



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the members of **SULA VINEYARDS PRIVATE LIMITED** (CIN: U15549MH2003PTC139352) will be held on **Friday, 30th July, 2021 at 1.00 p.m. (IST)** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) - at the Registered Office of the Company at **901, HUBTOWN SOLARIS, N.S.PHADKE MARG, ANDHERI (EAST), MUMBAI – 400 069** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.

SPECIAL BUSINESS:

2. Appointment of Mr. Roberto Italia as a Nominee Director of the Company.

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

“RESOLVED THAT pursuant to provisions of section 152,160 and all other applicable provisions of The Companies Act, 2013(“The Act”) and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Roberto Italia (DIN: 09228481) who was appointed as an Additional Director of the Company with effect from 15th July, 2021 by the Board of Directors pursuant to Section 161 (1) of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting, be and is hereby appointed as Nominee Director of the Company.

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director and/or Ms. Ruchi Sathe, Company Secretary be and are / is hereby authorized to do all such acts, deeds, matters and things, make all filings under Companies Act 2013 and to execute such documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

3. To consider and approve the Sub-Division of 1 (One) Equity Share of face value of Rs. 10/- each into 5 (Five) Equity Shares of Rs. 2/- each.

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

“RESOLVED THAT pursuant to the provisions of Section 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder including the statutory modification(s) or re-enactment(s) thereof for the time being in force and the relevant provisions of the Memorandum and Articles of Association of the Company and the other Rules, Regulations, Circulars, Notifications, etc. issued thereunder, the shareholders of the Company hereby accord their consent for sub-division of 1 (One) equity share of the Company having a face value of Rs. 10/- (Rupees Ten only) each fully paid up into 5 (Five) equity shares having a face value of Rs. 2/- (Rupees Two only) each fully paid up on such date as may be fixed by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by the Board) for this purpose (hereinafter referred to as “Record Date”).

RESOLVED FURTHER THAT pursuant to the sub-division of equity shares of the Company, the Authorized, Issued, Subscribed and Paid-up Equity Share Capital of 1(One) equity share of the face value of Rs. 10/- (Rupees Ten Only) each shall stand sub-divided into 5 (Five) equity shares having a face value of Rs. 2/- (Rupees Two only) each existing on the Record Date and shall rank pari-passu in all respects with each other and carry the same rights as to the existing fully paid-up equity share of Rs. 10/- (Rupees Ten only) each of the Company.

RESOLVED FURTHER THAT upon the sub-division of the equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the face value of Rs.10/- each held in physical form shall be deemed to have been automatically cancelled and to be of no effect on and from the Record Date and the Company may without requiring the surrender of the existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing issued share certificate(s) and in case of the equity shares held in dematerialized form, the number of sub-divided equity shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the equity shares of the Company before sub-division.

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment(s) thereof, subject to such approvals as may be necessary for the time being in force and subject to approval of sub-division of equity shares by the members and alteration of Memorandum of Association, the Board of Directors of the Company hereby accord their consent, to alter and substitute the existing Clause V of the Memorandum of Association of the Company with the following new Clause V:

Clause V:

“V. The Authorised Share Capital of the Company is Rs. 20,20,60,000/- (Rupees Twenty Crores Twenty Lakhs and Sixty Thousand Only) divided into 10,10,30,000 (Ten Crores Ten Lakhs Thirty Thousand) Equity Shares having face value of Rs. 2/- (Rupees Two) each with power to increase, reduce or reorganize the same in accordance with the provisions of Companies Act, 2013.”

RESOLVED FURTHER THAT the Board of Directors of the Company which expression shall include any Committee thereof and/or any other person(s) as may be authorized by the Board in that behalf, Mr. Chaitanya Rathi, COO, Mr. Bittu Varghese, CFO and/or Ms. Ruchi Sathe, Company Secretary be and are hereby authorized jointly/severally to undertake, execute all such acts, deeds, matters and things as they may deem necessary, proper and/ or expedient, to apply for requisite approval(s) of the statutory or regulatory authorities, as may be required, to carry out all requisite, incidental, consequential steps and to settle any question, difficulty or doubt that may arise in order to give full effect to this resolution.”

4. To consider and approve the variations to the existing employee stock option schemes.

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

“RESOLVED THAT pursuant to the provisions of Sec 62(1)(b) of Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, including any amendment thereto or re-enactment thereof, approval of the shareholders be and is hereby accorded to vary the terms of Employee Stock Option Schemes - ESOS 2018, ESOS 2018(2), ESOS for COO and CFO 2019 and ESOS 2020.

RESOLVED FURTHER THAT the approval of the shareholders be and is hereby accorded to amend the following clauses of the respective schemes as mentioned below:

A. Employees Stock Option Scheme 2018

1. To replace clause 3.13 with the following clause:

“Option “means a stock option granted by the company pursuant to the Scheme, which would be convertible into equity shares of the company. This is a right but not an obligation granted to an employee under the Scheme to apply for and be allotted shares of the company at a predetermined price (the exercise price), during or within a specific period of time (the exercise period), subject to the requirements of vesting, in pursuance of the ESOS, including any modification thereof subsequently, and governed by the terms and conditions mentioned in the Scheme. Each option granted would represent the right to apply for one equity share of the company of the face value of Rs. 2/- per share.

2. To replace clause 3.14 with the following clause:

“Share” means the equity share of the Company of a face value of Rs. 2/- each.

3. To replace clause 6 with the following clause:

QUANTUM OF OPTIONS UNDER THE SCHEME

A total of 4,00,000 options shall be available for being granted to the Eligible Employee(s) of the Company.

4. To replace clause 7.3 with the following clause:

The exercise price per share option will be Rs. 126.2 or such other price as may be determined by the Board.

