification	37

## Financial Statements

Independent Auditor Report	38
Balance Sheet	46
Statement of Profit and Loss	47
Statement of Cash Flow	48
Notes to the financial statement	50

## Notice

Notice of 23rd Annual General Meeting	74
---------------------------------------	----



*We are happy to inform that* we are not only positioning ourselves as pioneers in this sunrise industry but also poised to capitalize on the burgeoning opportunities that lie ahead.

**SCRIP CODE**  
**NSE: SYMBOL - AURDIS**



To view this report online or to know more about us, please visit  
<https://aurangabaddistillery.com>





# “EMPOWERING Possibilities, INSPIRING Results”

Throughout the Financial Year 2022-23, we embarked on a transformative journey of empowering possibilities and achieving inspiring results. Guided by our unwavering commitment to excellence, we navigated a dynamic business towards embracing opportunities and pushing the boundaries of what is possible.

With a relentless pursuit of growth, we harnessed our collective potential to drive meaningful change. By fostering a culture of creativity, collaboration, and adaptability, we empowered our teams to explore new horizons, think boldly, and challenge conventional norms.

As a result, our performance throughout the year reflected a remarkable series of inspiring results. We achieved significant milestones and gains. Moreover, our commitment to corporate social responsibility remained at the forefront of our operations. We engaged with communities, championed sustainability initiatives, and made a positive impact on the lives of individuals and the environment.

Looking ahead, we remain steadfast in our pursuit of empowering possibilities. We will continue to leverage our expertise, agility, and visionary approach to drive sustainable growth and create lasting value. Our unwavering dedication to inspiring results serves as a catalyst for us to seize emerging opportunities, navigate challenges, and make a meaningful difference in the world.







# About us

As a frontrunner in the field, we are at the forefront of non-potable alcohol manufacturing, setting the standard for quality and innovation. Our state-of-the-art distillery, spanning approximately 40 acres in Walchandnagar, Maharashtra, harnesses the potential of molasses-based production methods. With a robust annual capacity of 18 million ltrs, we have established ourselves as a significant player in the market. Equipped with the latest equipment and advanced technology, our distillery operates with precision and efficiency to deliver high-quality spirits. We embrace technological advancements to ensure that our products meet the highest standards of excellence.



## OUR VISION

Dedicated to consistently delight our customers with high quality spirits, Aurangabad Distillery Limited core values of purity, quality and affordability have propelled us to be one of the best non potable spirit company in Maharashtra. We unwaveringly toil to exceed ourselves in the industry and in the hearts of our consumers by becoming an environmentally sustainable distillery through zero carbon footprint.



## OUR VALUES

To consistently deliver products of the highest purity, quality and affordability; to provide a culture for growth and opportunities to all employees; to create wealth for our shareholders; to keep our environment green and healthy by reducing carbon footprint.



## RESEARCH AND DEVELOPMENT

We tirelessly deploy latest and superior methods, products and operations practices. Innovation is a continuous process at Aurangabad Distillery Limited.

Embracing the dynamic nature of the industry, we continuously expand our capacities and capabilities. By staying ahead of emerging trends, we not only meet but exceed the expectations of our discerning customers.

### Our Product Portfolio Includes:

- Rectified Spirit
- Neutral Alcohol
- Ethanol
- Special Denatured Spirit
- Potash
- Bio Potash
- De Potash Vinsasse



## MENTORSHIP

As one of the rising stars in spirits industry, we are aware that Aurangabad Distillery Limited is a brand which is trusted by all the stakeholders.



## SOCIAL AND ECONOMIC CONTRIBUTION

We as a group are aware about the social and economic responsibilities and have firmly set foot in fulfilling all the compliances set by the Law at all levels.

## ADVANCING SUSTAINABLE PRACTICES: A SIGNIFICANT STEP FORWARD

### Embracing Sustainable Power Generation for Energy Independence

With a strong commitment to sustainability, our company has established a 1 Mega Watt Solar Power Plant at our factory site at A/P Walchandnagar, Tal. Indapur Pune 413114 during the year 2022-23. This forward-thinking initiative allows us to tap into the power of renewable energy sources. By embracing solar power generation,

we are reducing our reliance on conventional electricity sources. This shift towards clean energy empowers us to become more self-sufficient and less dependent on external energy providers. Our solar power plant represents our dedication to environmental stewardship. By utilizing renewable energy, we contribute to a greener future, minimizing our carbon footprint and mitigating the impact of traditional energy generation on the planet. Through the establishment of the solar power plant, we align our operations with sustainable development principles. We actively contribute to the broader sustainability goals of conserving natural resources and promoting a cleaner, more sustainable energy landscape.

### Embracing Sustainable Effluent Treatment Technology

Effluent Treatment technology plays a vital role in promoting sustainability and environmental responsibility within the distillery industry. Implementing effective Effluent treatment allows distilleries to manage and minimize waste, reduce their environmental impact, and even transform waste into valuable resources.

“Transforming Waste into Success: ADL’s Effluent Treatment Technology Triumphs with Commercial Viability”

In 2019, Aurangabad Distillery Limited (ADL) took a momentous step by implementing advanced Effluent Treatment technology. Through unwavering dedication and persistent efforts, ADL successfully harnessed the potential of distillery effluent, reaping remarkable commercial benefits for the company.

The technology deployed by ADL has unlocked new avenues for sustainable and profitable operations. Notably, ADL’s innovative approach has yielded two significant byproducts – potash fertilizer and de-potash vinsasse. These valuable outputs stand as a testament to the company’s commitment to environmental responsibility and resource optimization.

By transforming waste materials into potash fertilizer, ADL contributes to agricultural productivity while reducing the environmental burden. Additionally, the production of de-potash vinsasse not only minimizes waste but also offers potential applications in various industries, underscoring ADL’s ingenuity in achieving commercial success through sustainable practices.

Through its pioneering efforts, ADL has demonstrated how technology can be a game-changer in the distillery industry, aligning profitability with environmental preservation. With an unwavering focus on innovation and a vision for a greener future, ADL continues to set new benchmarks in the realm of sustainable business practices.

## WHERE VARIETY MEETS QUALITY:

### UNVEILING OUR IMPRESSIVE PRODUCT LINEUP

#### Rectified Spirit - Versatile Applications in Pharma and Industrial Sectors

Rectified Spirit, a meticulously purified ethyl alcohol obtained through repeated distillation, serves a wide range of purposes. With its high alcohol concentration of 95% by volume, Rectified Spirit finds application in the following industries:



- 1. Pharma Industry:** In the pharmaceutical sector, Rectified Spirit plays a crucial role. It serves as a key ingredient in the production of various medicines, tinctures, and pharmaceutical formulations. Its purity and potency make it an essential component in the manufacturing process, ensuring quality and effectiveness in pharmaceutical products.
- 2. Industrial Solvent:** Rectified Spirit finds extensive use as an industrial solvent. Its excellent solvent properties make it suitable for various industrial applications, including paint and varnish production, printing inks, dyes, and cleaning agents. As a solvent, it facilitates the dissolution of substances, enabling efficient production processes across multiple industries.
- 3. Beverage Production:** Rectified Spirit holds significance in the production of alcoholic beverages. It serves as a primary ingredient in the manufacturing of liquors, spirits, and mixed drinks. Its high alcohol content contributes to the desired flavor profiles, ensuring the quality and taste of the final products.
- 4. Medicinal Purposes:** Due to its purity and potency, Rectified Spirit finds application in medicinal and antiseptic preparations. It serves as a base for





various medical formulations, disinfectants, and sanitizing products. Its properties make it a valuable component for maintaining hygiene and aiding in medical procedures.

Rectified Spirit is produced through the fermentation of molasses using yeast in dedicated fermentation tanks. The subsequent process of distillation ensures its purity and high alcohol concentration, making it suitable for a wide array of applications across industries.

By leveraging the versatility and quality of Rectified Spirit, we contribute to the advancement of pharmaceutical, and industrial sectors, providing a reliable and essential solution for various manufacturing and production needs.

### Neutral Alcohol - Unleashing Possibilities in Cosmetics and Aromatic Industries

Neutral Alcohol (NA), a colorless alcohol with a neutral aroma and taste, unlocks a world of applications in the cosmetics and aromatic industries. Derived through the distillation of sugarcane molasses, NA offers the following benefits:



1. **Cosmetics Industry:** NA serves as a valuable ingredient in the cosmetics sector. Its colorless nature and neutral scent make it ideal for use in skincare, haircare, and personal care products. It acts as a solvent, ensuring the even distribution of active ingredients and enhancing product efficacy.
2. **Aromatic Industry:** In the aromatic industry, NA plays a vital role in creating captivating fragrances. Its neutral smell allows it to serve as a carrier for aromatic compounds, enabling the production of perfumes, colognes, and scented products. NA's versatility ensures that fragrances are not overpowered, allowing the individual notes to shine.

NA is produced through the redistillation of rectified spirit, which eliminates both low volatile and high volatile impurities present in the initial product. This refining process ensures the purity and quality of NA, making it a reliable choice for various applications.

By harnessing the potential of NA, we contribute to the creation of exceptional cosmetics and aromatic products. Its neutral characteristics and superior quality make it a sought-after ingredient, elevating the sensory experiences of consumers worldwide.

### Ethanol (99.7%) or Absolute Alcohol

Ethanol is produced by refining Rectified Spirit or Neutral Alcohol. Ethanol is mainly in Pharmaceuticals, laboratory reagents and fuel blending.



1. **Pharmaceuticals** – Ethanol serves as a key ingredient in the production of various medicines, tinctures, and pharmaceutical formulations. It is used as an ingredient or as a carrier in the manufacturing process.
2. **Fuel Blending** – The Ethanol fuel blending program is currently on high priority with the Government of India. The GOI has set a target of 20% ethanol blending in petrol in the few years. The blending percentage has already gone up from 5% to 10%. This will help our country to reduce the dependence on imported crude oil.

### Special Denatured Spirit (SDS) - Unlocking Potential in Industrial Applications

Special Denatured Spirit (SDS) is a specially formulated solution that combines spirits with denaturants to render them unsuitable for human consumption while maintaining their effectiveness for industrial purposes. With its colorless appearance, SDS finds diverse applications in the chemical industry, offering the following benefits:



1. **Cleaning Agent:** SDS serves as a powerful cleaning agent in various industrial settings. Its solvent properties make it effective for degreasing, removing stains, and eliminating residues. SDS-based cleaning solutions are widely utilized in manufacturing facilities, laboratories, and maintenance operations.
2. **Sanding Aid:** In industries where sanding is a common process, SDS is used as a lubricant and wetting agent to improve sanding efficiency. It helps reduce friction and heat generated during the sanding process, resulting in smoother finishes and prolonging the lifespan of sanding equipment.
3. **Exterminator:** SDS serves as an effective exterminator in pest control applications. It can be used as a component in insecticides and rodenticides, aiding in the elimination of pests and ensuring the safety of industrial premises.
4. **Solvent:** With its excellent solvent properties, SDS finds extensive use as a versatile solvent in the chemical industry. It facilitates the dissolution of various substances, enabling efficient mixing, blending, and formulation of chemicals in manufacturing processes.

By harnessing the potential of SDS, the chemical industry benefits from a reliable and versatile solution. SDS plays a crucial role as a cleaning agent, sanding aid, exterminator, and solvent, enabling efficient operations and meeting diverse industrial needs.

### Potash: The Key to Healthy Crops and Nutritious Harvests

Potash, a valuable source of soluble potassium, plays a vital role in agricultural fertilizer. With its unique properties, potash offers a multitude of benefits, contributing to the success and quality of agricultural produce:



1. **Promotes Plant Health and Growth:** As an essential nutrient, potash ensures the proper maturation and development of plants. It strengthens root systems, improves overall plant health, and enhances disease resistance. By providing plants with the necessary potassium, potash facilitates robust growth and supports optimal yield rates.
2. **Enhances Crop Quality:** The inclusion of potash in fertilizer formulations leads to superior crop quality. It enhances the appearance, texture, color, and taste of agricultural products. From vibrant fruits and vegetables to cereals and grains, potash improves the overall visual appeal and market value of harvested crops.
3. **Increases Nutrient Efficiency:** Potash aids in maximizing the efficiency of other nutrients in the soil. It facilitates the absorption and utilization of other essential elements, such as nitrogen and phosphorus, by plants. This synergy ensures that crops receive a balanced nutrient supply, resulting in healthier and more productive harvests.
4. **Improves Yield and Sustainability:** By providing plants with the necessary potassium, potash contributes to increased yield rates. It enables crops to reach their full potential, optimizing productivity while minimizing resource waste. The use of potash in fertilization practices promotes sustainable agriculture by maximizing crop output per unit of resources utilized.





As an integral component of agricultural fertilizer, potash serves as a catalyst for crop success. Its role in enhancing plant health, strengthening roots, improving disease resistance, and increasing yield rates highlights its significance in sustainable and productive farming practices.

By incorporating potash into fertilization strategies, farmers and growers can cultivate healthier crops, ensure food security, and contribute to the production of high-quality, nutritious food for a growing population.

### **Bio Potash: Harnessing the Power of Soluble Potassium in Organic Farming**

Bio Potash, a remarkable organic fertilizer enriched with soluble potassium, holds immense potential for sustainable agriculture. With its unique properties, Bio Potash offers a range of benefits, fostering soil health and supporting the growth of healthy, nutrient-rich crops:



1. **Promotes Plant Vitality and Resilience:** Bio Potash plays a vital role in enhancing overall plant health, strengthening roots, and boosting disease resistance. By providing plants with the essential potassium they require, Bio Potash ensures optimal maturation and supports robust growth, leading to increased yield rates.
2. **Enhances Crop Quality Naturally:** Incorporating Bio Potash into organic farming practices leads to improved crop quality. It enhances the color, texture, and taste of agricultural produce, elevating the overall sensory experience. From vibrant fruits and vegetables to flavorful grains, Bio Potash nurtures crops, resulting in nutritious and visually appealing final products.
3. **Supports Sustainable Agriculture:** With its organic nature, Bio Potash aligns with sustainable farming practices. It offers an environmentally friendly alternative to synthetic fertilizers, minimizing the impact on soil, water, and ecosystems. By enriching the soil with vital nutrients, Bio Potash contributes to long-term soil fertility and sustains the delicate balance of agricultural ecosystems.

4. **Enhances Nutrient Uptake and Efficiency:** Bio Potash enhances the absorption and utilization of other essential nutrients present in the soil. By promoting nutrient uptake, it maximizes the efficiency of other organic inputs, such as compost and manure. This synergy ensures that crops receive a balanced and optimized nutrient supply, fostering healthy growth and sustainable production.

5. **Bio Potash, as an organic fertilizer, nurtures soil health, promotes plant vitality, and fosters sustainable agricultural practices.** Its ability to improve root strength, disease resistance, and yield rates, while enhancing crop quality naturally, makes it an invaluable resource for organic farmers.

By embracing Bio Potash, farmers contribute to the growth of nutrient-rich crops, support sustainable agriculture, and provide consumers with wholesome, organically grown food.

### **De Potash Vinsasse (DPV): Unlocking Potential in Animal Nutrition and Soil Enrichment**

De Potash Vinsasse (DPV) serves as a versatile resource with valuable applications in animal feed and soil enrichment. With its unique properties, DPV offers the following benefits:



1. **Animal Feed Enhancement:** DPV proves to be an effective additive in animal feed products, contributing to improved feed conversion, increased body weight, and enhanced growth in various animals, including rabbits, sheep, and large ruminants. Incorporating DPV into the diet has shown promising results, enhancing performance and supporting optimal development. Adding DPV to ruminant diets, at levels of up to 10%, offers a cost-effective solution for improved animal performance.

2. **Soil Nutrient Enrichment:** DPV serves as a beneficial soil amendment, enriching the nutrient content of the soil. When applied to agricultural land, DPV contributes essential elements, such as potassium and other vital nutrients, promoting soil fertility and plant growth. By replenishing soil nutrients, DPV aids in maintaining healthy soil conditions, enhancing crop yield, and supporting sustainable farming practices.

By harnessing the potential of DPV, we unlock opportunities for enhancing animal nutrition and soil health. Its utilization as an additive in animal feed products offers improved feed conversion and enhanced growth in various animals. Moreover, DPV's application as a soil amendment enriches the nutrient profile of the soil, fostering healthy plant growth and supporting sustainable agricultural practices.

Embracing DPV as a valuable resource ensures efficient animal production, optimal soil fertility, and contributes to the overall well-being of the agricultural ecosystem.

### **Remarkable Events in Our Trajectory:**

2000: Company incorporated by Wadhvani Family

2005: Bought distillery unit with land, plant & machinery from Ashok Alchochem

2013: Amalgamation of Aditya Petro Chemicals (India) Private Limited with Aurangabad Distillery Limited

2016: Company was listed on NSE Emerge

2019: Associations with M/s Chem Process for setting up plant for spent wash processing

2022: Started Commercial production of Ethanol

2023: The Company has installed 1 Mega Watt Solar Power Plant at our factory site at A/P Walchandnagar, Tal. Indapur Pune 413114







# Deep Dive into plant and other details:

## Fermentation Tanks:

Fermentation tanks play a crucial role in the distillery industry. It uses to convert the mash, typically composed of grains or fruits, into alcohol through the process of fermentation. The tanks provide an ideal environment for yeast to convert sugars into alcohol, producing the raw material for distillation. Parameters such as temperature, pH levels, and oxygen exposure can be regulated to optimize yeast activity and ensure consistent and desirable fermentation results. Fermentation tanks contribute to the production of aromatics and congeners, which are important components of flavor in distilled spirits. During fermentation, various compounds, including esters, aldehydes, and higher alcohols, are formed, adding unique flavors and aromas to the mash.



## Turbine Section - One MW:

The turbine section in the distillery industry, specifically a one-megawatt (1 MW) turbine, is utilized for power generation from various energy sources. Here's an view of the turbine section of the Company.



## Boiler Section:

The boiler section is a crucial component of the distillery industry, responsible for generating steam that is used for various processes within the distillery. Here's an overview of the boiler section.



## Horizontal filter press of Potash plant

In the distillery industry, a potash plant refers to a facility where potash, a potassium-rich salt used as a fertilizer, is produced. An auto horizontal filter press is a specific type of filtration equipment used in potash plants for separating solids from liquids. Here's a view of how an auto horizontal filter press operates in the context of the distillery industry's potash plant.



## Potash Plant - MVR Section

In the context of the distillery industry's potash plant, the MVR (Mechanical Vapor Recompression) section refers to a specific component or system used for energy-efficient evaporation of liquids, including the concentration of potash solutions. Here's a view of the MVR section in a potash plant.

## Molasses Storage Tank:

Molasses storage tanks can assist in quality control efforts. By properly storing molasses in sealed tanks, distilleries can prevent contamination, maintain the integrity of the raw material, and ensure the quality of the final product.



## Distillation Section:

The distillation section is a critical part of the distillery industry, where the conversion of fermented mash into alcohol takes place. Here's a detailed view of the distillation section of the Company.







## DM/Softener Plant

In the distillery industry, a DM (Deionization) and Softener plant is a crucial component of water treatment systems. It is responsible for removing impurities and adjusting water quality to meet specific requirements for various distillery processes. Here's a view of the DM/Softener plant.



## Potash Recovery Plant

In the distillery industry, a potash recovery plant refers to a facility or process that is designed to extract and recover potash from the byproducts or waste streams generated during the distillation process. Potash, which is a valuable potassium-containing compound, can be recovered and reused in various applications, including fertilizer production and other industrial processes. Here's a view of a potash recovery plant.'



## RO Plant

In the distillery industry, a reverse osmosis (RO) plant is a key component of water treatment systems. It is used to purify and desalinate water by removing impurities and dissolved solids, providing high-quality water for various processes. Here's an view of the reverse osmosis plant and its role in the distillery industry.



## Cooling Tower Section

In the distillery industry, the cooling tower section is a crucial component of the overall distillery plant. It is responsible for removing excess heat generated during the distillation process and maintaining optimal operating temperatures. Here's a view of the cooling tower section.