B. Employees Stock Option Scheme 2018 (2)

1. To replace clause 3.13 with the following clause:

“Option “means a stock option granted by the company pursuant to the Scheme, which would be convertible into equity shares of the company. This is a right but not an obligation granted to an employee under the Scheme to apply for and be allotted shares of the company at a predetermined price (the exercise price), during or within a specific period of time (the exercise period), subject to the requirements of vesting, in pursuance of the ESOS, including any modification thereof subsequently, and governed by the terms and conditions mentioned in the Scheme. Each option granted would represent the right to apply for one equity share of the company of the face value of Rs. 2/- per share.

2. To replace clause 3.14 with the following clause:

“Share” means the equity share of the Company of a face value of Rs. 2/- each.

3. To replace clause 6 with the following clause:

QUANTUM OF OPTIONS UNDER THE SCHEME

A total of 1,00,000 options shall be available for being granted to the Eligible Employee(s) of the Company.

4. To replace clause 7.3 with the following clause:

The exercise price per share option will be Rs. 170 or such other price as may be determined by the Board.

C. Employees Stock Option Scheme for COO & CFO (2019)

1. To replace para 2 of clause 3.7 with the following clause:
Exercise price” means the price payable by the employee for exercising the option granted to him in pursuance of ESOS and will be Rs. 170 or such other price as may be determined by the Board.
2. To replace clause 3.13 with the following clause:
“Option “means a stock option granted by the company pursuant to the Scheme, which would be convertible into equity shares of the company. This is a right but not an obligation granted to an employee under the Scheme to apply for and be allotted shares of the company at a predetermined price (the exercise price), during or within a specific period of time (the exercise period), subject to the requirements of vesting, in pursuance of the ESOS, including any modification thereof subsequently, and governed by the terms and conditions mentioned in the Scheme. Each option granted would represent the right to apply for one equity share of the company of the face value of Rs. 2/- per share.
3. To replace clause 3.14 with the following clause:
“Share” means the equity share of the Company of a face value of Rs. 2/- each.
4. To replace Clause 5 with the following clause:
A total of 9,22,180 (FY20 – 3,07,395, FY21 – 3,07,395, FY22 – 3,07,390) options shall be available for being granted to the Eligible Employee(s) of the Company, as per details given below:

Sr. No.	Name of Employees	Options Granted	
1.	Mr. Chaitanya Rathi, COO	FY20	2,57,395
		FY21	2,57,395
		FY22	2,57,390
	Total (A)	7,72,180	
2.	Mr. Bittu Varghese, CFO	FY20	50,000
		FY21	50,000
		FY22	50,000
	Total (B)	1,50,000	
	Grand Total (A+B)	9,22,180	

5. To replace clause 6.3 with the following clause:
The exercise price per share option will be Rs. 170/- or such other price as may be determined by the Board.

D. Employees Stock Option Scheme 2020

1. To replace para 2 of clause 3.7 with the following clause:

Exercise price” means the price payable by the employee for exercising the option granted to him in pursuance of ESOS and will be Rs. 170 or such other price as may be determined by the Board.

2. To replace clause 3.13 with the following clause:

“Option “means a stock option granted by the company pursuant to the Scheme, which would be convertible into equity shares of the company. This is a right but not an obligation granted to an employee under the Scheme to apply for and be allotted shares of the company at a predetermined price (the exercise price), during or within a specific period of time (the exercise period), subject to the requirements of vesting, in pursuance of the ESOS, including any modification thereof subsequently, and governed by the terms and conditions mentioned in the Scheme. Each option granted would represent the right to apply for one equity share of the company of the face value of Rs. 2/- per share.

3. To replace clause 3.14 with the following clause:

“Share” means the equity share of the Company of a face value of Rs. 2/- each.

4. To replace clause 5 with the following clause:

A total of 50,000 (FY21 – 16,665, FY22 – 16,665, FY23 – 16,670) options shall be available for being granted to the Eligible Employee of the Company as per details given below:

Sr. No.	Name of Employee	Options Granted	
1.	Mr. Neeraj Sharma, SVP - Sales	FY21	16,665
		FY22	16,665
		FY23	16,670
	Total	50,000	

5. To replace clause 6.3 with the following clause:

The exercise price per share option will be Rs. 170/- or such other price as may be determined by the Board

RESOLVED FURTHER THAT the aforesaid existing stock option schemes may be modified as required in addition to the aforesaid modifications in order to give effect to the proposed sub-division of equity shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary the terms of the above schemes.

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director, Mr. Chetan Desai, Director, Mr. Prashant Marathe, General Counsel – Legal and Compliance and/or Ms. Ruchi Sathe, Company Secretary be and is/are hereby authorized to do all such acts, deeds, matters and things and to execute such documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

5. To consider and approve the grant of Employee Stock Options under Employee Stock Options Scheme for COO & CFO (2019)

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

“**RESOLVED THAT** pursuant to the provisions of Companies Act, 2013 and all applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof, the consent of the shareholders be and is hereby given to grant 3,07,395 stock options for FY22 to the following identified key employees as per the terms and conditions stipulated under the approved ‘Employees Stock Option Scheme for COO & CFO 2019 and subsequent modifications thereof:

Sr No	Name of employees	Options Granted	
1.	Mr. Chaitanya Rathi – COO	FY 22	2,57,390
	Total (A)		2,57,390
2.	Mr. Bittu Varghese – CFO	FY 22	50,000
	Total (B)		50,000
	Grand Total (A+B)		3,07,390

RESOLVED FURTHER THAT consent and approval of the shareholders be and is hereby given that the above options [each option conferring a right to get one equity share of INR 2/ (Rupees Two Only) each of the Company] be issued to identified employees of the Company at a price of INR 170/- (Rupees One Hundred Seventy Only) per share.

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director, Mr. Chetan Desai, Director and Mr. Prashant Marathe, General Counsel – Legal and Compliance be and is/are hereby authorized to do all such acts, deeds, matters and things and to execute such documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

6. To consider and approve grant of employee stock options under Employee Stock Option Scheme 2020

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

“**RESOLVED THAT** pursuant to the provisions of Companies Act, 2013 and all applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof, the consent of the shareholders be and is hereby given to grant 16,665 stock options for FY22 to the following identified key employee as per the terms and conditions stipulated under the approved ‘Employees Stock Option Scheme 2020 and subsequent modifications thereof:

Name of the employee	Options granted – FY 22
Mr. Neeraj Sharma	16,665

RESOLVED FURTHER THAT consent and approval of the shareholders be and is hereby given that the above options [each option conferring a right to get one equity share of INR 2/ (Rupees Two Only) each of the Company] be issued to identified employee of the Company at a price of INR 170/- (Rupees One Hundred Seventy Only) per share.

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director, Mr. Chetan Desai, Director and Mr. Prashant Marathe, General Counsel – Legal and Compliance be and is/are hereby authorized to do all such acts, deeds, matters and things and to execute such documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

7. To consider and approve Employee Stock Option Scheme 2021

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

RESOLVED THAT pursuant to the provisions of Section 62 read with the Companies (Share Capital and Debentures) Rules, 2014 (“the Rules”) made thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment, modification or re-enactment to the Act or the Guidelines, for the time being in force), the Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines as may be applicable from time to time and subject to the approval(s), consent(s), permission(s) and / or sanction(s) as may be required from appropriate regulatory authorities / institutions or bodies and subject to such terms and conditions as may be prescribed / imposed by such authorities while granting such approvals, consents, permissions and sanctions, the consent of the shareholders be and is hereby

accorded to the proposed “Sula Vineyards Employees Stock Option Scheme 2021” (“Scheme” or “ESOS 2021”) and to create, grant, issue, offer and allot to the present and / or future permanent employees of the Company working in India or abroad and / or directors (including whole-time directors but excluding non-executive Independent directors) of the Company and any other individuals / entities as allowed under applicable rules, regulations, guidelines and laws (hereinafter referred to as “employees” or “said employees”) under ESOS 2021 upto 18,79,750 (Eighteen Lakh Seventy Nine Thousand Seven Hundred and Fifty) stock options convertible into equal number of equity shares of the Company of face value 2/- (Two Only) each at such price and on such terms and conditions and in such tranches as the Board of the Company may deem fit and in compliance with the provisions of the Act and the Rules and other applicable laws and ESOS 2021.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect ESOS 2021 scheme on such terms and conditions as they may deem fit and to modify, alter, vary, revise or amend the said terms or suspend, withdraw, revise or terminate ESOS 2021 scheme, subject to compliance with the Act, Rules and other applicable laws, as amended from time to time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, or any other re-organization of capital structure of the Company, as the case may be, the number of Stock Options and/or the shares to be allotted upon exercise of Stock Options shall be reasonably adjusted in accordance with the provisions of the ESOS 2021 scheme and in case of sub-division or consolidation of shares the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOS 2021 Scheme.

RESOLVED FURTHER THAT any shares to be issued against exercise of Options under the Scheme, may be issued by the Company or be transferred to a trust established by the Company.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time to the extent relevant and applicable to ESOS 2021 scheme.

RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari-passu with all the existing equity shares of the Company for all purposes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, valuers, consultants or representatives, being incidental to the effective implementation and administration of the ESOS 2021 Scheme, as it may, in its absolute discretion deem fit, for

the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage and all the acts, deeds, matters and things done by the Board are hereby ratified, confirmed and approved, without being required to seek any further consent or approval of the shareholders of the Company, and further to execute all such agreements, deeds, documents, writings etc. and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to ESOS 2021 scheme including any modification, alteration, amendment, suspension, withdrawal or termination of ESOS 2021 Scheme and to take all such steps and do all such acts, deeds, things as may be incidental or ancillary thereto in compliance with the applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary including authority to delegate all or any of the powers conferred herein, to any Committee of the Company, with power to such Committee to further delegate such powers to any executives / officers of the Company to give effect to this resolution.

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director & CEO, Mr. Chetan Desai, Director, Mr. Chaitanya Rathi, COO, Mr. Bittu Varghese, CFO and/or Ms. Ruchi Sathe, Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

8. To consider and approve the issue of warrants convertible into Equity Shares on preferential basis

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

“RESOLVED THAT pursuant to Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended and any other applicable laws, rules and circulars, notifications, clarifications issued by the Government of India, or any other authority / body and enabling provisions in the Memorandum and Articles of Association of the Company, and subject to necessary approvals, sanctions, permissions of appropriate statutory / regulatory and / or other authorities and persons, if applicable and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals / sanctions / permissions and / or consents, consent of the shareholders of the Company be and is hereby accorded to the Board, to create, issue, offer and allot, from time to time, in one or more tranches, 16,72,200 (Sixteen Lakh Seventy Two Thousand Two Hundred) to Managing Director & Chief Executive Officer – constituting 2.2% of existing Equity Share Capital of the Company and to Mr. Alok Vajpeyi, Director 2,25,825 (Two Lakh Twenty Five Thousand Eight Hundred and Twenty Five) constituting 0.3% of existing Equity capital of the Company, convertible warrants (“Warrants”) at a price of Rs. 2/- per warrant with a right to the warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of Rs. 2/- each of the Company (“Equity Shares”) at an exercise price of Rs. 170/- per share for each Warrant to the (“proposed allottees”) of the Company for cash and in such form and manner and in accordance with the applicable laws and on such terms and conditions as per the Warrant Subscription Agreements to be entered into with each Director and/or as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members:

Sr. No.	Proposed Allottee	Number of warrants
1.	Mr. Rajeev Samant, Managing Director & CEO	16,72,200
2.	Mr. Alok Vajpeyi, Director	2,25,825
	Total	18,98,025

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to the terms and conditions of the Warrant Subscription Agreement executed separately between the Company and Mr. Rajeev Samant and the Company and Mr. Alok Vajpeyi.