## Bio Digester

The bio-digester is an integral component of sustainable waste management in the distillery industry. By harnessing the power of anaerobic digestion, it allows distilleries to convert organic waste into valuable resources, including biogas for energy production and digestate for nutrient recycling. Implementing a bio-digester system contributes to the overall sustainability and environmental stewardship of the distillery operations.



## Solar Power Plant

One of the most pressing concerns in sustainability is the reduction of carbon emissions. Solar power plants generate electricity without emitting carbon dioxide or other harmful pollutants, helping to mitigate the impact of climate change. Here's a view of the solar power plant of the Company.





# Robust Financial Performance

Numbers that reflect steady growth...

## Profit and Loss & Balance Sheet Metrics

Revenue from Operations		(₹ in crores)	EBITDA		(₹ in crores)	Volume		(in lk liters)	EPS		in ₹ (Basic and diluted)
FY22-23	<div><div></div></div>	118.72	FY22-23	<div><div></div></div>	31.81	FY22-23	<div><div></div></div>	196.82	FY22-23	<div><div></div></div>	20.44
FY21-22	<div><div></div></div>	101.00	FY21-22	<div><div></div></div>	18.10	FY21-22	<div><div></div></div>	197.23	FY21-22	<div><div></div></div>	10.95
FY20-21	<div><div></div></div>	68.20	FY20-21	<div><div></div></div>	10.10	FY20-21	<div><div></div></div>	129.50	FY20-21	<div><div></div></div>	3.74
FY19-20	<div><div></div></div>	54.80	FY19-20	<div><div></div></div>	11.10	FY19-20	<div><div></div></div>	116.50	FY19-20	<div><div></div></div>	5.01
FY18-19	<div><div></div></div>	55.70	FY18-19	<div><div></div></div>	12.00	FY18-19	<div><div></div></div>	142.82	FY18-19	<div><div></div></div>	7.90
FY17-18	<div><div></div></div>	50.10	FY17-18	<div><div></div></div>	7.70	FY17-18	<div><div></div></div>	125.94	FY17-18	<div><div></div></div>	3.67

PAT		(₹ in crores)	ROCE		(in %)
FY22-23	<div><div></div></div>	16.76	FY22-23	<div><div></div></div>	24.41
FY21-22	<div><div></div></div>	8.98	FY21-22	<div><div></div></div>	17.83
FY20-21	<div><div></div></div>	3.10	FY20-21	<div><div></div></div>	8.90
FY19-20	<div><div></div></div>	4.10	FY19-20	<div><div></div></div>	10.10
FY18-19	<div><div></div></div>	6.50	FY18-19	<div><div></div></div>	15.60
FY17-18	<div><div></div></div>	3.00	FY17-18	<div><div></div></div>	13.60







## Chairman's message

Dear Members,

I hope this message finds you all in good health and high spirits. As we navigate the ever-evolving landscape of the distillery industry, I wanted to take a moment to express my gratitude and appreciation for each and every one of you. Your dedication, hard work, and expertise are invaluable assets to our organization.

As the Chairman of our esteemed company in the distillery industry, I firmly believe that our success is intricately linked to the collective efforts of our members. Together, we have achieved significant milestones and established a strong presence in the market. Our commitment to excellence, innovation, and adherence to our core values have been instrumental in driving our growth.

In this dynamic industry, we face various challenges and opportunities. However, I have great confidence in our ability to adapt, evolve, and seize these opportunities. We have demonstrated resilience and a commitment to continuous improvement, enabling us to stay ahead of the curve.

I would also like to emphasize the significance of our human resources. Each member of our organization plays a vital role in shaping our future. We have invested in developing our talent pool, providing training, and fostering a culture that encourages personal and professional growth. I am proud to lead a team that is passionate, dedicated, and committed to excellence.

In the coming months, we will continue to focus on strengthening our position in the industry. We will explore new avenues for growth, leverage emerging technologies, and remain committed to sustainability and responsible practices.



As we move forward, let us remember the importance of collaboration, open communication, and teamwork. Together, we can overcome any challenges that come our way and achieve even greater success.

I extend my heartfelt appreciation for your unwavering dedication and contribution to our company's journey. Let us march forward with confidence, unity, and a shared vision of reaching new heights.

Thank you once again for your exceptional efforts. Together, we will continue to shape the future of our company and the distillery industry.

Warm regards,

**Mr. Amardeepsingh Triloksingh Sethi**  
Chairman and Wholetime Director

## Managing Director's Message

Dear Shareholders,

I am delighted to address you and share the remarkable achievements of our Company in the current fiscal year. Your unwavering support and confidence in our vision have been pivotal in driving our success. As we navigate through the dynamic landscape of the Indian liquor industry, I am proud to inform you that our Company has flourished and made substantial strides.

The Government of India has prioritized the Ethanol blended Fuel policy. This has led to an increased demand for ethanol and also the rectified and neutral spirits. There is an increasing demand in chemical, pharma and cosmetic sectors besides the fuel ethanol. As always there will be challenges along with opportunities. This year (23-24) there is a prediction of EL NINO phenomenon that will affect rainfall. Also, the Russia Ukraine war has a considerable effect on global trade. Our market is ever evolving and hope to overcome the challenges that come our way.



In FY 2022, our Profit After Tax (PAT) stood at **Rs. 898.22** Lakhs. However, in the following fiscal year, FY 2023, we witnessed an extraordinary growth, with our PAT soaring to **Rs. 1,676.17** Lakhs. This astounding increase in profit after tax represents an impressive **86.61%** surge compared to the previous year, highlighting the exceptional performance and efficiency of our operations.

As we move forward, we remain dedicated to maintaining this momentum and further enhancing shareholder value. Our focus on innovation, customer satisfaction, and operational excellence will continue to drive our growth in the coming years.

Once again, I extend my heartfelt gratitude to each of you for your unwavering support and trust in our Company. Together, we are poised to embrace the future with confidence and create sustainable value for all stakeholders.

Thank You,

**Mr. Dharampal Kalani**  
Managing Director





# Corporate Information

CIN: L55000PN2000PLC177314

## Board of Directors

**Amardeepsingh Triloksingh Sethi**Chairman and Wholetime Director  
DIN: 00097644**Dharampal Kimatram Kalani**Managing Director  
DIN: 00041021**Karan Vallabh Yadav**Wholetime Director  
DIN: 07587347**Tanaji Haribhau Yadav**Wholetime Director  
DIN: 07989992**Kanyalal Kimatram Kalani**Director  
DIN: 00282182**Jagjitkaur Amardeepsingh Sethi**Director  
DIN: 01825035**Avinash Nivrutti Salunke**Director  
DIN: 03586610**Prakash Madhavrao Sawant**Director  
DIN: 07618451**Dilip Shriniwas Mutalik**Director  
DIN: 08846014**Chief Financial Officer**

Mr. Uday Hemade

**Company Secretary**

Ms. Komal Shendge

**Registered office and factory**A/P Walchandnagar, Tal. Indapur Pune  
413114**Statutory Auditor**M/s. HMA and Associates  
1, Runwal Pratishtha, 1202/27, Apte Road,  
Shivajinagar Pune 411004**Secretarial Auditor**M/s. Prajot Tungare and Associates,  
Company Secretaries  
529/1, 2<sup>nd</sup> Floor, Shraddha Chambers, Near  
Ramkrishna Math, Opp. Dandekar Bridge,  
Sinhgad Road, Pune - 411030**Cost Auditor**M/s. Dargad and Associates  
Shop No. 9, Nabhraj Nandanwan, Near  
Endoworld hospital, Opp. Airport,  
Chikalthana, Aurangabad- 431001**Registrar and Share Transfer Agent**Bigshare Services Private Limited  
S6- Pinnacle Business Park, Mahakali Caves  
Road, Next to Ahura Centre, Andheri (East),  
Mumbai 400093**Banker**HDFC Bank  
Branch- Shivani Chambers, Opp. Akashwani,  
Jalna Road, Aurangabad- 431001Website:- [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

## Board of Directors

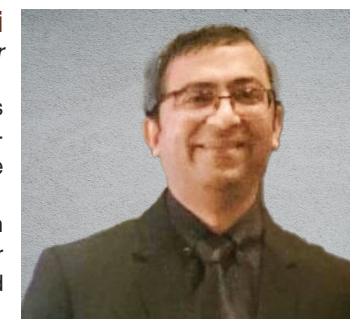
**Amardeepsingh Triloksingh Sethi**

Chairman and Whole Time Director

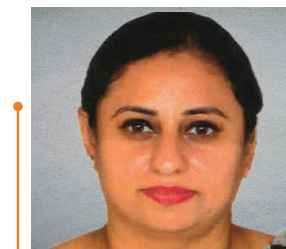
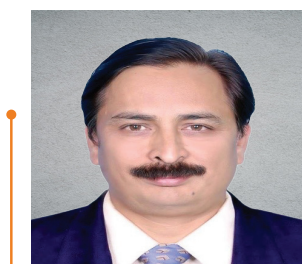
Amardeep Singh Sethi, the Chairman of Aurangabad Distillery Limited, is a dynamic and visionary leader whose strategic decision-making capabilities have been instrumental in propelling the Company to reach its maximum potential. Hailing from a family of businessmen, Amardeep demonstrated his passion for the distillery industry from a young age, becoming actively involved at the tender age of 23. With a profound understanding of ethyl alcohol manufacturing and distribution, he has become a driving force in the Company's success. Under his unparalleled leadership and manufacturing expertise, Aurangabad Distillery Limited has emerged as one of the most influential industrial entities. His astute business acumen, combined with a deep knowledge of the industry, has led the company to achieve remarkable milestones.

**Dharampal Kimatram Kalani**

Managing Director



Leveraging his diverse skill set, Dharampal has played a crucial role in Aurangabad Distillery Limited's ability to consistently deliver the finest quality spirits to their customers. His adaptability to the ever-changing landscape of the industry and his commitment to adopting cutting-edge technologies have led the company to achieve unparalleled levels of customer satisfaction. With Dharampal Kalani's visionary leadership, Aurangabad Distillery Limited has been able to maintain an uninterrupted supply of high-quality spirits, cementing their position as a reliable and trusted player in the market. As the Company continues to thrive under his guidance, customers can rest assured that they will always receive the best products, backed by a legacy of experience and innovation.

**Karan Vallabh Yadav**  
Wholetime Director**Tanaji Haribhau Yadav**  
Wholetime Director**Kanyalal Kimatram Kalani**  
Director**Jagjitkaur  
Amardeepsingh Sethi**  
Director**Dilip Shriniwas Mutalik**  
Independent Director**Avinash Nivrutti Salunke**  
Independent Director**Prakash Madhavrao Sawant**  
Independent Director

## CONSTITUTION OF COMMITTEES

**Audit Committee**Mr. Prakash Sawant (C)  
Mr. Dilip Shriniwas Mutalik (M)  
Mr. Dharampal Kalani (M)**Nomination and  
Remuneration Committee**Mr. Avinash Salunkhe (C)  
Mr. Prakash Sawant (M)  
Mrs. Jagjitkaur Sethi (M)**Stakeholders  
Relationship Committee**Mr. Avinash Salunkhe (C)  
Mr. Prakash Sawant (M)  
Mr. Dharampal Kalani (M)

\* The Audit Committee has reconstituted w.e.f. 1st November 2022



## BOARD'S REPORT

To,  
 The Members,  
**Aurangabad Distillery Limited**

The Board of Directors has pleasure in presenting herewith their 23<sup>rd</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March, 2023.

### FINANCIAL SUMMARY

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Revenue from Operation	11,872.15	10,101.28
Other Income	357.06	154.63
<b>Total Revenue</b>	<b>12,229.21</b>	<b>10,255.91</b>
Less: Expenses	9484.52	8,620.34
<b>Operating Profit before Preliminary expenses, Depreciation &amp; Taxation</b>	<b>2744.69</b>	<b>1,635.57</b>
Less: Depreciation and Preliminary expenses written off	358.91	342.04
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>	<b>2,385.78</b>	<b>1,293.53</b>
Less: Exceptional Items	-	-25.50
<b>Profit Before Extraordinary Items and Tax</b>	<b>2,385.78</b>	<b>1,319.03</b>
Less: Extraordinary Items	-	-
Add / (Less): Prior Period Incomes / (Expenses)	-	-
Add: Excess / (Short) Provision of Taxation for Previous Years	-	-
<b>Profit Before Tax</b>	<b>2,385.78</b>	<b>1,319.03</b>
Tax Expense:		
Less: Current Tax	669.71	443.89
Deferred Tax	39.73	-26.98
Excess/Short Provision Written back/off	0.17	3.90
<b>Profit (Loss) for the Year</b>	<b>1,676.17</b>	<b>898.22</b>

### REVIEW OF OPERATIONS AND FUTURE OUTLOOK

The Company generated revenue of Rs.12,229.21 Lakhs during the current year as against revenue of Rs. 10,255.91 Lakhs generated in the preceding year. The operations of the Company have resulted into post tax profit of Rs.1,676.17 Lakhs against post tax profit of Rs.898.22 Lakhs in the preceding year.

The product portfolio of Company includes production of various types of Alcohol viz Rectified Spirit, Neutral Alcohol, Extra Neutral Alcohol and Denatured Spirit.

The National Policy on Biofuels – 2018, provides an indicative target of 20% ethanol blending under the Ethanol Blended Petrol (EBP) Programme by 2030. Currently petrol with 10% ethanol blend (E10) is being retailed by various Oil Marketing Companies (OMCs) in India, wherever it is available. The usage of rectified spirit as a raw material in ethanol production creates new opportunities for the distillery industry.

### DIVIDEND

Owing to the growing business needs and the necessity to

plough back the profits in the business, your directors do not recommend any dividend for the year.

### TRANSFER TO RESERVES

The Board of Directors do not recommend to carry any amount to reserves. The Board of Directors proposes an amount of Rs. 1676.17 Lakhs to be retained in the statement of profit and loss account.

### WEBLINK OF ANNUAL RETURN

The Company has its website; the link for Annual Return is as follows <https://aurangabaddistillery.com/report.php>

### NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Eight (8) times during the year under review on 1<sup>st</sup> April 2022, 27<sup>th</sup> May 2022, 26<sup>th</sup> June 2022, 6<sup>th</sup> September 2022, 1<sup>st</sup> November 2022, 14<sup>th</sup> November 2022, 23<sup>rd</sup> January 2023 and 1<sup>st</sup> March 2023 respectively. Notice of meetings with agenda along with necessary details was sent to the Directors in time.



Further following are the details with respect to Board meeting attendance by each Director.

Name of Director	Board Meetings held during the tenure of Director	Board Meeting Attended
Mr. Amardeepsingh Sethi	8	8
Mr. Dharampal Kalani	8	6
Mr. Karan Yadav	8	8
Mr. Tanaji Yadav	8	6
Mr. Kanyalal Kalani	8	2
Mrs. Jagjitkaur Sethi	8	6
Mr. Avinash Salunke	8	8
Mr. Prakash Sawant	8	3
Mr. Dilip Mutalik	8	4

## COMMITTEES OF THE BOARD

### i) Audit Committee

Composition of Audit Committee of the Company as follows:

Name of the Member	Category
Mr. Prakash Sawant	Chairman [Independent Director]
Mr. Dilip Shriniwas Mutalik	Member [Independent Director]
Mr. Dharampal Kalani	Member [Managing Director]

### ii) Nomination and Remuneration Committee

Composition of Nomination and Remuneration Committee as follows:

Name of the Member	Category
Mr. Avinash Salunke	Chairman [Independent Director]
Mr. Prakash Sawant	Member [Independent Director]
Mrs. Jagjitkaur Sethi	Member [Non-Executive Director]

### iii) Stakeholders Relationship Committee

Composition of Stakeholders Relationship Committee as follows:

Name of the Member	Category
Mr. Avinash Salunke	Chairman [Independent Director]
Mr. Prakash Sawant	Member [Independent Director]
Mr. Dharampal Kalani	Member [Managing Director]

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 152 of the Companies Act, 2013, Mr. Dharampal Kimatram Kalani and Mr. Tanaji Haribhau Yadav are retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Mr. Avinash Salunke has re-appointed by the Board of Directors as an 'Independent Director' of the Company for a period of 1 (One) Year with effect from 13<sup>th</sup> November 2022 subject to approval of members of the Company at the ensuing

Annual General Meeting (AGM).

Further, during the year under review Ms. Ankita Gandhi has resigned as Company Secretary of the Company w.e.f. 31<sup>st</sup> October 2022 and Ms. Komal Shendge was appointed as Company Secretary of the Company w.e.f. 1<sup>st</sup> November 2022.

## DECLARATION ON FROM INDEPENDENT DIRECTORS

All Independent Directors have given Declaration that;

- They meet the criteria for independence as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 25(8) read with 16(1)(b) of the Listing Obligation and Disclosure Requirements, 2015.
- The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management. Further there has been no change in the circumstances affecting their status as Independent Directors of the Company.

## NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

Overall, the Nomination and Remuneration Policy of the Company demonstrates the company's commitment to fostering a conducive work environment, recognizing and rewarding employee contributions, and ensuring the long-term success and growth of the organization while upholding principles of good corporate governance.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and



estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;

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

## AUDITORS & THEIR REPORTS

### A) STATUTORY AUDITORS

In the 22<sup>nd</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2022, members of the Company have appointed M/s. HMA & Associates, Chartered Accountants, Pune (Firm Registration No.: 100537W) as a Statutory Auditors of the Company to hold office from the conclusion of the 22<sup>nd</sup> Annual General Meeting for a period of 5 (five) consecutive financial years i.e., from the conclusion of 22<sup>nd</sup> Annual General Meeting which was held for the financial year 2022 until the conclusion of the 27<sup>th</sup> Annual General Meeting to be held for the financial year 2027-28.

In response to Auditors' Report, Para wise explanation by the management is given below:

- i. Point No. 2 (b) of CARO Report 'Inventory' - Quarterly statements are filed with such Banks which are not in agreement with the books of account, which is as per the explanations given by the company in Note No. 39 of the Financial Statements of the company.

The details of the differences are as under:

(Rs. in Lakhs)

Periodicity	As submitted to bank	As per books of accounts	Difference
Q-1	7,549.59	7,605.97	-56.38
Q-2	8,434.24	8,330.25	103.99
Q-3	5826.71	6,285.62	-458.91
Q-4	6,105.04	5,990.83	114.21

Management Reply:- The difference is due to change in method of valuation of inventories as per AS-2 from FIFO method to Weighted Average method during the year. The change in the accounting policy was implemented due to the rate variations in purchase of primary raw material (Molasses) arising due to its seasonal nature of production. Such change in accounting policy has decreased the valuation on inventories by Rs. 188.37 lakhs as on 31<sup>st</sup> March 2023.

### B) SECRETARIAL AUDITORS

The Board of Directors had appointed M/s. Prajot Tungare & Associates, Practicing Company Secretaries as the Secretarial Auditors of your Company to issue a Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 for the Financial Year 2022-23.

The Secretarial Auditors have given their report, which is annexed hereto as "Annexure I".

Further, as per recommendation of the Audit Committee, the Board of Director has re-appointed M/s. Prajot Tungare & Associates, Practicing Company Secretaries as Secretarial Auditors of your Company in their meeting held on 27<sup>th</sup> May 2023 for the Financial Year 2023-24.

The Secretarial Auditors' Comment/observation –

- i. There was some delay in filing e forms with the Ministry of Corporate Affairs;

Management Reply:- The delay was due to inadvertence. The Company has taken sufficient precautions so as not to repeat such instance in future. Further, the said delays were unintentional and have not affected the interests of the stakeholders, neither have benefited any persons.

### C) COST AUDITORS

The Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. In this connection, the Audit Committee has recommended to the Board of Directors and the Board of Directors had approved the appointment of M/s. Dargad & Associates, Cost Accountants, as Cost Auditors of the Company to conduct the Cost Audit functions for the Financial Year 2022-23.