RESOLVED FURTHER THAT the Equity Shares arising out of the conversion of the warrants shall rank pari passu inter se and with the then existing equity shares of the Company in all respects, including in relation to dividend.

RESOLVED FURTHER THAT the Board be and is hereby authorized to, do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolutions, including without limitation to issue and allot Equity Shares upon exercise of the Warrants, to issue certificates/ clarifications on the issue and allotment of Warrants and thereafter allotment of Equity Shares further to exercise of the Warrants, effecting any modifications to the foregoing (including to determine, vary, modify or alter any of the terms and conditions of the Warrants including deciding the size and timing of any tranche of the Warrants), entering into contracts, arrangements, agreements, memorandum, documents to give effect to the resolutions above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of Warrants), filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, seeking approvals from lenders (where applicable), to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the proposed allottees, and to delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions and also to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, including without limitation in connection with the issue and utilization of proceeds thereof, and take all steps and decisions in this regard.

RESOLVED FURTHER THAT Rajeev Samant, Managing Director & CEO, Mr. Chetan Desai, Director, Mr. Chaitanya Rathi, COO, Mr. Bittu Varghese, CFO and Ms. Ruchi Sathe, Company Secretary be and are hereby authorised severally to do all such acts, deeds and things as may be required to give effect to this resolution.

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. In compliance with the applicable provisions of the Companies Act, 2013 (“Act”), and the Circulars issued by MCA, the Annual General Meeting of the Company (“AGM”) is being held through VC / OAVM without the physical presence of the Members at a common venue.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip is not annexed to this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 2 to 7 set out above and the details under clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/re-appointment as Director at the AGM, is annexed hereto.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 17th Annual General Meeting.
6. Members who hold equity shares in dematerialized form are requested to write their client ID and DP-ID number and those who hold equity shares in physical forms are requested to write their folio number in the attendance slip for attending the meeting.
7. Corporate Members are requested to send duly certified copy of Board Resolution/Power of Attorney authorizing their representative to attend and vote at the General Meeting.
8. Shareholders seeking information with regard to accounts are requested to write to the Company in advance so as to enable the management to keep the information ready.

9. In compliance with MCA Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website

Place: Mumbai

Date: 15th July, 2021

Registered Office:

901 Hubtown Solaris,

N.S.Phadke Marg,

Andheri (E), Mumbai – 400 069

CIN: U15549MH2003PTC139352

**By Order of the Board of Directors
FOR SULA VINEYARDS PVT. LTD.**

RUCHI
PRAMOD
SATHE

Ruchi Sathe
Company Secretary
Membership No. A33566

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no.2

The Board of Directors appointed Mr. Roberto Italia (DIN: 09228481) as an Additional Director of the Company with effect from 15th July, 2021.

Pursuant to Section 161 (1) of the Companies Act, 2013, Mr. Roberto Italia holds office as an Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

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

None of the Directors except Mr. Roberto Italia, in his capacity of being a Nominee Director, is in any way concerned or interested in the resolution.

Item no.3

In order to make the Company's share more affordable and attractive to investors post IPO, it is proposed to sub-divide the equity shares of the Company by changing the face value of the equity shares of Rs. 10/- each to Rs.2/- per equity shares. The Record Date for the same is proposed to be the date of the Annual General Meeting of the Company to be convened for FY 2021. The Board of Directors has accorded its consent and has recommended the proposal be approved by the shareholders.

You Directors recommend this special resolution for your approval.

None of the Directors of the Company or their relatives are in any way concerned or interested, financial or otherwise, in the Special Resolution.

Item No. 4

In line with the agenda item related to sub-division of equity shares, it is proposed to modify the following ESOP schemes in order to modify the number of equity shares granted/to be granted, nominal value per share and the strike price, to the employees, to align with the aforesaid sub-division.

Your Directors recommend this special resolution for your approval.

None of the Directors are in any way concerned or interested in this resolution.

Item No.5

The Board at its meeting held on 28th May 2019 approved “Employees Stock Options Scheme for COO & CFO 2019” with a quantum to grant 1,84,436 stock options at INR 950/- (Rupees Nine Fifty Only) per share which was modified to INR 850/- (Rupees Eight Fifty Only) per share, in three tranches ranging over a span of 3 years subject to Members approval. The Members approved the scheme and the grant for FY20 at their meeting held on 7th June 2019. It is now proposed to further modify the scheme to give effect to sub-division of 1 equity share of Rs. 10/- each to 5 equity shares of Rs. 2/- each and change in the strike price.

As per the Scheme, the stock options would be granted at the First Board Meeting of each of the financial years. Accordingly, the Members are required to approve the grant of stock options for FY22 taking into account the sub-division.

Your Directors recommend this special resolution for your approval.

None of the Directors are in any way concerned or interested in this resolution.

Item No.6

The Board at its meeting held on 18th September 2020 approved “Employees Stock Options Scheme 2020” with a quantum to grant 10,000 stock options at INR 850/- (Rupees Eight Fifty Only) per share, in three tranches ranging over a span of 3 years subject to Members approval. The Members approved the scheme and the grant for FY20 at their meeting held on 29th September 2020. It is now proposed to further modify the scheme to give effect to sub-division of 1 equity share of Rs. 10/- each to 5 equity shares of Rs. 2/- each and change in the strike price.

As per the Scheme, the stock options would be granted at the First Board Meeting of each of the financial years. Accordingly, the Members are required to approve the grant of stock options for FY22 taking into account the sub-division.

Your Directors recommend this special resolution for your approval.

None of the Directors are in any way concerned or interested in this resolution.