Further, as per recommendation of the Audit Committee, the Board of Director has re-appointed M/s. Dargad & Associates, Cost Accountants, as Cost Auditors of the Company to conduct the Cost Audit functions for the Financial Year 2023-24 subject to rectification of remuneration of the cost auditor in ensuring Annual General Meeting.

The Company has maintained cost records as stated in the provisions of maintenance of Cost Records pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Record & Audit) Amendment Rules 2014.

### D) INTERNAL AUDITOR

The Board of Directors had appointed M/s. S. R. Bakare & Co., Chartered Accountants as the Internal Auditor of the Company pursuant to Section 138 and other applicable provisions, if any of the Companies Act, 2013 for the financial year 2022-23.

As per recommendation of the Audit Committee, the Board of Director has re-appointed M/s. S. R. Bakare & Co., Chartered Accountants as an Internal Auditor of the Company for the Financial Year 2023-24.

## COMPLIANCE OF THE SECRETARIAL STANDARDS ISSUED BY ICSI

The Board confirms that, during the period under review, the Company has complied with the applicable Secretarial Standards to the extend applicable to the Company issued by the Institute of Company Secretaries of India (ICSI) as amended from time to time.



## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no frauds reported by Auditors under Sub-Section (12) of Section 143 of the Companies Act, 2013 other than those which are reportable to the Central Government.

## SHARE CAPITAL

The paid-up share capital of the Company as on 31<sup>st</sup> March 2023 was Rs. 8.20 Crores. During the year, the Company has not issued any securities.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans given, investments made, guarantees given and securities provided as on 31<sup>st</sup> March 2023 are mentioned in the table herein-below:

(Rs. in Lakhs)

Sr. No.	Particulars	Amount
1.	Loans	
	i) Loans given	1,500.00
2.	Details of Investment	
	i) Investment in The Saraswat Co-op Bank Ltd	0.26
	ii) Investment in Other	-
3.	Details of Guarantee's / Securities Provided	-
	<b>Total</b>	<b>1500.26</b>

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The transactions entered by the Company with related parties were in ordinary course of business and at arm's length basis. The particulars of transactions entered with related parties are annexed herewith as "Annexure II" to this report.

## MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate till the date of this report. Except that, the Company has received order from Office of Commissioner, State Excise, State of Maharashtra, Mumbai on 16<sup>th</sup> August 2023 for payment of duty.

The Order has been received by the Company on the grounds that the Company has released 34,58,175 liters of pure alcohol for the manufacturing of liquor. Therefore, the Company shall deposit an amount of Rs.1,435.14 million within 15 days with the Government. If the said amount is not paid within the prescribed period, further legal action will be taken by the Collector, Pune, as per the provisions of Land Revenue Act to recover the said amount. Further, Form-I license no.6 Unit of the Company has cancelled. The said Order has effective from the 21<sup>st</sup> August 2023.

However, the Company has filed application for the stay order in the appropriate court/authority.

Management recognizes that the Company's future operations are unlikely to be significantly impacted by COVID-19 due to widespread vaccination efforts and the Company's prior

experience with the pandemic. Despite ongoing monitoring of future economic conditions, the Company maintains a positive outlook for the upcoming financial year.

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

The particulars prescribed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in **Annexure – III** to this Report.

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has a robust risk management framework that includes a well-defined risk governance structure and established processes. It proactively identifies and assesses all strategic, operational, and financial risks by analyzing the most up-to-date risk information from both internal and external sources. This valuable insight is then utilized to plan and implement risk mitigation activities effectively.

## INTERNAL FINANCIAL CONTROLS

The Company has implemented comprehensive procedures to ensure robust internal financial controls. It consistently adheres to industry best practices to safeguard its assets, prevent and detect frauds and errors, maintain the accuracy and completeness of accounting records, and ensure the timely preparation of reliable and accurate financial information.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND THEIR POSITION & FINANCIAL PERFORMANCE

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

## DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE PURSUANT TO RULE 8(5)(VII) OF COMPANIES (ACCOUNTS) RULES, 2014

The Company has not received any significant or material order passed by regulators or courts or tribunals impacting the Company's going concern status or the Company's operations in future except below:

The Company has received order from Office of Commissioner, State Excise, State of Maharashtra, Mumbai on 16<sup>th</sup> August 2023 for payment of duty.

The Order has been received by the Company on the grounds that the Company has released 34,58,175 liters of pure alcohol for the manufacturing of liquor. Therefore, the Company shall deposit an amount of Rs.1,435.14 million within 15 days with the Government. If the said amount is not paid within the prescribed period, further legal action will be taken by the Collector, Pune, as per the provisions of Land Revenue Act to recover the said amount. Further, Form-I license no.6 Unit of the Company has cancelled. The said Order has effective from the 21<sup>st</sup> August 2023.

However, the Company has filed application for the stay order in the appropriate court/authority



**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented in "**Annexure-IV**" to this report.

**PERFORMANCE EVALUATION**

The Company has developed a comprehensive policy for evaluating the performance of the Board, Committees, and individual Directors, including Independent Directors and Executive Directors. This policy encompasses various criteria for assessing the performance of Non-executive Directors and Executive Directors. The evaluation process takes into account factors such as Directors' attendance at Board and Committee Meetings, understanding of the Company's business, effective communication among Board members, active participation, domain knowledge, adherence to the code of conduct, vision and strategy, and benchmarks set by global peers. Importantly, this evaluation process ensures compliance with all relevant laws, regulations, and guidelines.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out performance evaluation of its own performance and that of its committees and individual Directors.

**PARTICULARS OF EMPLOYEES**

Disclosure as per Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "**Annexure - V**" to this report.

**VIGIL MECHANISM**

The Company has a vigil mechanism named as Whistle Blower Policy of the Company, an avenue to raise concern and access in good faith the Chairman of the Audit Committee which provide for adequate safeguard against victimization of person. The Policy on Whistle Blower Policy is available on the website of the Company under the weblink [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com).

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA), the Company has designed and implemented a comprehensive policy and framework to promote a safe and secure work environment, where every person at the work place is treated with dignity and respect. Moreover, the Company's policy is inclusive and gender neutral. Further, the complaint redressal mechanism detailed in the policy ensures complete anonymity and confidentiality to the parties.

Internal Complaints Committee (ICC) have been constituted as per the requirement with the highest governance norms. During the year under review, there was no complaints received pursuant to the aforesaid Act.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVE**

Pursuant to the Section 135(9) of the Companies Act, 2013, the CSR Committee is not required to be constituted if amount to be spent by a Company in a year does not exceed Rs. 50 Lakhs. Currently, the CSR liability for the Company is less than Rs.50 Lakhs. Hence all functions for fulfilling CSR liability shall be carried out by the Board of Directors of the Company. And during the year, the CSR Committee of the Company has dissolved.

However, before dissolution of CSR Committee, the CSR Committee met 1(One) time during the year i.e., on 6<sup>th</sup> September 2022.

Pursuant to Rule 8 of the Companies (CSR Policy) Rules, 2014 the detailed Report on CSR Activities for the financial year 2022-23 is enclosed as "**Annexure- VI**".

**INSOLVENCY AND BANKRUPTCY CODE UPDATE**

No application has been made / No proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

**VALUATION FOR ONE TIME SETTLEMENT WITH BANK AND FINANCIAL INSTITUTION**

The Company has not made any valuation for one-time settlement with Bank and financial Institution. Hence, there is no reason for elaboration on the said aspect.

**OTHER MATTERS**

Your directors state that no reporting is required in respect of the following items for the reasons mentioned therein:

1. There is no change in the nature of business.
2. Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
3. There were no complaints relating to child labour, forced labour or involuntary labour during the financial year 2022-23.

**ACKNOWLEDGEMENTS**

Your directors place on records their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board of Directors of  
Aurangabad Distillery Limited**

**Amardeepsingh Sethi**  
**Chairman & Whole time Director**  
DIN: 00097644

Date: 4<sup>th</sup> September 2023  
Place: Chhatrapati Sambhajnagar



## ANNEXURE- I

## FORM MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**AURANGABAD DISTILLERY LIMITED**  
CIN: L55000PN2000PLC177314  
A/P. Walchandnagar, Tal. Indapur, Pune, MH - 413114

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

Management is responsible for the preparation and filing of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules thereunder, and all the laws and regulations listed hereinafter and to ensure that they are free from material non-compliance, whether due to fraud or error.

Secretarial Audit for the Company is conducted as a process of verification of records and documents on sample basis to check secretarial compliances with the provisions of laws, rules and procedures. The procedure for Secretarial Audit is selected on the Secretarial Auditor's judgment of material facts of the documents submitted. Our responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. We have conducted the audit solely on the basis of secretarial compliances and filing done by the Company, under the below mentioned laws.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby make our report on the basis of our opinion during the audit conducted covering the financial year ended on 31<sup>st</sup> March 2023, on various secretarial compliances with statutory provisions listed hereunder and on Board processes and compliance mechanism to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed 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 *[Not applicable to the Company during the Audit Period]*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  - (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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 *[Not applicable to the Company during the Audit Period]*;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *[Not applicable to the Company during the Audit Period]*;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *[Not applicable to the Company during the Audit Period]*;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *[Not applicable to the Company during the Audit Period]*; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *[Not applicable to the Company during the Audit Period]*.
  - (i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

We further report that, having regards to the business operations of the Company, in our view following are the laws specifically applicable to the Company for which we have conducted audit on test-check basis, and on the basis of representation made by the Company and its Officers considering the secretarial compliance systems prevailing in the Company.

Further, as per discussion with the officials of the Company, there are no other Laws specifically applicable to the Company except the below Act:

- Bombay Prohibition Act, 1949





We have also examined secretarial compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except there has been following observation:

- i. Some delay in the filing of the e-forms under the provisions of the Companies Act 2013 with the Ministry of Corporate Affairs;

We further report that:

- 1. Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, the changes in directorship during the period under review were carried out in the compliances with the provisions of the Act.
- 2. As per information and representation given, we also report that adequate notices are given to all directors for the scheduled Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

- 3. As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and hence, no dissenting views have been recorded.

We further report that the compliance by the Company of applicable financial statements and laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and also on the review of representation provided by the Officers, Company Secretary and Director of the Company, in my opinion adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines as mentioned above.

**For Prajot Tungare & Associates**  
**Company Secretaries**

(Firm Reg. No. P2001MH01020)

**CS Jayesh Parmar**

Partner

FCS: F11745

CP No: 17776

PR No.: 993/2020

UDIN: F011745E000887939

Date: 4<sup>th</sup> September 2023

Place: Pune



**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY  
COMPANY SECRETARY IN PRACTICE FOR 31.03.2023**

To,  
The Members,  
AURANGABAD DISTILLERY LIMITED  
CIN: L55000PN2000PLC177314  
A/P. Walchandnagar, Tal. Indapur, Pune, MH - 413114

Our Secretarial Audit 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever 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 procedures on test 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 Prajot Tungare & Associates  
Company Secretaries  
(Firm Reg. No. P2001MH01020)

Date: 4<sup>th</sup> September 2023  
Place: Pune

CS Jayesh Parmar  
Partner  
FCS: F11745  
CP No: 17776  
PR No.: 993/2020  
UDIN: F011745E000887939



# ANNEXURE- II

## Form No. AOC-2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

**1. Details of contracts or arrangements or transactions not at arm's length basis- Not Applicable**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)

**2. Details of material contracts or arrangement or transactions at arm's length basis-**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
New Phaltan Sugars Works Distillery Division Ltd	Sale of SDS	Ongoing Basis	Rs. 864.51 Lakhs	1 <sup>st</sup> April 2022	-

**For and on behalf of the Board of Directors of**  
**Aurangabad Distillery Limited**

**Amardeepsingh Triloksingh Sethi**  
**Chairman & Wholetime Director**  
 DIN: 00097644

Date: 4<sup>th</sup> September 2023  
 Place: Chhatrapati Sambhajinagar



## ANNEXURE- III

### DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PRESCRIBED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 AND RULES THEREUNDER

#### A. CONSERVATION OF ENERGY

i.	The steps taken or impact on conservation : of energy	<p>i) Making of Bio-Gas from Spent wash and it is used in Boiler as fuel. It reduces consumption of bagasse and company also produces electricity through turbine which is captively consumed in our distillation process and reduces the dependency on purchased electricity.</p> <p>ii) The Company has also successfully installed 1 Mega Watt Solar Power Plant at Company's Factory Site located at A/P Walchandnagar, Tal. Indapur Pune 413114. This will reduce the overall current electricity consumption of the Company.</p> <p>Through this holistic approach by minimizing of waste and electricity consumption by solar power plant the Company is reducing its environmental impact and also achieving greater operational efficiency.</p>
ii.	The steps taken by the company for : utilizing alternate sources of energy;	Currently the company is using electricity as the primary source of energy. And as mentioned above the Company has installed solar power plant at its factory site through which the Company is utilizing solar energy for reducing its overall electricity consumption.
iii.	The capital investment on energy : conservation equipment's;	The Company has made Rs. 5,21,15,000/- as a capital investment in its 1 Mega Watt Solar Power Plant.

#### B. TECHNOLOGY ABSORPTION

- i) Efforts made towards technology absorption: During the year under review the Company did not bring any new technology. Therefore, there is nothing to report under this point.
- ii) And benefits derived from such absorption: During the year under review the Company did not bring any new technology. Therefore, there is nothing to report under this point.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- During the year under review, the Company has not imported any new technology. Therefore, there is nothing to report under this point.
  - (a) the details of technology imported: NA
  - (b) the year of import: NA
  - (c) whether the technology been fully absorbed: NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA
- iv) Expenditure incurred on Research and Development: NIL

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details of inflows & outflows of Foreign Exchange

	2023 (Rupees)
Total foreign exchange earned in terms of actual inflows	NIL
Total foreign exchange spent in terms of actual outflows	NIL

For and on behalf of the Board of Directors of  
Aurangabad Distillery Limited

Amardeepsingh Triloksingh Sethi  
Chairman & Wholetime Director  
DIN: 00097644

Date: 4<sup>th</sup> September 2023  
Place: Chhatrapati Sambhajinagar

# ANNEXURE- IV

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Global Economy Overview

The global economy is showing signs of improvement but the upturn remains weak, amid significant downside risks. Lower energy prices are helping to bring down headline inflation and ease strains on household budgets, and the earlier-than-expected reopening of China has provided a boost to global activity. However, core inflation is proving persistent and the impact of higher interest rates is increasingly being felt across the economy.

Global GDP growth in 2023 is projected to be 2.7%, the lowest annual rate since the global financial crisis, with the exception of the 2020 pandemic period. A modest improvement to 2.9% is foreseen for 2024. Annual OECD GDP growth is projected to be below trend in both 2023 and 2024, although it will gradually pick up through 2024 as inflation moderates and real incomes strengthen.

### Indian Economy Overview

India to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally. Economic survey 2022-23 projects a baseline GDP growth of 6.5 per cent in real terms in FY24. Economy is expected to grow at 7 per cent (in real terms) for the year ending march 2023, this follows an 8.7 % growth in the previous financial year. Credit growth to the micro, small, and medium enterprises (msme) sector has been remarkably high, over 30.5 per cent, on average during Jan-Nov 2022. RBI projects headline inflation at 6.8 per cent in FY23, which is outside its target range. Capital expenditure (capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year.

Surge in growth of exports in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode. Private consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport. The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher Capital Expenditure (Capex), near-universal vaccination coverage enabling people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the Corporates, a well-capitalized public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones.

### Industry Overview

The alcohol industry has quickly recovered after lockdown, which is a sign of its robust and sizable consumer base. Numerous homegrown brands have carved out a place for themselves in the segment as alcoholic beverage companies

have made their way into the domestic market. They are maximising the potential of digital media, which is assisting the segment's expansion in numerous ways. In contrast to the past, alcohol brands can now advertise their goods through digital platforms, social media, concerts, events, and a variety of other venues.

Currently, this industry supports approximately 20 million jobs, and with its growing landscape, further employment opportunities are likely to be created. The alcohol industry is a significant sector of the Indian economy. It not only provides the states with up to 2 lakh crores in revenue, but it also directly supports nearly 40 lakh farmers.

ICRIER (Indian Council for Research on International Economic Relations) estimates that by 2030, 50% of Indian drinkers will continue to purchase more products in the same category of alcoholic beverages, 26% will switch to higher-end brands, and 24% will spend money on newer alcohol categories. With this robust growth prospective, India is likely to dominate the alcohol beverage market in the upcoming years.

About 2.7 billion litres of alcohol is produced by about 285 distilleries in India, serving as a basic chemical for a large number of chemical industries, therefore, increasing the demand for alcohol in the future.

One of the biggest alcohol trends to emerge in recent years is online ordering. The desire for convenience and safety has pushed many consumers to shop online and have their alcohol delivered.

### Company Overview

As a prominent manufacturer in the industry, we specialize in the production of non-potable alcohol. Our diverse range of products, including Rectified Spirit, De Natured Spirit, Extra Neutral Alcohol, and Potash, caters to various sectors such as pharmaceuticals, cosmetics, fragrances, fertilizers, animal feed, and chemicals. Located in Walchandnagar, Aurangabad, our distillery operates primarily using molasses as a base.

Since our establishment in 2000, we have continuously evolved under the stewardship of our current promoters, who acquired the company in 2005. One of our significant achievements has been pioneering the adoption of cutting-edge technology for converting spent wash, a by-product of Extra Neutral Alcohol production, into valuable resources. This includes the production of fertilizers, cattle feed, and the extraction/reuse of water, effectively minimizing waste and maximizing resource utilization.

Building upon our success, we are now actively expanding our product line and venturing into ethanol production, aiming to achieve comprehensive value creation.

### Business Overview

Amidst India's robust liquor industry growth, the Company has thrived and capitalized on the favorable conditions. With the industry witnessing unprecedented expansion and being one of the fastest-growing beverage markets globally, the Company experienced remarkable success.



The Company's sales in FY 2023 soared by an impressive 17.53%, a testament to its ability to leverage the advantageous environment in the alcohol industry. Furthermore, the company's financial performance was outstanding, with its Profit After Tax (PAT) reaching to Rs. 1,676.17 Lakhs for FY 2023, showcasing an impressive 86.61% increase compared to FY 2022, where it stood at Rs. 898.22 Lakhs.

This remarkable growth in profit is a clear indication of the Company's strategic acumen and ability to seize the opportunities presented by the thriving liquor industry in India. As the industry continues to grow at a Compound Annual Growth Rate (CAGR) of 6.8% between 2020 to 2023, the Company's position appears promising and well-positioned to continue benefiting from the positive attributes of the alcohol sector.

## RATIOS

Ratio	Particulars		As on	As on	Reason for variance more than 25%
	Numerator	Denominator	31 March 2023	31 March 2022	
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.24	1.08	The ratio has improved during the year. However, there is no significant variation as the variance is less than 25%.
Debt-Equity Ratio (in times)	Debt consists of Long Term borrowings and Short Term borrowings	Total Equity	0.63	0.70	The ratio has improved during the year. However, there is no significant variation as the variance is less than 25%.
Debt Service Coverage Ratio (in times)	Earning for Debt Service	Debt Service	3.77	1.74	The ratio has improved during the year on account of increase in profit after tax.
Inventory Turnover Ratio (In times)	Cost of Goods Sold	Average inventory	1.83	2.76	The variance is on account of reduction in consumption.
Trade Receivables Turnover Ratio (in times)	Revenue from operations	Average trade receivables	52.16	68.90	There is no significant variation as the variance is less than 25%.
Trade Payables Turnover Ratio (in time)	Cost of purchases + Other expenses	Average trade payables	4.21	4.85	There is no significant variation as the variance is less than 25%.
Net Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital = Average of Current assets – Current liabilities	6.54	27.77	The variance is on account of trade advances given to suppliers of raw material for the next financial year.
Net Profit Ratio (in %)	Operating Profit for the year	Revenue from operations	13.71	8.76	The variance is on account of decrease in cost of raw material purchased.
Return on Equity Ratio (in %)	Profit for the year less Preference dividend (Excluding exceptional item)	Average total equity	29	20	The ratio has improved during the year on account of increase in profit after tax.
Return on Capital Employed (in %)	Profit before tax and finance costs (Excluding exceptional Items)	Capital employed = Net worth + Total Debt + Deferred tax liabilities	24.41	17.83	The variance is on account of increase in net worth.