Item No. 7

The Company is planning to come out with an ESOS 2021 Scheme to motivate employees, and to give them opportunity to participate and gain from the Company's performance, thereby, acting as a retention tool as well as to align the efforts of such talent towards long term value

creation in the organization and to attract new talent. In that direction, an ESOS 2021 scheme had been drafted with name “Sula Vineyards Employees Stock Option Scheme 2021” (“Scheme” or “ESOS 2021”). The draft ESOS 2021 Scheme is being circulated to the Members as an annexure to this agenda.

Salient features of the scheme are as under:

Total Number of Options	18,79,750 (Eighteen Lakh Seventy Nine Seven Hundred and Fifty only)
Eligible Employees	<p>“Eligible Employee” means an Employee, who is, subject to the terms of this Scheme, determined by the Board to be eligible to a grant of an Award under this Scheme.</p> <p>“Employee” means:</p> <ul style="list-style-type: none"> (a) a permanent employee of the Company; or (b) a director of the Company, whether a whole time director or not, but excluding an independent director; or (c) An employee as defined in the clause (a) or (b) of a subsidiary company, in India or outside India, or of a holding company of the Company; <p>but does not include –</p> <ul style="list-style-type: none"> (i) an employee who is a promoter or a person belonging to the promoter group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Company.
Vesting Period	The Options granted to a Participant shall vest subject to the IPO of the Company.
Exercise Price	The Exercise Price for each Vested Option granted to a Participant shall be INR 170 (Indian Rupees One Hundred and Seventy only) (“Exercise Price”).

Your Directors recommend this special resolution for your approval.

None of the Directors are in any way concerned or interested in this resolution.

Item no. 8

The Company proposes to issue warrants convertible into equity shares to Mr. Rajeev Samant, Managing Director & CEO and Mr. Alok Vajpeyi, Director. The Company shall enter into

separate Warrant Subscription Agreement with each Director for the said purpose. The details of the said issue of warrants is as under:

Sr. No.	Proposed Allottee	Number of warrants
1.	Mr. Rajeev Samant, Managing Director & CEO	16,72,200
2.	Mr. Alok Vajpeyi, Director	2,25,825
	Total	18,98,025

Hence, the proposed special resolution is recommended for approval by the members.

None of the Directors other than Mr. Rajeev Samant, Managing Director and Mr. Alok Vajpeyi are concerned or interested in said resolution.

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

Name	Mr. Roberto Italia
Directors Identification Number (DIN)	09228481
Age	55 Years
Qualification	Graduated in Economics at LUISS in Rome (Italy)MBA from INSEAD in Fontainebleau (France)
Experience	Over 25 Years
Terms & Conditions of appointment/re-appointment	-
Details of Remuneration	-
Date of first Appointment on the Board of the Company	15 th July, 2021
Shareholding in the Company	Nil
Relation with other Directors, Manager or KMP	-
No. of Meetings of Board attended during the year	NA
Other Directorship, Membership/ Chairmanship of committees of other Boards	<ol style="list-style-type: none"> 1. Avio SpA 2. Red Black Capital SA 3. Space Holding Srl 4. Verlinvest SA 5. lastminute.com Group BV

Attendance Slip

18th ANNUAL GENERAL MEETING on FRIDAY, 30TH July, 2021 at 1:00 P.M.
at 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 400 069.

Folio No./Client Id No. _____ DP ID No. _____

Name of the Member _____ Signature _____

1. Only Member can attend the Meeting.
2. Member can refer the copy of the Annual report at the Meeting.

I hereby record my presence at the 18th Annual General Meeting of the Company at 1.00 p.m. at 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 400 069.

Member's name in Block Letters

Member's Signature

Note: Members who are attending the meeting in person are requested to complete the Attendance Slip and hand it over at the entrance of the meeting room.

SULA VINEYARDS PRIVATE LIMITED

Directors' Report

To,
The Members,
The Directors present the 18th Annual Report of Sula Vineyards Private Limited and the standalone and consolidated Audited Accounts for the Financial Year ended March 31, 2021.

1. **Key Financial highlights** (Standalone)

The Company's financial performance, for the year ended March 31, 2021 is summarized below:

	(INR in Lakhs)	
Particulars	2020-21	2019-20
Gross Income	34,541.18	43,062.64
Other Comprehensive Income/(Loss)	(37.25)	(45.86)
Profit Before Interest and Depreciation (EBITDA)	5,697.51	5,342.43
Finance Charges	3,226.08	3,143.42
Provision for Depreciation	2,536.51	3,449.87
Net Profit Before Tax	(65.07)	(1,250.86)
Provision for Tax	26.04	(400.81)
Total Comprehensive Income/(Loss)	(91.10)	(850.05)
Balance of Profit brought forward	14,421.16	16,358.43
Balance available for appropriation	14,330.06	15,508.38
Dividend paid on Equity Shares	-	901.84
Tax on Dividend paid	-	185.38
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	14,330.06	14,421.16

2. **Business Performance**

FY21 will go down in history as the Year of Covid. The first half of the year was a torrid one with alcobev sales and hospitality operations being shut down across the country, but the second half saw us bounce back strong and soar to new heights. We finished the year with our strongest EBITDA in recent years and we gained market share and became even more dominant in the Indian wine industry. We vaulted to over 70% market share in wines above Rs 700 MRP while remaining a leader in quality, both in terms of our products and our people.

The year saw a fundamental shift in our margins to a significantly higher trajectory due to single-minded focus on our core business. Our EBITDA margin crossed 14% in FY21, achieved by a strong focus on streamlining our operations and creating sustainable long-term strategies around sales, pricing, schemes, and margins. The bounce back was led by a jump in off-trade sales where we are dominant, while on-trade sales plummeted due to Covid restrictions and will most likely remain subdued for at least another year. Indian wine drinkers are shifting to home consumption and they are increasingly reaching for Sula brands.

Production and Harvest

We planted 40 acres of new vineyards in FY21, mostly white grapes. We crushed over 20% more grapes in Harvest'21 vis-à-vis Harvest '20, and the best quality grapes of the harvest were procured from the estate vineyards.