## Risks and concerns

## SCOT

- **Strength-** The distillery industry has experienced a rise in demand for alcoholic beverages, including non-potable alcohol, both domestically and internationally. Distilleries have the flexibility to produce a wide range of alcoholic products with different flavors, strengths, and applications, catering to diverse consumer preferences.
- **Challenges –** Compliance with complex and evolving regulations, including licensing, labeling, production standards, and marketing restrictions, poses challenges for distilleries.
- **Opportunities –** Distilleries can explore international markets to expand their customer base and take advantage of increasing global demand for alcoholic beverages.
- **Threats-** highly competitive environment where several manufacturers vie for market dominance. However, our company has managed to establish itself as a formidable player and remain at the forefront of the industry.

The distillery industry operates under stringent government monitoring and regulations, encompassing both central and state laws. The government's active involvement in overseeing the industry presents a unique set of challenges and risks for companies, including our own.

One significant challenge is the ban on liquor consumption in certain states. These prohibitions can significantly impact the market potential and revenue streams for distilleries operating in those regions. The restrictions limit the target market and create obstacles in expanding business operations, potentially hindering growth opportunities.

Moreover, the strict monitoring and regulation by government bodies require distilleries to adhere to numerous compliance standards, licensing requirements, and product quality controls. Failure to meet these regulatory obligations can result in penalties, legal consequences, and damage to the company's reputation.

Additionally, the evolving nature of laws and regulations in the distillery industry introduces uncertainty and the need for continuous adaptation. Changes in taxation policies, labeling requirements, production standards, or advertising restrictions can have a direct impact on business operations and profitability. Staying up to date with these legal developments is crucial to ensure compliance and avoid potential setbacks.

Given these circumstances, the risk profile for distilleries in this industry is amplified. Companies must navigate the complex regulatory landscape, monitor changes in government policies, and proactively manage compliance to mitigate risks effectively. Developing a thorough understanding of the legal framework and building strong relationships with regulatory authorities are essential steps to minimize business risks and maintain operational continuity.

#### **Internal Financial Control**

The Company has enlisted the services of an independent Chartered Accountant to conduct internal audits, ensuring the accuracy and adequacy of recording and reporting practices. This includes verifying the existence of internal controls within the system and implementing necessary measures to update and improve the internal control system. The objective is to ensure that all transactions are properly authorized, recorded, and reported.

Periodic exercises are undertaken to safeguard assets and protect against unauthorized use. The Company's policies, guidelines, and procedures are tailored to the specific nature, size, and complexity of its business operations. These

measures contribute to a robust system of internal controls that incorporate automatic checks and balances.

The Company places significant emphasis on maintaining strong internal control systems for financial reporting. This resilience and focus are further reinforced by a comprehensive set of Management Information Systems. Internal audits, conducted either internally or by professional firms, closely monitor business operations to ensure strict adherence to policies, safeguarding of assets, and the timely preparation of reliable financial documents and reports.

Any deviations from established policies and procedures are promptly communicated to the management. In response, the Company takes timely and appropriate measures to address these deviations and maintain uninterrupted business operations.

Overall, the Company's commitment to internal control systems, supported by independent audits and professional oversight, ensures the integrity of its financial reporting, safeguarding of assets, and smooth functioning of the business.

#### **Human Resource**

Our Company places significant emphasis on recognizing the importance of its human resources as vital contributors to the Company's growth and success. We consider our employees to be valuable assets, and their achievements and goals are closely intertwined with the overall objectives of the Company.

To uphold this belief, our Company consistently invests in the development of our human capital and strives to retain top talent. We have established well-defined HR policies that ensure the alignment of personal goals with professional growth opportunities. By providing a conducive work environment and offering avenues for career advancement, we encourage our employees to thrive and reach their full potential.

Our human capital encompasses a diverse workforce, including permanent factory workers. Throughout the reviewed period, employee relations have remained healthy, cordial, and harmonious across all levels within the organization. We are committed to nurturing positive relationships with our employees and maintaining an open and respectful work culture.

By prioritizing our human resources, we acknowledge their essential role in driving the Company's success. We will continue to foster an environment that promotes employee engagement, satisfaction, and career progression, as we recognize that a motivated and skilled workforce is instrumental in achieving our goals and maintaining our competitive edge.

**For and on behalf of the Board of Directors of**  
**Aurangabad Distillery Limited**

**Amardeepsingh Triloksingh Sethi**  
**Chairman & Wholetime Director**  
 DIN: 00097644

Date: 4<sup>th</sup> September 2023  
 Place: Chhatrapati Sambhajanagar



# ANNEXURE- V

## INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23 is:		
	<b>Name of Person</b>	<b>Designation</b>	<b>Ratio of remuneration of each Director to median remuneration of Employees</b>
	Mr. Amardeepsingh Sethi	Chairman & Whole time Director	9.09
	Mr. Dharampal Kalani	Managing Director	9.09
	Mr. Karan Yadav	Executive Director	2.27
	Mr. Tanaji Yadav	Executive Director	2.27
	Mr. Kanaiyalal Kalani	Non-Executive Director	-
	Mrs. Jagjitkaur Sethi	Non-Executive Director	-
	Mr. Avinash Salunkhe	Independent Director	-
	Mr. Prakash Sawant	Independent Director	-
	Mr. Dilip Mutalik	Independent Director	-
	Mr. Uday Hemade	Chief Financial Officer	1.79
	Miss. Ankita Gandhi (Upto 31 <sup>st</sup> October 2022)	Company Secretary & Compliance Officer	1.36
	Miss. Komal Shendge (From 1 <sup>st</sup> November 2022)	Company Secretary & Compliance Officer	1.81
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year		
	Mr. Uday Hemade – 1.82 %		
3.	The percentage increase in the median remuneration of employees in the financial year.		-
4.	The number of permanent employees on the rolls of Company.		55
5.	Average percentage increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.		-
6.	The key parameters for any variable component of remuneration availed by the directors		-
7.	It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.		

For and on behalf of the Board of Directors of  
**Aurangabad Distillery Limited**

**Amardeepsingh Triloksingh Sethi**  
Chairman & Wholetime Director  
DIN: 00097644

Date: 4<sup>th</sup> September 2023  
Place: Chhatrapati Sambhajanagar

# ANNEXURE- VI

## ANNUAL REPORT ON CSR ACTIVITY

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

1. Brief outline on CSR Policy of the Company:

The Key focus areas of CSR Policy are:

1. Education including vocational education, Environment & Health related activities;
2. Children Education;
3. Employment enhancing vocational skills;
4. Environmental sustainability;
5. Promotion of health awareness.

2. Composition of CSR Committee:

Sr. 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.	Mr. Dharampal Kalani	Chairman of Committee / Managing Director	1	1
2.	Mr. Avinash Salunke	Member of Committee / Independent Director	1	1
3.	Mr. Prakash Sawant	Member of Committee / Independent Director	1	-

Pursuant to provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company as a corporate social responsibility expenditure does not exceed Rs. 50 Lakhs (Fifty Lakh Rupees), the requirement of constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

The Board of Directors has dissolved the CSR Committee of the Company on 14<sup>th</sup> November 2022, since, the amount to be spend by the Company as corporate social responsibility expenditure during the year does not exceed Rs. 50 Lakhs (Fifty Lakh Rupees). And the functions of CSR Committee have discharged by the Board of Directors.

3. Provide the 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. – [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 – **Not Applicable.**

5. (a) Average net profit of the company as per Section 135(5) of the Companies Act, 2013- Rs. 727.89 Lakhs
- (b) Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013- Rs. 14.56 Lakhs
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years- NA
- (d) Amount required to be set-off for the financial year, if any- Rs. 0.44 Lakhs
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]- Rs. 14.12 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)-
  - (i) Details of CSR Amount Spent against Ongoing Projects for the financial year: Not Applicable
  - (ii) Details of CSR amount spent against other than ongoing projects for the financial year: Rs. 14.50 Lakhs

(Rs. In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project. State District	Amount spent for the project.	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1.	Contribution to Saad Foundation	Promoting Health Care including Preventive Health Care	Yes	Maharashtra Pune	Rs. 1 Lakh	No	CSR00038310
2	Contribution to Dashmesh Education Society	Promoting Education	Yes	Shrirampur Maharashtra	Rs. 13.50 lakhs	No	CSR00048923
	<b>Total</b>				<b>Rs. 14.50 Lakh</b>		



- (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)]- Rs. 14.50 Lakhs
- (e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year. (Rs. in Lakh)	Amount Unspent (in Rs.)				
	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
14.50	NIL	NIL	NIL	NIL	NIL

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (Rs. in Lakh)
(1)	(2)	(3)
i)	Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013 [Actual Liability Rs. 14.56 Lakh – Amount available for set off – Rs. 0.44 Lakh]	14.12
ii)	Total amount spent for the Financial Year	14.50
iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.38
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)]	0.38

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years- NA

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR account under section135(6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficie ncy, if any
					Amount (in Rs)	Date of Transfer		
NA								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year- No

If yes, enter the number of Capital assets created/ acquired- NA

Furnish the 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]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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) of the Companies Act, 2013- NA

**For and on behalf of the Board of Directors of  
Aurangabad Distillery Limited**

**Amardeepsingh Triloksingh Sethi**  
**Chairman & Wholetime Director**  
DIN: 00097644

Date: 4<sup>th</sup> September 2023  
Place: Chhatrapati Sambhajinagar



## CEO / CFO CERTIFICATION

To,  
The Board of Directors of  
**Aurangabad Distillery Limited**

Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby certify that:

- A.** We have reviewed financial statements and the cash flow statement for the financial year 2022-23 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates of the Company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the Auditors and the Audit committee.
- i. There have been no significant changes in internal control over financial reporting during the year;
  - ii. There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. We have not noticed any significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Uday Balwant Hemade**  
Chief Financial Officer

Date: 4<sup>th</sup> September 2023  
Place: Walchandnagar

# Independent Auditor's Report

To,  
**The Members of Aurangabad Distillery Limited**  
**Report on the audit of the Financial Statements**

## Opinion

We have audited the accompanying financial statements of Aurangabad Distillery Limited ("**the Company**") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Statement of Cash Flow for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Key Audit Matters

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

There are no significant Key Audit matters that need to be reported for the current period.

## Emphasis of Matter

We draw your attention to the following points –

1. Note No. 10 'Trade Payables', Note No. 11 'Other Current Liabilities', Note No. 18 'Trade Receivables' and Note No. 22 'Other Current Assets' of the financial statements disclose the balances outstanding as on the date of the balance sheet of Trade payables, Trade Receivable and Trade Advances taken and given. Though balance

confirmations were requested from the respective parties, majority of the same were not received before the conclusion of audit and are thus subject to confirmation. However, we have adopted alternative audit procedures to confirm such balances.

2. The Company has changed the method of valuation of inventories as per AS-2 from FIFO method to Weighted Average method during the year. The change in the accounting policy was implemented due to the rate variations in purchase of primary raw material (Molasses) arising due to its seasonal nature of production. Such change in accounting policy has decreased the valuation on inventories by Rs. 188.37 lakhs as on 31<sup>st</sup> March 2023.

Our opinion is not modified in respect of above matters.

## Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion & analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance & shareholders' information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management & Those Charged with Governance for the Financial Statements –

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are



free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in -

- planning the scope of our audit work and in evaluating the results of our work; and
- to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matters

There are no matters reportable under this head.

### Report on Other Legal and Regulatory Requirements:

1. Companies (Auditor's Report) Order 2020, issued by Central Government of India in terms of sub section (11) of the Section 143 of the Companies Act, 2013 is applicable to the company. We are giving in Annexure a statement on the matters specified in paragraph 3 & 4 of the Order to the extent possible. **(Annexure 1)**
2. As required by Section 143(3) of the Act, based on our audit, we report 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 purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act,
  - e. On the basis of the written representations received



from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure 2**”. Our report expresses an unmodified opinion on the adequacy & operating effectiveness of the Company’s internal financial control over financial reporting.
- g. In our opinion & to the best of our information & according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.
- 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in Note No. 35 of the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been

advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- v. The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other person 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.
- vi. Based on the appropriate audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) & (ii) of Rule 11(e) as provided in point no. iv & v above contains any material misstatement.
- vii. The company has not declared or paid any dividend during the year in contravention of the provision of Section 123 of the Companies Act 2013.

**For HMA & Associates**  
**Chartered Accountants**  
**FRN – 100537W**

**CA Anand Joshi**  
**Partner**

**Membership No. – 113805**  
**UDIN: - 23113805BGWGDH8212**

**Date: - 27<sup>th</sup> May 2023**  
**Place: - Pune**



# ANNEXURE 1

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

As per point 3 of Companies (Auditor's Report) Order, 2020 dt.25th February 2020.

Referred to in Paragraph 1 under the heading of "Report on other legal & regulatory requirements" of our report of even date.

Re: - Aurangabad Distillery Limited for the F.Y. 2022-23

### 1. Property, plant & equipment and intangible assets –

- The Company has maintained proper record showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- The Company does not have any intangible assets.
- The management has physically verified the Property Plant & Equipment at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification as compared to book records.
- The title deeds of all immovable properties (other than leased properties under duly executed agreement) of Company are held in the name of the company.
- The company has not revalued its Property Plant & Equipment (including right to use assets) or intangible assets during the year.
- No proceedings have been initiated or pending against the company or holding any benami property under Benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made there under. Hence, no disclosure of such details is required.

### 2. Inventory –

- The inventory has been physically verified at the reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by management is appropriate. Discrepancies of 10% or more in aggregate for each clause of inventory were not noticed.

- The company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks on the basis of security of current assets. *Quarterly statements are filed with such Banks which are not in agreement with the books of account, which is as per the explanations given by the company in Note No. 39 of the Financial Statements of the company. The details of the differences are as under –*

(Rs. in Lakhs)

Periodicity	As submitted to bank	As per books of accounts	Difference
Q-1	7,549.59	7,605.97	-56.38
Q-2	8,434.24	8,330.25	103.99
Q-3	5826.71	6,285.62	-458.91
Q-4	6,105.04	5,990.83	114.21

### 3. Investments made, Guarantee/Security provided, or Loans granted –

- The company has provided loans, or advances in the nature of loans to other companies -
  - There are no subsidiaries, joint ventures, or associates of the Company. Hence no loans, advances or guarantees have been provided to such entities.
  - In case of parties other than subsidiaries, joint ventures, or associates – the aggregate amount given during the year was Rs. 87 lakhs and the balance outstanding as on the balance sheet date was Rs. 1,500 lakhs.

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted / provided during the year				
Others	Nil	Nil	87.00	Nil
Balance Outstanding as at balance sheet date in respect of above cases				
Others	Nil	Nil	1,500.00	Nil

- The terms and conditions of such loans granted are not prejudicial to the interest of the company.
- In respect of loans and advances and advances in the nature of loans, the schedule of repayment of principal and payment of interest have not been stipulated. In the absence of stipulation of repayment terms are unable to comment on the regularity of repayment of principal and payment of interest.
- No amount is overdue for more than 90 days. No reasonable steps are required to be taken by the company for recovery of principal and interest.
- No loans – which have fallen due during the year – have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- Company has granted loans or advances in the nature of loans which are either repayable on demand or without specifying the term or period of repayment as given below -



Particulars	All parties	Promoters	Related parties
<b>Aggregate amount of loans or advances in the nature of loans -</b>			
A Repayable on demand	Nil	Nil	Nil
B Terms or period of repayment not specified	Nil	Nil	1,500
<b>Total A + B</b>	<b>Nil</b>	<b>Nil</b>	<b>1,500</b>
<b>Total loans or advances in the nature of loans</b>	<b>Nil</b>	<b>Nil</b>	<b>1,500</b>
Percentage to total loans	0%	0%	100%

#### 4. Loans to Directors, Investment, Guarantees & Security by Company

- Company has not granted any loans or given guarantees or provided any security in connection with the loan – directly or indirectly - to Directors or any other person in whom Directors are interested in contravention of Section 185 of Companies Act 2013.
- Company has not granted any loan or given guarantee or made investment or provided security in contravention of Section 186 of Companies Act 2013.

#### 5. Deposits –

- The Company has not accepted any deposits. Hence our comments on compliance of the directives of Reserve Bank of India, provisions of Sec.73 to 76 or any other relevant provisions of the Companies Act 2013 & the rules framed there under are not required.
- The nature of contravention - not applicable.
- No order has been passed by Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal requiring any compliance.

#### 6. Cost records –

The Company is required to maintain cost records pursuant to Section 148(1) of the Companies Act 2013.

We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

#### 7. Statutory dues –

- According to the information & explanations given to us, Company is regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Custom Duty, Excise Duty, VAT, Cess and any other statutory dues with appropriate authority.
- No such undisputed dues were outstanding as at the last day of financial year for a period of more than six months from due date.
- Dues outstanding on account of any dispute pending with any forum are to the extent of Rs. 1.88 lakhs on account of TDS defaults and Rs. 1782.31 lakhs on account of M-VAT liability against which Writ Petition is pending in the Hon'ble High Court.*

#### 8. Disclosures under Income tax –

No amount of any transactions not recorded in the books of accounts have been surrendered or disclosed as incurred during the year in the tax assessments under Income Tax Act, 1961.

#### 9. Repayment of loans –

- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- The company has not been declared as willful defaulter by any bank or FI or any other lender.
- The term loans were applied for the purpose for which the loans were obtained. Hence, our comment on amount of loan so diverted and the purpose for which it was used is not required.
- The funds raised on short term basis were not utilized for long term purpose. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- The company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, JV or associates.
- The Company does not have any subsidiaries, joint ventures or associate companies. Hence, we are not required to report whether the company has raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

#### 10. Utilization of IPO & further public offer –

- The Company has not raised funds by way of IPO or any Public offer (including Debt instrument) during the year. Hence, our comment on application of funds for the purpose of which those were raised and details of any delays or defaults is not required.
- The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence our comments on compliance of section 42 and 62 of Companies Act, 2013 and utilization of funds for the purpose for which the funds were raised is not required.



**11. Fraud –**

- a) No fraud by the company or on the Company has been noticed or reported during the year. Hence our comments on the nature of fraud and the amount involved are not required.
- b) No report u/s 143(12) of the Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

**12. Nidhi company –**

The Company is not a Nidhi Company & hence our comments related to Nidhi Company are not attracted.

**13. Related party transactions –**

All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

**14. Internal audit -**

- a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the period under audit.

**15. Non-cash transactions –**

According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

**16. Registration with RBI –**

- a) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, the registration has not been obtained.
- b) Company has not conducted any non-banking financial or housing finance activity without a valid certificate of registration from RBI.
- c) Company is not a core investment company (CIC) and hence our comments on its continuous fulfilment of criteria of CIC is not required.
- d) The group do not have one or more CIC as part of the group.

**17. Cash Losses –**

The company has not incurred cash loss during the financial year and also in the preceding financial year.

**18. Resignation of statutory auditor –**

There has been no resignation of the statutory auditors during the year hence it is not necessary to consider the issues, objections or concerns raised by the outgoing auditor.

**19. Material uncertainty –**

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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.

**20. CSR Projects –**

In respect of other than ongoing projects, the company has spent the amount required to be spent before expiry of the financial year in compliance with provisions of section 135 of the Companies Act 2013 & is not required to transfer the unspent amount to a Fund specified in Schedule VII. The Company has not undertaken any ongoing projects.

**21. Qualifications in the consolidated financial statements**

The Company is not required to present consolidated financial statements.