Post resuming winery operations after being shut for an initial few months due to the pandemic, we conducted an audit on our operational processes to identify gaps and thereby improve on our gross margins. A full-scale review of our manufacturing and production has led to our operations being more streamlined and cost-efficient than ever before. We produced even more brands from our portfolio from our Karnataka winery (Domaine Sula) and have been able to maintain our high quality while doing so.

Imports and Exports

After a strategic review we have continued to rationalize our imports portfolio and have taken a decision to discontinue slow-moving and lesser profitable BIO brands which do not align with long term business goals. We have now cut around half of our portfolio since FY19 so imports will constitute a significantly lower proportion of revenue moving forward.

Exports experienced a decline in overall proportion to business in the pandemic and we continued our focus on domestic markets. We are currently available in 20+ countries across 4 continents.

Hospitality

Our hospitality business was shut for almost 6 months due to Covid, but we surged back in the second half of the FY hitting all time high room occupancies and on-site wine revenues. The 20 luxurious rooms we added at the Source in late FY20 have been really appreciated by our guests and booked solid. This business continues to attract more wine lovers and enthusiasts from across the country and has as generated tremendous brand loyalty for Sula. Nashik airport now has direct flights from most of the Indian metros and the future looks extremely bright for our wine tourism business.

Marketing

FY21 was a momentous year for our marketing which saw a quantum shift in approach. We jumped into the ranks of the top 15 wine & Champagne brands on Instagram and our momentum continues to be strong. We did this by focusing strongly on our digital presence and social media, almost totally dropping traditional media. For the first time in 14 years we did not hold Sulafest due to Covid but it didn't hurt our digital outreach at all. Our digital reach and engagement has jumped this year with our single-minded focus on influencer trips to our vineyards. This strategy has been extremely successful, and we are more than ever before achieving our aim of engaging with young consumers across the country. We have also made strong gains in our SEO strategy which we intend to build out further in FY22.

Financial Overview

In the financial year 2020-2021, owing to the pandemic, our consolidated revenue de-grew by -19.5% from ₹531.1 cr. in FY20 to ₹427.8 cr in FY21, while the EBITDA grew by 23.7% from ₹50.0 cr in FY20 to ₹61.9 cr in FY21. The standalone revenue de-grew by -19.8% from ₹430.6 cr in FY20 to ₹345.4 cr in FY21, while the standalone EBITDA grew by 6.7% from ₹53.4 cr to ₹57.0 cr. Our group EBITDA margin for FY21 is 14.5%, from 9.4% for FY20.

Acquisitions and Subsidiaries

After a strategic review we decided that distribution is not our core business and hence divested our entire stake in Progressive Alcobev Distributors. This will result in lower topline for the company moving forward but a much higher margin on our remaining, core business. Progressive Alcobev Distributors Private Limited ceased to be our subsidiary with effect from the close of business hours on 31st March 2021.

Sustainability

Sustainability remains a strong focus for the company as we continue to lessen our ecological footprint by reducing our power and water consumption for every case produced. Water recycling and rainwater harvesting continue to be a strong focus. With the enhancement of our solar capacity, we increased the solar contribution to energy consumption from 54% in FY20 to 68% in FY21. We further aim to reach 75% by the end of FY23.

Furthermore, we reuse 100% of wastewater generated at our wineries which totals to almost 40 million liters and have a hawkish focus on water recycling and rainwater harvesting. We also strive to reduce our consumption and dependence on chemical pesticides and fertilizers and have introduced natural methods of controls such as using sheep grazing to control the growth of weeds in the vineyards.

We have positively impacted around 700 households in communities close to our sites via CSR initiatives. In addition to this we have worked to reduce our supply chain carbon footprint, conducted reforestation drives and reduced diesel consumption by 35% over last year.

Our vision is to make Sula the most sustainable wine company in Asia and contribute towards the society and community.

A separate report on sustainability is presented in “**Annexure V**”.

3. Dividend

Owing to the uncertainties due to the impact of Covid-19, the Company has not declared any dividend for the financial year 2020-21.

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

The outbreak of Covid-19 has moderately impacted our business due to complete ban on sale of alcoholic beverages during the first two phases of the nationwide lockdown imposed by Government of India. Our manufacturing units and resorts remained shut as per the restrictions imposed. Since then, operations have resumed in a phased manner. Our resorts have reopened with highest safety protocols and warm hospitality to offer guests a perfect weekend getaway.

On 30th June, 2021, Artisan Spirits Private Limited, wholly owned subsidiary of the Company acquired York Winery located at Nashik on a slump sale basis. This winery will support the continued growth of the Company and increase the wine making capacity, drive production efficiency and increase wine storage facilities.

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

5. Extract of Annual Return

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure I** to this Report and available on the Company's website at www.sulawines.com.

6. Directors and Key Managerial Personnel

During the year under review, following are the changes in Directors and Key Managerial Personnel of the Company:

- 1) Mr. Nicholas Peter Y. Cator ceased to be the Director of the Company with effect from 3rd December, 2020.
- 2) Mr. Jehangir Moos ceased to be the Director of the Company with effect from the close of business hours on 14th May 2020.
- 3) Ms. Gayatri Yadav was appointed as an Additional Director with effect from 14th May, 2020 and ceased to be a Director owing to her resignation with effect from 19th July 2020.
- 4) Mr. Alok Vajpeyi was appointed as an Additional Director with effect from 2nd December, 2020. At the EGM held on 16th December 2020, he was appointed as Director of the Company.
- 5) Ms. Shagun Tiwary was appointed as Additional Director with effect from 3rd December 2020. At the EGM held on 16th December 2020, she was appointed as Nominee Director of Verlinvest.

Following are the changes between the end of the financial year 2020-21 and the date of signing of this report.

- 1) Ms. Sapna Karmokar, Company Secretary resigned from the Company with effect from the close of business hours on 30th April 2020.
- 2) Ms. Ruchi Sathe is appointed as the Company Secretary of the Company with effect from 15th July 2021.

7. Meetings

a) Board Meeting:

The Board of Directors duly met 4 times during the financial year from 1st April 2020 to 31st March 2021. The dates on which the meetings were held are 14th May 2020, 18th September 2020, 3rd December 2020 and 16th March 2021.

The attendance record of the directors present at the Board Meetings was as follows:

Sr. No	Name of the Director	Date of Board Meeting			
		14.05.2020	18.09.2020	03.12.2020	16.03.2021
1.	Mr. Rajeev Samant	✓	✓	✓	✓
2.	Mr. Chetan Desai	✓	✓	✓	✓
3.	Mr. Arjun Anand	✓	✓	✓	✓
4.	Mr. Alok Vajpeyi	NA	NA	✓	✓
5.	Mr. Kerry Damskey	✓	✓	✓	✓
6.	Mr. Hank Oberoi	✓	✓	✓	✓
7.	Mr. Deepak Shahdadpuri	✓	✓	✓	✓
8.	Ms. Shagun Tiwary	NA	NA	✓	✓
9.	Mr. Jehangir A. Moos*	✓	NA	NA	NA
10.	Ms. Gayatri Yadav#	NA	NA	NA	NA
11.	Mr. Nicholas Peter Y. Cator^	✓	✓	NA	NA

*Mr. Jehangir A. Moos has resigned with effect from 14.05.2020.

Ms. Gayatri Yadav resigned with effect from 19.07.2021.

^Mr. Nicholas Peter Y. Cator resigned with effect from 03.12.2020.

b) Audit Committee Meeting:

The meetings of the Audit committee were held on 13th May 2020, 17th September 2020, 2nd December 2020 and 15th March 2021.

The attendance record of the directors present at the Audit Committee meeting was as follows:

Sr. No.	Name of the Directors	Date of Audit Committee Meeting			
		13.05.2020	17.09.2020	02.12.2020	15.03.2021
1.	Mr. Arjun Anand	✓	✓	✓	✓
2.	Mr. Chetan Desai	✓	✓	✓	✓
3.	Mr. Jehangir A. Moos	✓	✓	✓	NA
4.	Mr. Alok Vajpeyi	NA	NA	NA	✓

The Audit committee was reconstituted with effect from 3rd December 2020 as under:

Sr. No.	Name of the Directors
1.	Mr. Chetan Desai
2.	Mr. Arjun Anand
3.	Mr. Alok Vajpeyi

c) IPO Readiness Committee Meeting:

The meetings of the IPO Readiness Committee were held on 2nd December 2020 and 15th March 2021.

The attendance record of the directors present at the IPO Readiness Committee meeting was as follows:

Sr. No.	Name of the Directors	Date of IPO Readiness Committee Meeting	
		02.12.2020	15.03.2021
1.	Mr. Alok Vajpeyi	✓	✓
2.	Mr. Chetan Desai	✓	✓
3.	Mr. Rajeev Samant	✓	✓
4.	Mr. Arjun Anand	✓	✓

The IPO Readiness Committee comprises of the following Directors:

Sr. No.	Name of the Directors
1.	Mr. Alok Vajpeyi
2.	Mr. Chetan Desai
3.	Mr. Rajeev Samant
4.	Mr. Arjun Anand

7. Auditors

M/s Walker Chandiook & Co. LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), have been appointed as Statutory Auditors of the Company at the 14th AGM held on 25th September, 2017 for a term of 5 years from conclusion of 14th AGM till the conclusion of the 19th AGM of the Company to be held in the year 2022 subject to ratification of their appointment by Members at every AGM till the 18th AGM at such remuneration as may be decided by the Board of Directors of the Company. Pursuant to the amendments of Section 139 of the Companies Act, 2013 by the Companies Amendment Act, 2017 notified on 7th May, 2018, the requirement of ratification of their appointment by the Members has been withdrawn.

M/s. Walker Chandiook & Co. LLP, have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactments(s) thereof for the time being in force).

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Sunil Agarwal & Co., a firm of Company Secretaries in Practice, to undertake the secretarial Audit of the Company for FY 2020-21. The Report of the Secretarial Audit is annexed herewith as **Annexure VI**. The Report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Board, at its meeting held on 15th July, 2021, has re-appointed M/s. Sunil Agarwal & Co., as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2021-22.

8. Details of adequacy of internal financial controls

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

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

The efficacy of the internal controls are validated by Internal as well as the Statutory Auditors. Every quarter the significant audit findings, the corrective steps recommended and their implementation status are presented to the Audit Committee.

9. Directors' Responsibility Statement

Pursuant to Section 134 (3)(c) and 134(5) of the Companies Act, 2013, Directors of your Company confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (b) the Directors have selected appropriate 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 loss of the company for the same period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) the Directors have laid down proper internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

10. Details of Subsidiary

The Company has 3 (three) subsidiaries as on March 31, 2021. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

Progressive Alcobev Distributors Private Limited ceased to be subsidiary with effect from the close of business hours on 31st March 2021.

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

11. Issue of employee stock options

The Board of directors, shall, inter alia, disclose in the Directors' Report for the year, the details as provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014.