*The reasons for any of our unfavourable or qualified report/remark are mentioned in the relevant point itself.*

**For HMA & Associates**  
Chartered Accountants  
FRN – 100537W

**CA Anand Joshi**  
Partner

Membership No. – 113805

**UDIN: - 23113805BGWGDH8212**

**Place: - Pune**

**Date: - 27<sup>th</sup> May 2023**

# ANNEXURE 2

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**of even date on the financial statements of Aurangabad Distillery Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Aurangabad Distillery Limited as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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 system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For HMA & Associates  
Chartered Accountants**

**FRN – 100537W**

**CA Anand Joshi**

**Partner**

**Membership No. – 113805**

**UDIN: - 23113805BGWGDH8212**

**Place: - Pune**

**Date: - 27<sup>th</sup> May 2023**



# Balance Sheet

As at 31 March 2023

		(₹ in lakhs)	
Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share Capital	4	820.00	820.00
(b) Reserves and Surplus	5	5,827.19	4,115.32
<b>Total</b>		<b>6,647.19</b>	<b>4,935.32</b>
(2) Non-current liabilities			
(a) Long-term Borrowings	6	1,119.91	1,167.54
(b) Deferred Tax Liabilities (net)	7	804.65	764.92
(c) Long-term Provisions	8	79.78	72.89
<b>Total</b>		<b>2,004.34</b>	<b>2,005.35</b>
(3) Current liabilities			
(a) Short-term Borrowings	9	3,050.71	2,265.76
(b) Trade Payables	10		
- Due to Micro and Small Enterprises		25.98	18.83
- Due to Others	11	2,302.94	1,753.65
(c) Other Current Liabilities	12	1,334.00	521.92
(d) Short-term Provisions		710.42	182.72
<b>Total</b>		<b>7,424.05</b>	<b>4,742.88</b>
<b>Total Equity and Liabilities</b>		<b>16,075.58</b>	<b>11,683.55</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	13	5,179.31	4,754.13
(ii) Capital Work-in-progress	13	87.17	101.32
(b) Non-current Investments	14	0.26	0.26
(c) Long term Loans and Advances	15	1,500.00	1,652.08
(d) Other Non-current Assets	16	69.03	69.12
<b>Total</b>		<b>6,835.77</b>	<b>6,576.91</b>
(2) Current assets			
(a) Inventories	17	3,294.43	2,424.69
(b) Trade Receivables	18	327.96	127.23
(c) Cash and Cash Equivalents	19	20.55	18.73
(d) Short-term Loans and Advances	20	902.27	625.99
(e) Unbilled Revenue	21	-	90.00
(f) Other Current Assets	22	4,694.60	1,820.00
<b>Total</b>		<b>9,239.81</b>	<b>5,106.64</b>
<b>Total Assets</b>		<b>16,075.58</b>	<b>11,683.55</b>

For and on behalf of the Board

**For HMA & Associates**

Chartered Accountants

Firm's Registration No. 100537W

**Dharampal K. Kalani**

Managing Director

DIN - 00041021

**Amardeepsingh T. Sethi**

Wholetime Director

DIN - 00097644

**CA Anand D. Joshi**

Partner

Membership No. 113805

UDIN: 23113805BGWGDH8212

Place: Pune

Date: 27 May 2023

**Uday B. Hemade**

Chief Financial Officer

**CS. Komal Shendge**

Company Secretary

Place: Pune

Date: 27 May 2023

# Statement of Profit and loss

for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Note	31 March 2023	31 March 2022
Revenue from Operations	23	11,872.15	10,101.28
Other Income	24	357.06	154.63
<b>Total Income</b>		<b>12,229.21</b>	<b>10,255.91</b>
<b>Expenses</b>			
Cost of Material Consumed	25	5,493.09	5,755.29
Purchases of Stock in Trade	26	1,002.05	342.52
Change in Inventories of work in progress and finished goods	27	(296.84)	(28.23)
Employee Benefit Expenses	28	276.77	233.61
Finance Costs	29	451.79	309.12
Depreciation and Amortization Expenses	30	358.91	342.04
Other Expenses	31	2,557.66	2,008.03
<b>Total expenses</b>		<b>9,843.43</b>	<b>8,962.38</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>2,385.78</b>	<b>1,293.53</b>
Exceptional Item		-	(25.50)
<b>Profit/(Loss) before Extraordinary Item and Tax</b>		<b>2,385.78</b>	<b>1,319.03</b>
Extraordinary Item		-	-
<b>Profit/(Loss) before Tax</b>		<b>2,385.78</b>	<b>1,319.03</b>
Tax Expenses	32		
- Current Tax		669.71	443.89
- Deferred Tax		39.73	(26.98)
- Excess/Short Provision Written back/off		0.17	3.90
<b>Profit/(Loss) after Tax</b>		<b>1,676.17</b>	<b>898.22</b>
Earnings Per Share (Face Value per Share Rs.10 each)			
-Basic	33	20.44	10.95
-Diluted	33	20.44	10.95

For and on behalf of the Board

**For HMA & Associates**

Chartered Accountants  
Firm's Registration No. 100537W

**Dharampal K. Kalani**  
Managing Director  
DIN - 00041021

**Amardeepsingh T. Sethi**  
Wholetime Director  
DIN - 00097644

**CA Anand D. Joshi**

Partner  
Membership No. 113805

**Uday B. Hemade**  
Chief Financial Officer

**CS. Komal Shendge**  
Company Secretary

UDIN: 23113805BGWGDH8212

Place: Pune

Date: 27 May 2023

Place: Pune

Date: 27 May 2023

# Cash Flow Statement

*for the year ended 31 March 2023*

Particulars	31 March 2023	31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after tax	1,676.17	898.22
Depreciation and Amortisation Expense	358.91	342.04
Provision for tax	709.61	420.81
Dividend Income	-0.05	-0.05
Interest Income	-177.27	-154.55
Finance Costs	451.79	309.12
<b>Operating Profit before working capital changes</b>	<b>3,019.17</b>	<b>1,815.59</b>
Adjustment for:		
Inventories	-869.74	-719.59
Trade Receivables	-200.72	38.75
Other Current Assets	-2,784.51	-129.89
Trade Payables	556.44	57.42
Other Current Liabilities	812.08	251.76
Short-term Provisions	534.60	11.12
Cash generated from Operations	1,067.31	1,325.16
Tax paid(Net)	634.19	447.79
<b>Net Cash from Operating Activities</b>	<b>433.12</b>	<b>877.37</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	-836.90	-303.57
Subsidy Received	66.94	-
Purchase of Equity Instruments	-	0.02
Loans and Advances given	-124.19	-432.02
Investment in Term Deposits	-0.71	-0.70
Interest received	177.27	154.55
Dividend received	0.05	0.05



<b>Net Cash (Used in) Investing Activities</b>	-717.54	-581.66
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-47.64	-321.87
Proceeds from Short Term Borrowings	784.95	277.62
Interest Paid	-451.79	-309.12
Net Cash (Used in) / Generated from Financing Activities	285.52	-353.37
<b>Net (Decrease) in Cash and Cash Equivalents</b>	1.11	-57.67
Opening Balance of Cash and Cash Equivalents	4.25	61.92
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>5.36</b>	<b>4.25</b>

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

**For and on behalf of the Board**

**For HMA & Associates**

Chartered Accountants  
Firm's Registration No. 100537W

**CA Anand D. Joshi**

Partner  
Membership No. 113805

UDIN: 23113805BGWGDH8212

Place: Pune

Date: 27 May 2023

**Dharampal K. Kalani**

Managing Director  
DIN - 00041021

**Uday B. Hemade**

Chief Financial Officer

Place: Pune

Date: 27 May 2023

**Amardeepsingh T. Sethi**

Wholetime Director  
DIN - 00097644

**CS. Komal Shendge**

Company Secretary

**1. Corporate Information: -**

Aurangabad Distillery Limited is a limited company domiciled in India and incorporated on 3rd August 2000 under Companies Act, 1956. The company is engaged in the business of production of distillery variants viz rectified spirits, extra neutral alcohol, and denatured spirits. The company has its registered office at Gat No 45/2, 47/2, 48/2, and 50/2, Village Rangaon (Ranmodwadi), Walchandranagar, Indapur, Pune 413114.

**2. Basis of Preparation: -**

The financial statements of the company have been prepared under historical cost convention on accrual basis of accounting & in accordance with generally accepted accounting principles in India (Indian GAAP) & the mandatory accounting standards issued by ICAI. The company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in India Rupees 'INR' which is also the Company's functional currency and all values are rounded off to the nearest lakhs except when otherwise indicated. Whenever an amount is presented as INR '0' (zero), it construes amount less than Rs. 50,000/-.

The company has reclassified previous year figures in accordance with the requirements applicable in the current year.

**3. Significant Accounting Policies: -****3.1 Basis of accounting**

All the significant accounting policies adopted in the preparation and presentation of financial statements have been disclosed, at one place & forms part of the financial statements. The accounting policies, in all material respects, have been consistently applied by the Company. The change in the accounting policies – if any - which has a material effect in the current period has been disclosed. In the case of a change in accounting policies which has a material effect in the current period or later period, the amount by which any item in the financial statements is affected by such change has been ascertained and disclosed in Notes to Financial statements. Where such amount is not ascertainable, wholly or in part, such fact has been indicated.

The fundamental accounting assumption of 'going concern', 'consistency', & 'accrual', has been followed.

**3.2 Use of Estimates –**

The preparation of financial statements requires the management of the Company to make an estimate & assumptions that affect the reported balances of Assets & Liabilities and disclosure relating to Contingent liabilities as at the date of financial statements & reported amounts of Income & Expenses during the year. Estimates & assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts & circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Difference between the actuals & estimates are recognised in the period in which the results are known/materialised. Change in estimates is disclosed wherever required.

**3.3 Cash Flow Statement –**

The Cash Flow Statement discloses the cash flows during the period classified by operating, investing and financing activities in a manner which is most appropriate to the business of the company for each period for which financial statements are presented. Reporting of cash flows from operating activities has been made by indirect method. Extraordinary items: The cash flows associated with extraordinary items have been appropriately classified as arising from operating, investing, or financing activities and separately disclosed.

Interests and Dividends: Separate disclosure of cash flows from interest and dividends received and paid has been made.

Taxes on income: Cash flows arising from taxes on income are separately disclosed & classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

The enterprise has disclosed the components of cash and cash equivalents together with a commentary by management, the amount of significant cash and cash equivalent balances held by the enterprise that are not available for use by it.

**3.4 Revenue Recognition –**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods and services are recognized net of duties, taxes & Sales Returns. Expenditure & income are accounted on accrual basis including provisions/adjustments for committed obligations & amounts determined payable or receivable during the year.

Sales of goods are recognised when property in goods has been transferred to the buyer for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership.

The revenue from service is recognised as and when the services are rendered, based on the agreements/ arrangements with the concerned parties net of duties, taxes. Unearned revenue' included in other current liabilities represent billing in excess of revenue recognized. Rental Income is recognized on time proportionate basis over the period of the rent.

Interest is recognized on a time proportion basis considering the amount outstanding and the applicable interest rate. Dividend is recognised when the Company's right to receive dividend is established.

In case of any pending resolution of significant uncertainties, the revenue recognition is postponed & is disclosed separately in the notes.

### 3.5 Property, Plant & Equipment –

For each class of property, plant and equipment, the company has opted for cost model. Property, Plant & Equipment are stated at cost less depreciation less impairment losses. Cost comprises purchase price, capitalised borrowing cost and subsequent expenditure if it increases the future benefits from the existing asset. Cost has been adjusted to the extent of GST credit available and exchange difference arising on translation / settlement of foreign currency monetary items pertaining to the acquisition of depreciable asset.

In case of derecognition of Property, Plant & Equipment, the difference between the carrying amount and disposal proceeds is accounted as gain / loss in the Statement of Profit & Loss.

Advances paid towards the acquisition of property, plant & equipment, outstanding at each balance sheet date are shown under capital advances. The cost of property, plant & equipment not ready for its intended use on such date, is disclosed under CWIP.

### 3.6 Depreciation on Property, Plant & Equipment –

The carrying amount of Property, Plant & equipment as on 31st March 2014 is depreciated over remaining useful life of the assets after reassessing the useful life of the asset. The assets acquired on or after 01.04.2014 are depreciated according to the useful life of such asset as specified in Schedule II of Companies Act, 2013. A residual value of 5% of the cost of acquisition is considered while calculating the depreciation.

While accounting the Property, Plant & Equipment, the principle of component accounting is followed in case of significant components of Property, Plant & Equipment and for depreciating the significant components, the useful life of each significant component is considered separately apart from the remaining parts of the Property, Plant & Equipment.

### 3.7 Intangible Assets –

Intangible Assets acquired separately & also internally generated are recognised at cost less accumulated amortisation and impairment. Amortisation is done on straight line basis over estimated useful economic life and the amortisation period and method are reviewed at the end of each financial year.

In case of derecognition of Intangible Assets, the difference between the carrying amount and disposal proceeds is accounted as gain / loss in the Statement of Profit & Loss.

### 3.8 Impairment of Property, Plant & Equipment & Intangible Assets –

The company assesses at each reporting date an indication about impairment of an asset. If any indication exists, the company estimates the asset's recoverable amount. The recoverable amount is determined for individual asset. The recoverable amount is higher of the selling price & value in use of the asset. The value in use is estimated on the basis of estimated future cash flows for next 5 years discounted to the present value by using pre-tax discount rate that reflects time value of the money and the risk specific to the asset. Where the carrying amount of the asset exceeds the recoverable amount, the asset is impaired & is written down to its recoverable value.

Impairment losses are recognised in the Statement of Profit & Loss and the depreciation is provided on the revised carrying amount of the asset after impairment. If the previously recognised impairment losses do not exist or have decreased, the same are reversed and the reversal is limited so that carrying amount does not exceed the recoverable amount.

### 3.9 Inventories –

Raw materials and Stores & Spares valued at lower of cost or net realizable value. However, these items are considered to be realisable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

Cost of Inventories is computed on a Weighted Average basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress and manufactured finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, Cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item-by-item basis.



**3.10 Current assets, loans & advances –**

Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

**3.11 Foreign currency transactions –**

Foreign Currency transactions are recorded in reporting currency at the exchange rate prevailing on the date of transaction. On the reporting date monetary items are retranslated by using the exchange rate prevailing on the reporting date. Foreign exchange difference related to acquisition of Fixed Assets and loans related to it is adjusted in the carrying amount of Fixed Asset and the loan amount.

Income or expenditure arising out of exchange fluctuation other than Fixed Assets and loans on such assets is accounted for in the Statement of Profit and Loss.

**3.12 Government Grants & Subsidies –**

Grants and subsidies from the Government are recognised only when there is reasonable assurance that it will be received. When the grant or subsidy relates to the revenue, it is recognised as income in the Statement of Profit and Loss and where the Grant relates to an asset, the same is reduced from the cost of the asset before charging depreciation & when the subsidy is of capital nature but not attributable to any particular asset or group of assets, the same is recognised as Capital reserve.

**3.13 Investments –**

Investments which are readily realisable and intended to be held for not more than 1 year from the date on which such investments are made are classified as current investments. All other investments are classified as Long-term Investments.

On initial recognition, all investments are measured at cost. The cost comprises Purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. TDS on income from Investment is included in Advance taxes paid.

**3.14 Investment Property –**

Investment in Land or Building which is not intended to be occupied substantially for use in the operations of the company is classified as Investment Property. Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation and impairment loss policy as stated above is followed for calculation. On disposal of the Investment Property, the difference between its carrying amount and the net disposal proceeds is charged / credited to Statement of Profit and Loss.

**3.15 Employee benefits –**

Employee benefits include provident fund, employee state insurance, gratuity and leave encashment & bonus.

The Company provides for retirement benefits in the form of gratuity. Benefits payable to eligible employees with respect to gratuity, a defined benefit plan, is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. Leave encashment due is provided on the basis of actuarial valuation.

Contributions made to approved scheme of provident fund is a defined contribution plan and is charged to Statement of Profit and Loss on accrual basis. Bonus is provided in the books of accounts as per the provisions of Code on Wages 2019.

**3.16 Borrowing cost –**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowing & exchange differences arriving from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

**3.17 Segment Reporting**

The segment reporting is done assuming two segments – Business segment as primary segment & geographical segment as secondary segment. The segment reporting includes segment-wise revenue, expenses, assets & liabilities & accounting policies. Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

The disclosures are given as per AS 17.

**3.18 Related Party Disclosure**

All related party transactions are reported irrespective of the fact whether such transactions have adversely affected financial position and operating results of the company. The related parties are reported even when there are no transactions with such parties.

Related parties include –

- Enterprises that are under common control – Directly or indirectly.
- Associates and JVs.
- Individuals having interest in voting power of the enterprise that gives them control and significant influence over the enterprise and relatives of such individuals.
- Key management personnel (KMP) and their relatives having significant influence over the enterprise.

The transactions include -

- Sale and purchase of goods and fixed assets and services
- Agency arrangements
- Leased and hire purchase transactions.
- Transfer of R & D
- License agreements
- Financial transactions – Loans, equity, guarantee, collaterals
- Management contracts including deputation of employees.

The disclosures are given as per AS 18.

### 3.19 Leases

As a Lessee: -

Finance leases, which effectively transfers to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Profit and Loss Account. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset assessed by the management. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

As a Lessor: -

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment assets. Lease income on an operating lease is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

### 3.20 Earnings per share –

The earnings considered in ascertaining the Company's earnings per share are net profit after tax. The number of shares is considered on weighted average basis. Partly paid equity shares are treated as fraction of equity share to the extent they are entitled to participate in dividends. For the purpose of calculating dilutive EPS, the net profit attributable to equity shareholders and weighted average number of shares are adjusted for the effect of Dilutive Potential Equity shares.

### 3.21 Taxes on Income –

Provision for current Income Tax is determined in accordance with the provisions of Income Tax Act 1961. Minimum Alternate Tax (MAT) paid / provided in the year is charged to the Statement of Profit and Loss as current Tax. Deferred Tax – subject to materiality – is recognized on timing differences, being the difference between the taxable income & the accounting income that originate in one period & are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized & carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

### 3.22 Indirect Taxes –

The amounts of output liability & amounts claimed by the company as eligible input tax credit under the CGST Act, SGST Act, IGST Act, as per the books of account of the company is subject to reconciliation & correction – if any – which will be done while filing of the GST Annual return in Form GSTR 9 - to be filed before due date.

**3.23 Provisions, Contingent Liabilities & Commitments and Contingent assets –**

Provisions in respect of present obligations arising out of past events are made in accounts when reliable estimates can be made of the amounts of obligations. Provisions are not discounted to their present value and reviewed at each reporting date. Contingent liabilities & commitments are not accounted but disclosed separately. Contingent assets are neither accounted nor disclosed in the financial statements.

**3.24 Contingencies and events occurring after the Balance Sheet date –**

The existence and nature of the contingency is disclosed separately. In case where the potential loss to an enterprise can be reduced or avoided because a contingent liability is matched by a related counterclaim, the amount of the provision on account of contingent liability is determined after taking into account the probable counterclaim if no significant uncertainty as to its measurability or collectability exists.

The existence and amount of guarantees, obligations arising from discounted bills of exchange and similar obligations undertaken by an enterprise have been disclosed in financial statements by way of notes.

**3.25 Net profit or loss for the period, prior period items and changes in accounting policies -**

Profit or loss from ordinary activities & extraordinary items have been disclosed on the face of the statement of profit and loss. Extraordinary items have been disclosed in the statement of profit and loss as part of net profit or loss for the period & the nature and the amount of each extraordinary item have been separately disclosed.

The nature and the amount of a change in an accounting estimate which has a material effect in the current period & subsequent period have been disclosed or if it is impracticable to quantify the amount, that fact has been disclosed.

**3.26 Discontinuing operations**

The discontinuing operations include such operations which are discontinued pursuant to single plan or which represent major segment, or which can be distinguished operationally or financially. The Company has not discontinued any of its operations during the year.

**3.27 Interim financial reporting**

Interim Financial Reporting is applicable to the Company as per SEBI rules. The Company gives condensed set of the financial statements in the interim reporting which includes Balance Sheet, Statement of Profit & Loss, Cash flow statement, notes and other explanatory material & Comments about seasonality of interim operations – if any.

In case of Balance Sheet, the period covered is end of current interim period & comparative Balance Sheet as at the end of immediately preceding financial year.

In case of Statement of Profit & Loss, the period covered is current interim period, cumulative for current financial year to date, comparative Profit & Loss for the comparable interim period of immediately preceding financial year & comparative year to date Profit & Loss of immediately preceding financial year.

In case of cash flow statement, the period covered is current financial year to date & comparative statement for the comparable year to date period of immediately preceding financial year.



## 4. Share Capital

(₹ in lakhs)		
Particulars	31 March 2023	31 March 2022
<b>Authorised Share Capital</b>		
Equity Shares, Rs. 10 par value, 9000000 (Previous Year -9000000) Equity Shares	900.00	900.00
<b>Issued, Subscribed and Fully Paid up Share Capital</b>		
Equity Shares, Rs. 10 par value 8200000 (Previous Year -8200000) Equity Shares paid up	820.00	820.00
<b>Total</b>	<b>820.00</b>	<b>820.00</b>

- Shares held by Holding / ultimate Holding company and / or their subsidiaries / associates - Nil
- Shares reserved for issue under options - Nil
- Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date - Nil
- Securities convertible into equity/preference shares issued - Nil
- There are no unpaid calls or forfeited shares.

## (i) Reconciliation of number of shares

Particulars	31 March 2023		31 March 2022	
	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)
<b>Equity Shares</b>				
Opening Balance	8,200,000	820.00	8,200,000	820.00
<b>Issued during the year</b>	-	-	-	-
Deletion during the year	-	-	-	-
<b>Closing balance</b>	<b>8,200,000</b>	<b>820.00</b>	<b>8,200,000</b>	<b>820.00</b>

## (ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## (iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	31 March 2023		31 March 2022	
	No. of shares	In %	No. of shares	In %
<b>Name of Shareholder</b>				
Amardeepsingh T. Sethi	972000	11.85%	972000	11.85%
<b>Baljitkaur R. Sethi</b>	525000	6.40%	525000	6.40%
Hiralal K. Kalani	990000	12.07%	990000	12.07%
<b>Dharampal K. Kalani</b>	1062000	12.95%	<b>1062000</b>	<b>12.95%</b>
Kanyalal K. Kalani	1020000	12.44%	1020000	12.44%
Ramanjitkaur H. Sethi	525000	6.40%	525000	6.40%
Jagjitkaur A. Sethi	525000	6.40%	525000	6.40%

## (iv) Shares held by Promoters at the end of the year 31 March 2023

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Ratansingh T. Sethi	Equity	375000	4.57%	
Hirasingh T. Sethi	Equity	150000	1.83%	
Amardeepsingh T. Sethi	Equity	972000	11.85%	
Baljitkaur R. Sethi	Equity	525000	6.40%	
Hiralal K. Kalani	Equity	990000	12.07%	
Dharampal K. Kalani	Equity	1062000	12.95%	
Kanyalal K. Kalani	Equity	1020000	12.44%	
Ramanjitkaur H. Sethi	Equity	525000	6.40%	
Jagjitkaur A. Sethi	Equity	525000	6.40%	

**Shares held by Promoters at the end of the year 31 March 2022**

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Ratansingh T. Sethi	Equity	375000	4.57%	4.57%
Hirasingh T. Sethi	Equity	150000	1.83%	
Amardeepsingh T. Sethi	Equity	972000	11.85%	
Baljitkaur R. Sethi	Equity	525000	6.40%	
Hiralal K. Kalani	Equity	990000	12.07%	
Dharampal K. Kalani	Equity	1062000	12.95%	
Kanyalal K. Kalani	Equity	1020000	12.44%	
Ramanjitkaur H. Sethi	Equity	525000	6.40%	
Jagjitkaur A. Sethi	Equity	525000	6.40%	

**5. Reserves and Surplus**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Securities Premium</b>		
Opening Balance	550.00	550.00
Closing Balance	550.00	550.00
Statement of Profit and loss		
<b>Balance at the beginning of the year</b>	3,565.32	2,667.10
Add: Profit during the year	1,676.17	898.22
Less: Appropriation		
Short MAT Credit booked	(35.70)	-
<b>Balance at the end of the year</b>	5,277.18	3,565.32
<b>Total</b>	<b>5,827.18</b>	<b>4,115.32</b>

**6. Long term borrowings**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Secured Term loans from banks</b>		
-HDFC Bank Loan (ECLGS) - 2823	126.53	316.64
-HDFC Bank Loan (ECLGS) EX - 8178	268.75	281.93
-HDFC Bank Term Loan No. 9 - 3886	-	44.05
<b>Total continued</b>	<b>395.28</b>	<b>642.59</b>

**Long term borrowings**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Total continued from previous page</b>	395.28	598.57
-HDFC Bank Term Loan No. 9 - 3886	-	44.02
-HDFC Bank Term Loan (Solar) - 2699	337.84	-
-HDFC Bank Term Loan No. 4 - 0375	-	14.86
-HDFC Bank Term Loan No. 5 - 2195	-	144.64
-HDFC Bank Term Loan No. 8 - 3417	301.81	365.45
<b>Unsecured Loans and advances from related parties</b>		
-Inter-Corporate Loan	74.98	-
-Others	10.00	-
<b>Total</b>	<b>1,119.91</b>	<b>1,167.54</b>

## Particulars of Borrowings

Type of loan from HDFC Bank	Tenure of loan	Rate of Interest	Sanctioned Amount	EMI
HDFC Bank Loan (ECLGS) - 2823	50 months from 23/09/2020 including moratorium of 12 months for payment of principal.	8.25% till Jul-22, 9.65% in Aug-22 and 9.25% till Mar-23	567.00	17.83
HDFC Bank Loan (ECLGS) EX - 8178	62 installments from 07/02/2022 including moratorium of 24 months for payment of principal.	7.50% till Jul-22, 8.90% in Nov-22 and 9.25% till Mar-23	282.00	2.17
HDFC Bank Term Loan No. 9 - 3886	26 months from 07/08/2021	7.25% till May-22, 7.65% till Jul-22, 8.65% till Nov-22, 9.15% till Feb-23 and 9.50% till Mar-23	187.59	7.93
HDFC Bank Term Loan (Solar) - 2699	60 months from 07/03/2023	0.09	412.16	8.56
HDFC Bank Term Loan No. 4 - 0375	60 installments from 07/11/2018 including moratorium of 10 months for payment of principal.	7.25% till May-22, 7.65% in Jul-22, 8.65% till Nov-22, 9.15% till Feb-23 and 9.50% till Mar-23	1000.00	24.95
HDFC Bank Term Loan No. 5 - 2195	60 installments from 07/11/2018 including moratorium of 10 months for payment of principal.	7.25% till May-22, 7.65% in Jul-22, 8.65% till Nov-22, 9.15% till Feb-23 and 9.50% till Mar-23	1000.00	24.95
HDFC Bank Term Loan No. 8 - 3417	70 months from 07/01/2022 including moratorium of 6 months for payment of principal.	7.65% till Jul-22, 8.65% in Nov-22, 9.15% till Feb-23 and 9.50% till Mar-23	419.07	8.35

- Loan from HDFC Bank is a blanket sanction of Rs. 5,790.46 lakhs (P.Y. Rs. 5096.30 lakhs) towards working capital and term loan for business purposes.
- The loan is primarily secured by industrial property at Gat No. 45/2, 47/2, 48/2 and 50/2, Village Ranmodwadi, Walchandnagar, Taluka Indapur, Dist. Pune; Fixed Deposit for BG and LC, Plant & Machinery, Stock and Debtors.
- The loan is further collaterally secured by personal guarantees of Directors - Mr. Dharmapal K Kalani, Kanyalal K Kalani, Amardeepsingh T. Sethi, Jagjitkaur A. Sethi, Dilip Shrinivas Mutalik and Karan Vallabh Yadav.
- Amount of "Current maturities of long term debt" is disclosed under the head "Short Term Borrowings" in Note No. 9.
- The Company has not defaulted on repayment of Loan and Interest.
- Unsecured Loan includes inter-corporate loan from Sathyam Spirits Private Limited. Interest is payable @ 12% p.a. The tenure of the loan and repayment terms have not been defined and are subject to change as per mutual consent of both the parties.
- Unsecured Loan includes loan from Director - Mr. Karan Yadav. The tenure of the loan, interest and repayment terms have not been defined and are subject to change as per mutual consent of both the parties.

## 7. Deferred tax liabilities Net

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Deferred Tax Liability	804.65	764.92
<b>Total</b>	<b>804.65</b>	<b>764.92</b>



**Significant components of Deferred Tax**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Deferred Tax Liability</b>		
Difference between book depreciation and tax depreciation	215.95	137.33
Other Timing Differences	588.70	627.59
<b>Gross Deferred Tax Liability (A)</b>	<b>804.65</b>	<b>764.92</b>
<b>Deferred Tax Asset</b>		
<b>Gross Deferred Tax Asset (B)</b>	-	-
<b>Net Deferred Tax Liability (A) -(B)</b>	<b>804.65</b>	<b>764.92</b>

**Significant components of Deferred Tax charged during the year**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Difference between book depreciation and tax depreciation</b>	66.14	(6.01)
Other Timing Differences	(37.99)	(58.00)
Difference due to change in Tax Rate	-	37.01
Difference due to short provision in previous year	11.59	0.03
<b>Total</b>	<b>39.73</b>	<b>(26.98)</b>

**8. Long term provisions**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Provision for employee benefits	79.78	72.89
<b>Total</b>	<b>79.78</b>	<b>72.89</b>

Long Term Povisions include non-current provision for gratuity amounting to Rs. 64.29 lakhs (P.Y.60.50 lakhs) and leave encashment of Rs.15.49 lakhs (P.Y.12.39 lakhs).

**9. Short term borrowings**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Current maturities of long-term debt		
<b>-HDFC Bank Loan (ECLGS) - 2823</b>	<b>192.51</b>	<b>179.74</b>
<b>Total continued</b>	<b>192.51</b>	<b>179.74</b>

**Short term borrowings**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Total continued from previous page</b>	192.51	179.74
-HDFC Bank Loan (ECLGS) EX - 8178	13.25	-
-HDFC Bank Term Loan No. 9 - 3886	44.89	88.49
-HDFC Bank Term Loan (Solar) - 2699	68.86	-
-HDFC Bank Term Loan No. 4 - 0375	15.28	70.93
-HDFC Bank Term Loan No. 5 - 2195	147.42	277.95
-HDFC Bank Term Loan No. 8 - 3417	67.95	53.63
Secured Loans repayable on demand from banks		
-HDFC Bank - Overdraft	2,500.55	1,595.02
<b>Total</b>	<b>3,050.71</b>	<b>2,265.76</b>

1. In case of current maturities of short term borrowings, the nature of security & terms of repayment are disclosed under Note No. 6."Long term borrowings"
2. The overdraft facility from HDFC Bank Limited forms part of the blanket saction as mentioned in Note No. 6.The sanction amount of the loan is Rs. 2500.00 lakhs (P.Y. 2500.00 lakhs) which is extended by the bank for a period of 12 months. The loan is repayable on demand and renewable on 15/02/2024.
3. The Company has not defaulted in repayment of any loan or interest.

## 10. Trade payables

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Due to Micro and Small Enterprises</b>		
-Creditors for Capital Goods	1.77	-
-Others	24.21	18.83
<b>Due to others</b>		
-Creditors for Capital Goods	689.10	1,160.73
-Others	1,613.84	592.92
<b>Total</b>	<b>2,328.92</b>	<b>1,772.48</b>

## 10.1 Trade Payable ageing schedule as at 31 March 2023

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Class of Shares	No. of Shares	% of total shares	% Change during the year	
MSME	25.88	-	0.10	-	25.98
Others	1,549.27	91.36	1.55	660.75	2,302.94
Disputed dues- MSME					
Disputed dues- Others					
<b>Sub total</b>					<b>2,328.92</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>2,328.92</b>

## 10.2 Trade Payable ageing schedule as at 31 March 2022

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Class of Shares	No. of Shares	% of total shares	% Change during the year	
MSME	18.48	0.10		0.25	18.83
Others	555.39	12.34	303.65	882.27	1,753.65
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>1,772.48</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>1,772.48</b>

## 10.2 Micro and Small Enterprise

(Rs in lakhs)

Particulars	31 March 2023		31 March 2022	
	Principal	Interest	Principal	Interest
Amount Due to Supplier	25.98	0.79	51.35	0.46
Principal amount paid beyond appointed date		-	57.96	-
Interest due and payable for the year		0.79	-	0.46
Interest accrued and remaining unpaid		1.25	-	0.46

1. Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006 including bifurcation of Principal & Interest is provided to the extent the information about the same is available with the company.

## 11 Other current liabilities

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Income received in advance	1,115.06	341.85
Advance Received on Account of Taxes	157.19	154.28
GST Payable	26.92	14.07
TDS Payable	34.83	11.72
<b>Total</b>	<b>1,334.00</b>	<b>521.92</b>



## 12 Short term provisions

Particulars	31 March 2023	(Rs in lakhs) 31 March 2022
Provision for employee benefits	31.84	21.92
<b>Others</b>		
-Provision for Expenses	85.74	51.12
-Provision for Income Tax	592.84	109.68
<b>Total</b>	<b>710.42</b>	<b>182.72</b>

## 13. Property, Plant and Equipment

Name of Assets	Gross Block		As on 31-Mar-23	Depreciation and Amortization		Net Block	
	As on 01-Apr-22	Addition		As on 01-Apr-22	for the year	As on 31-Mar-23	As on 31-Mar-22
<b>(i) Property, Plant and Equipment</b>							
Factory Building	301.29	26.59	327.88	127.93	10.32	189.63	173.36
Office Building	37.86		37.86	8.38	0.60	28.88	29.47
Temporary Shed for Bagasse	11.37		11.37	11.37	-	0.00	0.00
Plant & Machinery	6,917.57	812.65	7,663.27	2,395.58	337.75	4,930.65	4,521.99
Vehicle	83.31	11.79	95.10	66.03	8.16	20.91	17.28
Tractor	15.09		15.09	14.27	0.82	0.00	0.82
Office Equipment	3.71		3.71	3.71	-	-	-
Furniture & Fittings	17.55		17.55	6.65	1.67	9.24	10.91
Computers	3.06	-	3.06	2.76	0.30	0.00	0.30
<b>Total</b>	<b>7,390.82</b>	<b>851.03</b>	<b>8,174.91</b>	<b>2,636.69</b>	<b>359.62</b>	<b>5,179.31</b>	<b>4,754.13</b>
<b>Previous Year</b>	<b>7,186.56</b>	<b>404.04</b>	<b>7,390.82</b>	<b>2,320.15</b>	<b>342.04</b>	<b>4,754.13</b>	<b>4,866.41</b>

## (ii) Capital Work-in-progress

## (ii) Intangible Assets under Development

1. Life of the assets is taken as prescribed in Sch. II of Companies Act 2013.

2. Property, Plant & Equipment given on lease - Nil

3. Assets retired from active use & held for disposal - Nil

4. Assets acquired through business combinations - Nil

5. Increases or decreases resulting from revaluations and from impairment losses recognized or reversed directly in revaluation surplus - Nil

6. Impairment loss recognised in the statement of Profit & Loss - Nil

7. Impairment loss reversed in the statement of Profit & Loss - Nil

8. Net exchange differences arising on the translation of the financial statements of a non-integral foreign operation in accordance with AS 11 - Nil

9. The amount of expenditure recognized in the carrying amount of an item of Property, Plant & Equipment in the course of its construction during the current financial year - Nil

10. The amount of compensation from third parties for items of Property, Plant & Equipment that were impaired, lost or given up that is included in the statement of profit and loss - Nil



11. The amount of contractual commitments for the acquisition of Property, Plant & Equipment - Nil
12. Term Loan from HDFC Bank is secured by hypothecation of Plant & Machinery and immovable property at Gat No. 45/2, 47/2, 48/2 and 50/2, Village Ranmodwadi, Walchandnagar, Taluka Indapur, Dist. Pune. The amount of charge created on these assets is Rs. 5,378.30 lakhs. The term loans amount outstanding as on 31/3/2023 is Rs. 1,585.09 lakhs (P.Y. 1,838.28 lakhs) and overdraft facility outstanding as on 31/03/2023 is Rs. 2,500.55 lakhs (P.Y. 1,595.02 lakhs)
13. Spare Parts capitalized from Inventory of the company - Nil
14. There are no changes in accounting estimates with respect to residual value or useful life or depreciation method which have effect on current or subsequent periods.
15. The depreciation is calculated on single shift basis.
16. All title deeds of immovable properties are in the name of company.
17. During the year, the Company has received a subsidy of Rs. 66.94 lakhs from Maharashtra State Package Incentive Scheme (PSI 2013). The amount of subsidy has been reduced from the gross block.

**(ii) Capital Work-in-progress****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Opening Balance	101.31	27.50
Add: Addition during the year	836.90	477.47
Less: Capitalised during the year	851.03	403.66
<b>Closing Balance</b>	<b>87.17</b>	<b>101.31</b>

**Capital Work-in-Progress Aging Schedule****(Rs in lakhs)**

Capital Work-in-Progress	Amount in CWIP for a period of				31 March 2023	Amount in CWIP for a period of				31 March 2022
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	7.13	52.55	27.50	-	87.17	73.81	27.50	-	-	101.31
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**14. Non current investments****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Unquoted Other Investments in Equity Instruments	0.26	0.26
<b>Total</b>	<b>0.26</b>	<b>0.26</b>

**14.1 Details of Investments****(Rs in lakhs)**

Name of Entity	No of Shares	31 March 2023	No of Shares	31 March 2022
Shares of Saraswat Co-op Bank Ltd at face value of Rs. 10/-	2,500	0.26	2,500	0.26

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

**15 Long term loans and advances****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Loans and advances to related parties		
-Inter - Corporate Loan	1,500.00	1,652.08
<b>Total</b>	<b>1,500.00</b>	<b>1,652.08</b>

1. Inter-corporate loans are given to companies in which the directors are interested.
2. The interest charged on this loan is at 12% p.a.
3. Since the tenure of the loan and terms of repayment are not specified, the same is repayable on demand.
4. Allowance for Bad & doubtful loans & advances has not been provided.

#### 16 Other non current assets

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Security Deposits	69.03	69.12
<b>Total</b>	<b>69.03</b>	<b>69.12</b>

#### 17 Inventories

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Raw materials	2,506.06	1,930.80
Work-in-progress	73.55	48.81
Finished goods	671.51	399.41
Stores and spares	43.32	45.68
<b>Total</b>	<b>3,294.43</b>	<b>2,424.69</b>

#### 18 Trade receivables

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Unsecured considered goodW	327.96	127.23
<b>Total</b>	<b>327.96</b>	<b>127.23</b>

#### 18.1 Trade Receivables ageing schedule as at 31 March 2023

(Rs in lakhs)

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	
Undisputed Trade receivables-considered good	304.01	15.33	8.56	-	0.06	327.96
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						<b>327.96</b>
Undue - considered good						
<b>Total</b>						<b>327.96</b>

**18.2 Trade Receivables ageing schedule as at 31 March 2022**

(Rs in lakhs)

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	
Undisputed Trade receivables-considered good	96.13	8.71	20.75	1.51	0.13	127.23
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Sub total</b>						<b>127.23</b>
<b>Undue - considered good</b>						
<b>Total</b>						<b>127.23</b>

Dues from firms or companies in which directors are interested are disclosed in Note No 36 (iii).

**19 Cash and cash equivalents**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Cash on hand	3.62	1.87
Balances with banks in current accounts	1.74	2.38
<b>Sub-Total</b>	<b>5.36</b>	<b>4.25</b>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	8.64	6.32
Deposits with original maturity for more than 12 months	6.55	8.16
<b>Total</b>	<b>20.55</b>	<b>18.73</b>

Other Bank Balances include deposits against which bank guarantees have been given. Such Cash & cash equivalent balances not available for use are Rs. 12.00 lakhs (P.Y. Rs. 12.00 Lakhs).

**20 Short term loans and advances**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Balances with Government Authorities</b>		
-Dues from Income Tax	321.33	45.49
-GST Receivable	574.88	553.38
-State Excise Account	4.03	4.28
-VAT Refund Receivable	-	22.84
Others		
-Advances to Employees	2.03	-
<b>Total</b>	<b>902.27</b>	<b>625.99</b>

**21 Unbilled Revenue**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Unbilled Revenue Receivable	-	90.00
<b>Total</b>	<b>-</b>	<b>90.00</b>



## 22 Other current assets

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Interest receivable	27.05	26.21
Prepaid Expenses	46.36	39.88
Trade Advance	4,621.19	1,753.91
<b>Total</b>	<b>4,694.60</b>	<b>1,820.00</b>

Assets other than property, plant & equipment, Intangible assets and non-current investments that do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated - Nil

## 23 Revenue from operations

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Sale of products</b>		
-Manufacturing - Domestic	10,813.08	10,754.16
-Manufacturing - Export	1,018.73	367.24
-Trading	1,562.00	584.77
<b>Sale of services</b>		
-Manufacturing Services	496.12	43.63
-Unbilled Revenue	(90.00)	90.00
Other operating revenues		
-Scrap Sale	1.24	-
Others		
- Less- Goods and Service Tax	(1,929.02)	(1,738.52)
<b>Total</b>	<b>11,872.15</b>	<b>10,101.28</b>

1. Postponement of revenue on account of significant uncertainties - Nil.

2. Circumstances which necessitate postponement of revenue - NA

## 24 Other Income

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Interest Income	177.27	154.55
Dividend Income	0.05	0.05
<b>Others</b>		
-Commission Income	179.62	-
-Others	0.12	0.03
<b>Total</b>	<b>357.06</b>	<b>154.63</b>

## 25 Cost of Material Consumed

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Raw Material Consumed</b>		
Opening stock	1,930.80	1,248.21
Purchases	5,689.59	6,111.17
Less: Closing stock	2,506.06	1,930.80
<b>Total</b>	<b>5,114.32</b>	<b>5,428.58</b>
<b>Stores &amp; Spares consumed</b>		
Opening stock	45.68	36.91
Purchases	376.41	335.48
Less: Closing stock	43.32	45.68
<b>Total</b>	<b>378.77</b>	<b>326.71</b>
<b>Total</b>	<b>5,493.09</b>	<b>5,755.29</b>

1. Purchases of Raw Material includes transport cost of Rs. 807.68 lakhs (P.Y. - Rs. 820.89 lakhs) and other direct expenses of Rs. 260.00 lakhs (P.Y. - Nil).
2. Purchases of Stores & Spares includes transport cost of Rs. 7.41 lakhs (P.Y. - Rs. 4.76 lakhs).
3. The Company has changed the method of valuation of inventories from FIFO method to weighted average method. As a result of this change in policy, the valuation of inventories has decreased by Rs. 188.37 lakhs as on 31st March 2023.

**26 Purchases of stock in trade****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Trading Purchases	1,002.05	342.52
<b>Total</b>	<b>1,002.05</b>	<b>342.52</b>

**27 Change in Inventories of work in progress and finished goods****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
<b>Opening Inventories</b>		
Finished Goods	399.41	352.72
Work-in-progress	48.81	67.27
<b>Less: Closing Inventories</b>		
Finished Goods	671.51	399.41
Work-in-progress	73.55	48.81
<b>Total</b>	<b>(296.84)</b>	<b>(28.23)</b>

**28 Employee benefit expenses****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
<b>Salaries and wages</b>		
-Compensation to Deceased Employees	7.00	11.08
-Directors Remuneration	60.00	60.00
-Salaries and Wages	195.61	149.85
Contribution to provident and other funds	10.60	10.99
Staff welfare expenses	3.56	1.69
<b>Total</b>	<b>276.77</b>	<b>233.61</b>

**Defined Contribution Plan****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Employers Contribution to Provident Fund	3.05	2.90
Employers Contribution to Pension Scheme 1995	5.44	5.11
Employers Contribution to Superannuation Fund	-	-
Employers Contribution to Employee State Insurance	2.09	2.96
Employers Contribution to Labour Welfare Fund	0.02	0.02

**Defined Benefit Plan****Changes in the present value of the defined benefit obligation in respect of Gratuity (funded)****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Defined Benefit Obligation at beginning of the year	68.80	60.60
Current Service Cost	3.83	3.45
Interest Cost	4.82	3.82
Actuarial (Gain) / Loss	(4.30)	0.93
<b>Defined Benefit Obligation at year end</b>	<b>73.15</b>	<b>68.80</b>

**Reconciliation of present value of defined benefit obligation and fair value of assets**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Present value obligation as at the end of the year	73.15	68.80
Unfunded net liability recognized in balance sheet	(73.15)	(68.80)
<b>Amount classified as:</b>		
Short term provision	8.85	8.30
Long term provision	64.29	60.50

**Expenses recognized in Profit and Loss Account**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Current service cost	3.83	3.45
Interest cost	4.82	3.82
Net actuarial loss/(gain) recognized during the year	(4.30)	0.93
<b>Total expense recognised in Profit and Loss</b>	<b>4.35</b>	<b>8.20</b>

**Actuarial assumptions**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Discount Rate	7.50%	7.00%
Expected Rate of increase in Compensation Level	7.00%	7.00%
Mortality Rate	IALM(2012-14) ult	IALM(2012-14) ult
Retirement Rate	58 Years	58 Years
Average Attained Age	44.76	46.44
Withdrawal Rate	2.00%	2.00%

**General Description of the Plan**

- The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on respective employees' salary and tenure of employment with the Company. Liabilities with regard to the gratuity plan are determined by actuarial valuation performed by an independent actuary at each Balance sheet date using 'Projected Unit Credit' method.
- The gratuity liability is unfunded and is accounted for on the basis actuarial valuation.

**Net assets/liability & actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets (Rs in lakhs)**

Particulars	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
PBO			60.60	68.80	73.15
Net assets/(liability)			(60.60)	(68.80)	(73.15)
Experience gain/(loss) on PBO				3.84	(2.41)

**Leave Encashment**
**Reconciliation of present value of defined benefit obligation**

Particulars	31 March 2023	31 March 2022
Present value obligation as at the beginning of the year	-	-
Increase/ (Decrease) in interest cost, current service cost and actuarial (gain)/loss	17.05	13.95
Present value obligation as at the end of the year	17.05	13.95
<b>Amount classified as:</b>		
Short term provision	1.56	1.56
Long term provision	15.49	12.39



**Actuarial assumptions**

Particulars	31 March 2023	31 March 2022
Discount Rate	7.50%	7.00%
Expected Rate of increase in Compensation Level	7.00% IALM(2012-14) ult	7.00% IALM(2012-14) ult
Mortality Rate		
Retirement Rate	58 years	58 years
Average Attained Age 4	4.76 years	46.44 years
Withdrawal Rate (p.a.)	2.00%	2.00%

**General Description of the Plan**

- The Company provides for leave encashment, a defined benefit obligation covering eligible employees. The leave encashment plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on respective employees' salary and number of unused leaves accumulated during the tenure of employment with the Company. Liabilities with regard to the leave encashment plan are determined by actuarial valuation performed by an independent actuary at each Balance sheet date using 'Projected Unit Credit' method.
- The leave encashment liability is not funded. Hence, there is no gain or loss on the plan assets. However, the actuarial gain or loss as reported arises on account of changes in actuarial assumptions and/ or demographic changes in the population profile.

**29 Finance costs**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Interest expense</b>		
-Interest on Inter-corporate Loans	162.78	69.56
-Interest on Term Loan	149.61	144.25
-Interest on Working Capital Loans	123.36	84.27
-MSME Interest	0.79	0.46
Other borrowing costs		
-Bank Charges	15.25	10.58
<b>Total</b>	<b>451.79</b>	<b>309.12</b>

**30 Depreciation and amortization expenses**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Depreciation	358.91	342.04
<b>Total</b>	<b>358.91</b>	<b>342.04</b>

**31 Other expenses**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Auditors' Remuneration	6.00	4.00
Administrative expenses	6.92	1.95
Advertisement	1.90	1.53
Conveyance expenses	0.14	0.19
Freight Inward	0.20	0.17
Freight outward	248.56	260.73
Insurance	14.87	18.00
Manufacturing Expenses	29.62	54.70



Power and fuel	1,274.52	1,146.58
Professional fees	61.96	37.49
<b>Rent</b>		
-House Rent	1.52	2.66
-Machinery Rent	19.55	11.31
Repairs to buildings	3.83	0.19
Repairs to machinery	161.03	55.94
Repairs others	227.00	31.31
Rates and taxes	89.97	54.85
Selling & Distribution Expenses	75.83	66.64
Travelling Expenses	8.99	4.19
<b>Total continued</b>	<b>2,232.41</b>	<b>1,752.43</b>

**Other expenses****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
<b>Total continued from previous page</b>	2,232.41	1,752.43
CSR Expenses	14.50	9.29
GST Assessment Dues	3.34	-
Labour Charges	29.69	24.98
Labour Charges ( Contractor )	67.64	72.04
Licence Fee	16.00	13.15
Preliminary Expenses W/off	-	0.35
ROC Charges	0.40	0.22
Settlement Expenses	3.50	-
Water Charges	116.23	133.96
<b>Total</b>	<b>2,557.66</b>	<b>2,008.03</b>

**32 Tax Expenses****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
<b>Current Tax</b>		
-Current Tax	592.84	230.46
-MAT Credit Entitlements	76.87	213.43
Deferred Tax		
-Deferred Tax	39.73	(26.98)
Excess/Short Provision Written back/off		
-Income Tax Provision Short / (Excess)	0.17	3.90
<b>Total</b>	<b>709.61</b>	<b>420.81</b>

**33 Earning per share****(Rs in lakhs)**

Particulars	31 March 2023	31 March 2022
Profit attributable to equity shareholders (Rs in lakhs)	1,676.17	898.22
Weighted average number of equity shares	82,00,000	82,00,000
Earnings per share basic (Rs)	20.44	10.95
Earnings per share diluted (Rs)	20.44	10.95
Face value per equity share (Rs)	10	10

**34 Auditors' Remuneration**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Payments to auditor as</b>		
- Auditor	6.00	4.00
- for other services	0.88	-
<b>Total</b>	<b>6.88</b>	<b>4.00</b>

**35 Contingent Liabilities and Commitments**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Claims against the Company not acknowledged as debt		
- Income tax demands	1.88	1.88
- Indirect tax demands	1,782.31	1,782.31
Bank Guarantee	12.00	12.00
<b>Total</b>	<b>1,796.19</b>	<b>1,796.19</b>

- Contingent liability on account of income tax demands relate to short deduction of TDS Rs. 0.64 lakh, short payment of TDS Rs. 0.07 lakh, Interest on late payment, short deduction and interest u/s 220(2) amounting to Rs 0.76 lakh for various periods and the Late filling fees u/s 234E is amounting to Rs. 0.41 lakh. The liability is uncertain relating to its outflow as it depends upon rectification of defaults on traces by filing revised TDS returns for various periods. There is no possibility of reimbursement of the expenses if the liability is crystallised.
- Contingent liability on account of indirect tax demands relate to liability of MVAT against which Writ Petition is pending in the Hon'ble High Court. Possibility of reimbursement is to the extent of advances received on account of taxes in Note no. 11.
- Bank guarantee is given to Maharashtra Pollution Control Board of HDFC Bank. There is uncertainty of outflow because the guarantees will be invoked by the bank in case of non-performance / violation of agreed terms by the Company. There is no possibility of reimbursement.

**36 Related Party Disclosure****(i) List of Related Parties****Relationship**

Brihan Karan Sugars Syndicate Private Limited	Common Director
Karan Bottling Company Private Limited	Common Director
Karan Agencies	Proprietary of Director
Nevitad Distilleries Private Limited	Common Director
Satyam Sprints Private Limited	Common Director
Metri Distilleries LLP	Common Director
New Phaltan Sugars Works Distillery Division Ltd	Common director
Karan Sugars Private Limited	Common director
Dharampal Kalani	Key Managerial Personnel
Amardeep Singh Sethi	Key Managerial Personnel
Tanaji Yadav	Key Managerial Personnel
Karan Yadav	Key Managerial Personnel
Bharat Distilleries Private Limited	Common Director
Chanakya Beverages Private Limited	Common Director
Chemstock Organics Private Limited	Common Director
Dhirendra Memorial Hospital Private Limited	Common Director
Healthplus Food Products LLP	Common Director





Innovative Hydroponics Private Limited	Common Director
Kalani Packaging Industries Private Limited	Common Director
Kanuhira Finance Private Limited	Common Director
Karan Distilleries Private Limited	Common Director
Karan Liquors Private Limited	Common Director
Machpack Enterprises Private Limited	Common Director
Metri Constro Projects Limited Liability Partnership	Common Director
Neptune Warehousing Services LLP	Common Director
Nysa Farms And Agro LLP	Common Director
Owl Green Services Private Limited	Common Director
Priparth Developers LLP	Common Director
Rukhmini Beverages Private Limited	Common Director
Shree Nivesh Finvest Private Limited	Common Director
Tango Flavours & Services LLP	Common Director
Triloksons Resources Private Limited	Common Director

**(ii) Related Party Transactions****(Rs in lakhs)**

Particulars	Relationship	31 March 2023	31 March 2022
<b>Directors Remuneration</b>			
- Dharampal Kalani	Key Managerial Personnel	24.00	24.00
- Amardeep Singh Sethi	Key Managerial Personnel	24.00	24.00
- Tanaji Yadav	Key Managerial Personnel	6.00	6.00
- Karan Yadav	Key Managerial Personnel	6.00	6.00
Purchase of Chemical			
- Karan Agencies	Proprietary of Director	-	3.54
<b>Sale of SDS</b>			
- New Phaltan Sugars Works Distillery Division Ltd	Common director	864.51	620.50
- Karan Sugars Private Limited	Common director	-	35.96
<b>Interest received</b>			
- New Phaltan Sugars Works Distillery Division Ltd	Common director	173.64	148.67
- Satyam Sprits Private Limited	Common Director	0.22	0.33
<b>Loan given (Net)</b>			
- New Phaltan Sugars Works Distillery Division Ltd	Common director	87.00	400.45
- Satyam Sprits Private Limited	Common Director	-	239.08
<b>Interest Paid</b>			
- Satyam Sprits Private Limited	Common Director	75.18	61.22
<b>Loan Taken (Net)</b>			
- Satyam Sprits Private Limited	Common Director	74.98	-
<b>Brokerage and Commission Paid</b>			
- Metri Distilleries LLP	Common Director	325.00	-
<b>Financial Transaction</b>			
- Metri Distilleries LLP	Common Director	685.00	-

**(iii) Related Party Balances**

		(Rs in lakhs)	
Particulars	Relationship	31 March 2023	31 March 2022
<b>Advance on Account of Taxes</b>			
- Brihan Karan Sugars Syndicate Private Limited	Common Director	55.12	55.12
- Karan Bottling Company Private Limited	Common Director	28.54	28.54
- Nevitad Distilleries Private Limited	Common Director	6.54	6.54
- Karan Agencies	Proprietary of Director	11.32	11.32
<b>Trade Receivable</b>			
- New Phaltan Sugars Works Distillery Division Ltd	Common director	106.49	46.13
- Karan Sugars Private Limited	Common director	0.01	0.01
<b>Inter Corporate Loan given</b>			
- New Phaltan Sugars Works Distillery Division Ltd	Common director	1,500.00	1,413.00
- Satyam Sprits Private Limited	Common Director	-	239.08
<b>Inter Corporate Loan taken</b>			
- Satyam Sprits Private Limited	Common Director	74.98	-
<b>Trade Payables</b>			
- Metri Distilleries LLP	Common Director	743.80	-

- Balances of Brihan Karan Sugar Syndicate Private Limited, Karan Bottling Company Private Limited, Nevitad Distilleries Private Limited and Karan Agencies are related to advances on accounts of taxes. Payments received from this parties is tax difference on sale of goods. The same case were already in High Court. After the results of the case the accounts will be settled as mutually agreed by both the parties.
- No provision for Doubtful debts in respect of related party transaction is required during the year.
- The Company has not written off or written back any amount in respect of related parties.

**37 Utilization of amount raised by borrowing from Banks or FI for specific purpose**

(Rs in lakhs)

Particulars	31 March 2023	31 March 2022
Amount raised by borrowing from Bank or FI	412.16	888.60
Amount utilized for the purpose for which borrowing was raised	412.16	888.60
Amount not utilized for the purpose for which borrowing was raised	-	-
<b>Total</b>	<b>824.32</b>	<b>1,777.20</b>

**38 Loans and Advances given to Related Parties**

Type of Borrower	31 March 2023		31 March 2022	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Related Parties	1,524.80	0.00%	1,652.08	0.00%
<b>Total</b>	<b>1,524.80</b>	<b>0.00</b>	<b>1,652.08</b>	<b>0.00</b>

**39 Security of Current Assets Against Borrowings**

The overdraft facility from HDFC Bank is secured by hypothication of Stock and Debtors.

Particulars	June, 2022	September, 2022	December, 2022	March, 2023
Current Assets as per Quarterly Return filed with Bank	7,549.59	8,434.24	5,826.71	6,105.04
<b>Add:</b>				
Valuation Difference	-	-	-	46.57
Difference due to Physical verification	-	-	53.81	-
Increase in Net Current Assets	56.38	54.41	405.10	-
<b>Less:</b>				
Valuation Difference	-	158.40	-	-
Decrease in Net Current Assets	-	-	-	160.78
<b>Current Assets as per Books of Account</b>	<b>7,605.97</b>	<b>8,330.25</b>	<b>6,285.62</b>	<b>5,990.83</b>

The Current Asset Statement is required to be submitted to Bank before 7th of the subsequent month while the net current assets in the books of accounts crystallise after generation of GSTR - 2B report which reflects the purchase bills. As a result, there is a difference in the stock valuation and net current assets position submitted to the Bank as compared to the books of accounts.

#### 40 Registration of Charge

The sanctioned limit and disbursement of borrowings of the Company has been enhanced by Rs. 412.16 lakhs. The same has not been registered with ROC within the stipulated time due to technical errors. The management is in the process of resolving the same.

#### 41 Ratio Analysis

Ratios	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	1.24	1.08	15.59%	The ratio has improved during the year. However, there is no significant variation as the variance is less than 25%.
Debt-Equity ratio (in times)	Debt consists of Long Term borrowings and Short Term borrowings	Total equity	0.63	0.70	-9.81%	The ratio has improved during the year. However, there is no significant variation as the variance is less than 25%.
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	3.77	1.74	116.44%	The ratio has improved during the year on account of increase in profit after tax.
Return on equity ratio (in %)	Profit for the year less Preference dividend (Excluding exceptional item)	Average total equity	29%	20%	44.54%	The ratio has improved during the year on account of increase in profit after tax.
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	1.83	2.76	-33.96%	The variance is on account of reduction in consumption.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	52.16	68.90	-24.29%	There is no significant variation as the variance is less than 25%.
Trade payables turnover ratio (in times)	Cost of purchases + Other expenses	Average trade payables	4.21	4.85	-13.27%	There is no significant variation as the variance is less than 25%.
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	6.54	27.77	-76.45%	The variance is on account of trade advances given to suppliers of raw material for the next financial year.
Net profit ratio (in %)	Operating Profit for the year (Excluding exceptional Items)	Revenue from operations	13.71%	8.76%	56.50%	The variance is on account of decrease in cost of raw material purchased
Return on capital employed (in %)	Profit before tax and finance costs (Excluding exceptional Items )	Capital employed = Net worth + Total Debt + Deferred tax liabilities	24.41%	17.83%	36.96%	The variance is on account of increase in net worth.
Return on investment (in %)	Income generated from invested fund	Average invested fund	19.01%	19.01%	0.00%	There is no significant variation as the variance is less than 25%.

**42 CSR Expenditure**

Particulars	31 March 2023	31 March 2022
Amount required to be spent by the company during the year	14.56	11.83
Amount of expenditure incurred	14.50	9.00

**Nature of CSR activities**

1. Gross amount required to be spent as per section 135 of the Companies Act, 2013 – Rs. 14.56 lakhs (P.Y. Rs. 11.83 lakhs)
2. Excess expenditure incurred in earlier years set off against current year - Rs. 0.44 lakhs (P.Y. Rs. 3.27 lakhs). Balance amount available for set off in subsequent years - Rs. 0.38 lakhs (P.Y. Rs. 0.44 lakhs).
3. Rs. 1 lakh donation given to Saad Foundation and Rs. 13.50 lakhs paid to Dashmesh Soceity.

**43 Other Regulatory Disclosures as per the Companies Act, 2013**

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
2. The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
3. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
4. The company does not have any subsidiaries and hence compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not attracted.
5. The Company has not entered into any scheme of arrangements.
6. Loans/advances/investment out of borrowed fund/share premium/any other source of fund, to any person, including foreign entity, with intention of further investment/loan/guarantee/security on behalf of the Company - Nil
7. Amount received by the Company as Loans/advances/investment, from any person, including foreign entity, with intention of further investment/loan/guarantee/security on behalf of the such funding party - Nil
8. The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.
9. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

**44 Segment Reporting**

1. Though the Company has two business segments namely, distillery division and potash division, the turnover of potash division is less than 10% of the total turnover. Hence, segment reporting for business segment as primary segment is not required to be disclosed.
2. In terms of secondary segment being geographical segment, separate disclosure is not required as the turnover of exports is less than 10% of the total turnover.

**For and on behalf of the Board****For HMA & Associates**

Chartered Accountants

Firm's Registration No. 100537W

**Dharampal K. Kalani**  
Managing Director  
DIN - 00041021

**Amardeepsingh T. Sethi**  
Wholetime Director  
DIN - 00097644

**CA Anand D. Joshi**

Partner

Membership No. 113805

**Uday B. Hemade**  
Chief Financial Officer

**CS. Komal Shendge**  
Company Secretary

UDIN: 23113805BGWGDH8212

Place: Pune

Date: 27 May 2023

Place: Pune  
Date: 27 May 2023





# NOTICE

**NOTICE** is hereby given that the 23<sup>rd</sup> Annual General Meeting (the "AGM") of the Members of Aurangabad Distillery Limited will be held on Saturday, 30<sup>th</sup> September 2023 at 1:00 P.M. at A/P Walchandnagar, Tal. Indapur, Pune - 413114, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended on 31<sup>st</sup> March 2023 together with the Report of Board of Directors and Report of Auditors thereon.
2. To appoint Mr. Dharampal Kimatram Kalani (DIN: 00041021), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Tanaji Haribhau Yadav (DIN: 07989992), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **Ratification of remuneration payable to M/s. Dargad & Associates., Cost Auditors of the Company for the Financial Year 2023-24.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the members of the Company hereby approve the aggregate remuneration of Rs. 50,000/- plus applicable taxes and out of pocket expenses, as recommended by the Audit Committee and approved by the Board of the Company, payable to M/s. Dargad & Associates, Cost Accountants (Firm Registration No. 003482) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified."

5. **To consider re-appointment of Mr. Avinash Nivrutti Salunke (DIN: 03586610) as an Independent Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV to the Companies Act, 2013, consent of members of the Company be and is hereby accorded for reappointment of Mr. Avinash Nivrutti Salunke (DIN:03586610), as an Independent Director of the Company to hold the office for a period of one [1] year from 13<sup>th</sup> November 2022 to

12<sup>th</sup> November 2023 (both days inclusive), subject to Mr. Avinash Nivrutti Salunke (DIN: 03586610) satisfying the criteria of independence in terms of the Companies Act, 2013, Rules made there under and that he shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Avinash Nivrutti Salunke shall not be entitled to any stock option and may receive remuneration by way of fee specified under Section 197(5) of the Companies Act, 2013 and reimbursement of expenses for participation in the Board and other meetings."

**"RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to sign and file necessary e-Forms with respect to this re-appointment with Registrar of Companies, Pune."

**"RESOLVED FURTHER THAT** any Director of the Company/Company Secretary be and is hereby authorized to give true copy of this resolution whenever required and to do such other acts, deeds and things as may be required to give effect to afore said resolution."

6. **To obtain Approval of the Shareholders for giving loan under Section 185 of the Companies Act, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Section 185(2) of the Companies Act, 2013 read with rules made thereunder (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and all other applicable provisions of Companies Act 2013, approval of the Members of the Company be and is hereby accorded for advancing loan to New Phaltan Sugar Works Distillery Division Limited to be utilized for its principal business activity, up to maximum amount of Rs. 30,00,00,000/- (Rupees Thirty Crore only)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorised to negotiate, finalize and agree the terms and conditions of the aforesaid loan(s), and to take all necessary steps, to execute all such documents, deeds, instruments and writings and to do all such acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto, as the Board may think fit and suitable."

**For Aurangabad Distillery Limited**  
**Amardeepsingh Sethi**  
**Chairman & Whole time Director**  
**DIN: 00097644**

Date: 4<sup>th</sup> September 2023  
 Place: Chhatrapati Sambhajanagar

**NOTES:**

1. The Notice of the AGM along with the Annual Report of Financial Year 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Private Limited/Depositories.
2. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and to vote only on a poll instead of himself / herself and such proxy need not be a member of the company. A proxy form in order to be effective shall be deposited at the corporate office of the Company not less than 48 hours before the meeting.
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Items No. 4, 5, and 6 of the Notice, is annexed hereto.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the AGM.
6. Members are requested to bring their personal copy of the Annual Report to the meeting.
7. Queries on financial statements and/ or operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the AGM.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Register of Members and Transfer Books of the Company will be closed from 23<sup>rd</sup> September 2023 to 30<sup>th</sup> September 2023 both days inclusive.
10. Duly completed and signed Ballot Forms shall reach the Scrutinizer before the AGM date. Alternatively, the Ballot form can also be deposited in the box to be made available at the venue during the AGM. The Ballot Forms received after the AGM date shall be strictly treated as if the reply from the Member has not been received.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Board of Directors has appointed Mr. Jayesh Parmar, (Membership No. FCS 11745) Partner of M/s. Prajot Tungare & Associates, Company Secretaries, Pune as the Scrutinizer to scrutinize the voting at the meeting in a fair and transparent manner.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the Registrar at investor@bigshareonline.com in case the shares are held in physical form, quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
14. Members who wish to inspect the relevant documents referred above and, in the Notice, can send an email to cs@aurangabaddistillery.com up to date of this AGM.
15. Members / investors may contact the Company on the designated E-mail ID: cs@aurangabaddistillery.com for faster action from the Company's end.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at <https://aurangabaddistillery.com> Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar & Transfer Agents at investor@bigshareonline.com in case the shares are held in physical form, quoting your folio no.
17. Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately off:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete bank name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar & Transfer Agents.
19. Route Map showing directions to reach to the venue of the 23<sup>rd</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

## EXPLANATORY STATEMENT

### (Pursuant to Section 102 of the Companies Act, 2013)

As required under provisions of Section 102 of the Companies Act, 2013 the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice:

#### Item No. 4

#### **Ratification of remuneration payable to M/s. Dargad & Associates., Cost Auditors of the Company for the Financial Year 2023-24.**

The Board of Directors, on recommendation of the Audit Committee have appointed M/s. Dargad & Associates., Cost Accountants (Firm Registration No. 003482), Cost Accountants, as the Cost Auditors for audit of cost accounting records of the Company for the financial year ended 31<sup>st</sup> March 2024, at a remuneration amounting to Rs. 50,000/- (Rupees Fifty Thousand Only) excluding reimbursement of out-of-pocket expenses and applicable tax. In terms of provisions of Section 148 of the Companies Act, 2013, Members' ratification is required for remuneration payable to the Cost Auditor.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

#### Item No. 5

#### **To consider re-appointment of Mr. Avinash Nivrutti Salunke (DIN: 03586610) as an Independent Director.**

The Board of Directors had received recommendation from the Nomination and Remuneration Committee regarding the re-appointment of Mr. Avinash Nivrutti Salunke (DIN: 03586610) as an Independent Director to be appointed under the

provisions of Section 149 and 152 of the Companies Act, 2013. After considering the performance evaluation of Mr. Avinash Nivrutti Salunke, the Board of Directors at its meeting held on 14<sup>th</sup> November 2022 recommended the re-appointment of Mr. Avinash Nivrutti Salunke as an Independent Director for the second term of 1 (One) year with effect from 13<sup>th</sup> November 2022 to 12<sup>th</sup> November 2023 (both days inclusive).

The Company has received from Mr. Avinash Nivrutti Salunke consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and declaration on criteria of Independence as per Section 149(6) of the Companies Act, 2013. The Resolution seeks the approval of members for the re-appointment of Mr. Avinash Nivrutti Salunke.

Pursuant to Section 149 and other applicable provisions of the Companies Act 2013, Rules made there under, he shall not be liable to retire by rotation. In the opinion of the Board of Directors, Mr. Avinash Nivrutti Salunke who is proposed to be re-appointed, as an Independent Director, fulfil the conditions for appointment of Independent Director specified in the Companies Act, 2013 and the Rules made hereunder.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Avinash Nivrutti Salunke, the Shareholders are requested to approve the re-appointment of Mr. Avinash Nivrutti Salunke as an Independent Directors for a second term of 1 (one) year with effect from 13<sup>th</sup> November 2022.

Information pursuant to Regulation 36(3) of the SEBI Listing Obligation and Disclosure Requirements, 2015

Sr. No.	Particulars	Information
1.	Brief resume of the Director	<p>Resume of Avinash Nivrutti Salunke</p> <p><b>Profile:</b> Highly accomplished and dedicated professional with over 15 years of valuable experience in the pesticide industry. Strong expertise in managing operations, sales, and production, combined with a comprehensive understanding of the market trends and regulatory landscape. Committed to delivering exceptional results through strategic planning and team leadership.</p> <p><b>Education:</b> Bachelor of Commerce (B. Com)</p> <p><b>Experience:</b> More than 15 years of progressive experience in the pesticide industry.</p> <p><b>Notable Achievements:</b> Successfully led and executed several high-profile projects, resulting in increased market share and revenue growth. Implemented cost-effective measures in production, leading to improved efficiency and reduced overheads. Fostered strong client relationships, resulting in a loyal and expanding customer base.</p> <p><b>Date of Birth:</b> 24<sup>th</sup> May 1968</p>
2.	Nature of expertise in specific functional areas	Mr. Avinash Nivrutti Salunke possesses a deep understanding of the day-to-day operations involved in the pesticide industry. He is well-versed in overseeing manufacturing processes, quality control, supply chain management, and optimizing overall operational efficiency. Also, he has developed a keen eye for market trends and analysis within the pesticide industry. He can identify emerging opportunities and potential threats, enabling him to make well-informed business decisions.
3.	Disclosure of relationship between directors inter-se	NA
4.	Names of listed in which the Director holds the directorship and the membership of the Committees of the Board (along with listed entities from which the director has resigned in the past three years).	NA

5.	Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	NA
6.	The skills and the capabilities required for the independent directors' role and the manner in which the proposed director meets such requirement	<p>The role of an independent director is crucial in ensuring transparency, accountability, and effective corporate governance within a company. Independent directors are expected to bring diverse skills, expertise, and experience to the boardroom, providing unbiased oversight and guidance.</p> <p>Independent directors must contribute to the company's strategic planning and vision. Avinash Salunke's experience in strategic planning within the pesticide industry showcases his ability to think critically and make valuable contributions to the company's direction.</p> <p>Independent directors should uphold high ethical standards and demonstrate strong leadership qualities. Avinash Salunke's experience in team leadership and his commitment to delivering exceptional results highlight his potential in this area.</p>

The Board recommends the Special Resolution set out at Item No.5 for the approval of Members.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Avinash Nivrutti Salunke for whom the Resolution relates, are interested or concerned in the Resolution.

#### Item No. 6

#### To obtain Approval of the Shareholders for giving loan under Section 185 of the Companies Act, 2013

As per the provisions of Section 185 of the Companies Act, 2013, loan can be advanced to any person in whom the Directors of the Company are interested subject to the condition that special resolution is passed by the Company in general meeting and the loans are utilized by the borrowing company for its principal business activities.

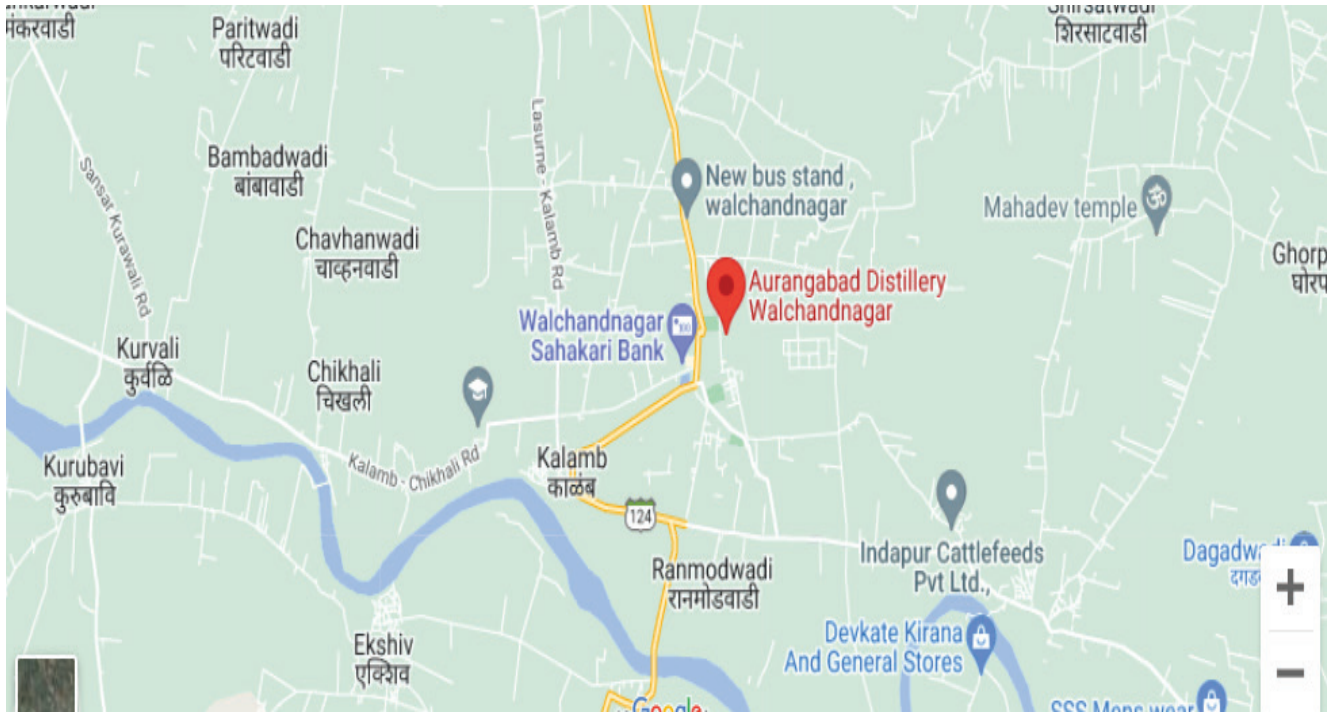
Particulars of the transaction pursuant to proviso to the sub section 2 of Section 185 of Companies Act 2013 are as below –

- a) Name of the party to whom loan is advanced:  
New Phaltan Sugar Works Distillery Division Limited
- b) Name of the Director who are interested:  
Mr. Amardeepsingh Sethi  
Mrs. Jagjitkaur Sethi
- c) Amount of the loan(s) to be advanced:  
Rs. 30,00,00,000/- (Rupees Thirty Crores Only)
- d) Nature of interest:  
Mr. Amardeepsingh Sethi is a Director in Aurangabad Distillery Limited & New Phaltan Sugar Works Distillery Division Limited.  
Further, Mrs. Jagjitkaur Sethi being relative of Mr. Amardeepsingh Sethi is interested in the aforesaid resolution.
- e) Purpose for which the loan is advanced:  
New Phaltan Sugar Works Distillery Division Limited is a molasses-based distillery and said loan is advanced for the principal business activities of New Phaltan Sugar Works Distillery Division Limited which is manufacturing of rectified spirit; ethanol etc. Both the companies are in similar business line and the directors of your company foresee a long-term business association.  
The Board recommends the Special Resolution set out at Item No.6 for the approval of Members.  
None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Mr. Amardeepsingh Sethi and Mrs. Jagjitkaur Sethi is/are concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their shareholding, if any, in the Company.





**ROUTE MAP OF VENUE OF ANNUAL GENERAL MEETING**



**PROXY FORM****MGT-11**

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

**AURANGABAD DISTILLERY LIMITED**

CIN: L55000PN2000PLC177314

A/P Walchandnagar, Tal. Indapur, Pune - 413114

Tel: +91 – 02118-252507, +91-02118-252504

[csaurangabaddistillery@gmail.com](mailto:csaurangabaddistillery@gmail.com) | [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

**23<sup>rd</sup> Annual General Meeting**

Name of the member(s)

Registered address

Email

Folio no./ClientID

DPID

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

1. Name..... Address.....

EmailId..... Signature.....

or failing him/ her;

2. Name..... Address.....

E-mail Id..... Signature.....

or failing him/ her;

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 23<sup>rd</sup> Annual General Meeting of the Members of Aurangabad Distillery Limited to be held on Saturday, the 30<sup>th</sup> September 2023 at 1:00 P.M. at A/P. Walchandnagar, Tal. Indapur, Pune - 413114 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution
Ordinary Business	
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended on 31 <sup>st</sup> March 2023 together with the Report of Board of Directors and Report of Auditors thereon.
2.	To appoint Mr. Dharampal Kimatram Kalani (DIN: 00041021), who retires by rotation and being eligible, offers himself for re-appointment.
3.	To appoint Mr. Tanaji Haribhau Yadav (DIN: 07989992), who retires by rotation and being eligible, offers himself for re-appointment.
Special Business	
4.	Ratification of remuneration payable to M/s. Dargad & Associates., Cost Auditors of the Company for the Financial Year 2023-24.
5.	To consider re-appointment of Mr. Avinash Nivrutti Salunke (DIN: 03586610) as an Independent Director.
6.	To obtain Approval of the Shareholders for giving loan under Section 185 of the Companies Act, 2013.

Signed this..... day of.....2023.

.....Signature of the member

.....Signature of the proxy holder(s)

**Notes:**

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company at A/P. Walchandnagar, Tal. Indapur Pune - 413114 and addressed to "The Company Secretary", Not less than 48 hours before the Annual General Meeting.***

**ATTENDANCE SLIP**  
**AURANGABAD DISTILLERY LIMITED**

CIN: L55000PN2000PLC177314

A/P Walchandnagar, Tal. Indapur, Pune 413114

Tel: +91 – 02118-252507, +91-02118-252504

[csaurangabaddistillery@gmail.com](mailto:csaurangabaddistillery@gmail.com) | [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

**23<sup>rd</sup> Annual General Meeting**

Registered Folio no./DPID no./Client ID no.:

Number of shares held

I certify that I am a member/proxy/authorized representative for the member of the Company.

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company at the A/P. Walchandnagar, Tal. Indapur, Pune - 413114 on Saturday, 30<sup>th</sup> September 2023.

.....

.....

Name of the member/proxy

Signature of the member/proxy

(In BLOCK letters)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.



## **Aurangabad Distillery Limited**

A/P Walchandnagar, Tal. Indapur, Pune - 413114

Tel: +91 – 02118-252507, +91-02118-252504

website : [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)