Particulars	ESOS 2018	ESOS 2018 (2)	ESOS COO & CFO 2019	ESOS 2020
Options granted	Nil	Nil	61,479	3,333
Options vested	Nil	Nil	Nil	Nil
Options exercised	Nil	Nil	Nil	Nil
Total number of shares arising out of exercise of options	Nil	Nil	Nil	Nil
Options forfeited/lapsed/cancelled	50,000	10,000	Nil	Nil
Exercise price	Rs. 631	Rs. 850	Rs. 850	Rs. 850
Variations of terms of options	Extend the exercise period until IPO/ QIPO, trade sale or	Extend the exercise period until IPO/ QIPO, trade sale or	Extend the exercise period until IPO/ QIPO, trade sale	Nil

	change of control and Clause 12.2 and 12.3 has been deleted, Clause 14 and 15 has been deleted and replaced by new clause 14, An addition of Clause 22.2 and 22.3	change of control and Clause 12.2 and 12.3 has been deleted, Clause 14 and 15 has been deleted and replaced by new clause 14, An addition of Clause 22.2 and 22.3	or change of control and Reduction in the exercise price of stock options under ESOS for COO & CFO 2019 Scheme from INR 950 to INR 850 per stock option	
Money realized by exercise of options	Nil	Nil	Nil	Nil
Total number of options in force	30,000	10,000	122,958	3,333

Employee wise details of options granted during to:

Particulars	
(a) Directors and key managerial personnel	Nil
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	1) Mr. Chaitanya Rathi 2) Mr. Bittu Varghese 3) Neeraj Sharma
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

12. Sweat Equity Shares

Pursuant to Rule 13 of Companies (Share Capital and Debentures) Rules, 2014, the following are the details of sweat equity shares issued during the year:

Particulars	
Class of director or employee to whom sweat equity shares were issued	Non- Executive Director
Class of shares issued as Sweat Equity Shares	Equity shares
Number of sweat equity shares issued to the directors, key managerial personnel or other employees	2012
Number of such shares issued to them:	
Directors	2012
Key Managerial Personnel	Nil
Other employees	Nil
Individual names of allottees holding one percent or more of the issued share capital	Nil
Reasons or justification for the issue	In lieu of services rendered by Mr. Kerry Damskey in FY20

Principal terms and conditions for issue of sweat equity shares, including pricing formula	The Sweat Equity Shares shall be Lock-in for a period of 3 years from the date of allotment. Without consideration
Total number of shares arising as a result of issue of sweat equity shares	2012
Percentage of the sweat equity shares of the total post issued and paid up share capital	0.01%
Consideration (including consideration other than cash) received or benefit accrued to the company from the issue of sweat equity shares	In lieu of services rendered in FY20
Diluted Earnings Per Share (EPS) pursuant to issuance of sweat equity shares	Nil

13. Vigil Mechanism

Your Company has established Vigil Mechanism in accordance with the provisions of Section 177(9) & (10) of the Companies Act, 2013 to report instances of unethical behavior, actual or suspected fraud or violation of the code of conduct or any policy of the Company. The Vigil Mechanism Policy has been uploaded on the website of the Company at <https://sulavineyards.com>

14. Risk management policy

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

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

15. Deposits

The Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

16. Loans, Guarantees and investments

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

17. Reply to Audit Qualification

The Statutory Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of

the Companies Act, 2013, details of which needs to be mentioned in this Report.

18. Contracts or arrangements with related parties

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

19. Corporate Social Responsibility (CSR)

At Sula, we have a CSR committee established in accordance with the provisions of Section 135 of the Companies Act, 2013. The following were the members of the committee:

Sr. No.	Name of the Directors
1.	Mr. Kerry Damskey
2.	Mr. Rajeev Samant

Your Company believes in being socially accountable to all its stakeholders and enhancing its positive impact on Society. Details of CSR activities undertaken during the year are annexed to this report as “ANNEXURE IV” in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at: <https://sulavineyards.com>

20. Dematerialisation of Shares

The Company encourages its member to hold shares in electronic form and the Company has established connectivity with depository i.e. National Securities Depository Limited (NSDL). 65.40% of the Company’s paid up Equity Share Capital is in dematerialized form as on 31st March, 2021. The Company’s Registrars are M/s Bigshare Services Pvt. Ltd. having its office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai – 400059.

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

There have been no significant and material orders passed by the Regulators, Courts or Tribunals which would impact the going concern status and Company’s operations in future.

22. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing a safe, healthy and conducive environment for all persons associated with us. Internal Complaint Committee/Compliant Redressal Committee has been constituted at various locations pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which shall ensure complete confidentiality and fair enquiry process of the complaints received. During the year under review, no cases of sexual harassment were reported.

23. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	Installation of Alternate source to conserve energy as below: ✓ Heat pump mechanism for heating the water. ✓ Electrical vehicle. ✓ Working on Electrical induction instead of LPG burner ✓ Sky light-Day light Harvesting ✓ Solar Roof top PV System ✓ Solar water Pumping system ✓ Solar Water heating system ✓ Biogas Plant Rainwater harvesting
(ii)	the steps taken by the company for utilizing alternate sources of energy	Implemented as per above sources
(iii)	the capital investment on energy conservation equipment's	INR 84.95 Lakh in FY 2021

b) Technology absorption

(i)	the efforts made towards technology absorption	Effort have been undertaken by technical team as per winery requirement and developed system with maximum benefit to conserve the energy
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Generated 3.29 million electrical units from Solar roof top system and saved approximately 3126 MT of Co2
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-

c) Foreign exchange earnings and Outgo

Foreign exchange	Year ended 31.03.2021 (INR in lakhs)	Year ended 31.03.2020 (INR in lakhs)
(i) Earnings	1168.64	2585.43
(ii) Outgo	1961.47	3494.95

24. Cost Records and Cost Audit

Maintenance of Cost Records and requirements of Cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable to our Company.

25. Secretarial Standards

Your Company has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year.

26. Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

Place: Mumbai
Date: 15th July 2021

Rajeev
Samant

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by Rajeev Samant
Date: 2021.07.15
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Rajeev Samant
Managing Director
DIN:00020675

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RAMESHCHA
NDRA DESAI

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CHETAN
RAMESHCHANDRA
DESAI
Date: 2021.07.15
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Chetan Desai
Chairman
DIN:03595319

INDEX OF ANNEXURES ATTACHED TO THE BOARDS' REPORT

Annexure	Content
I.	Annual Return Extracts in MGT 9
II.	AOC - 1 Details of subsidiary
III.	AOC 2 - Related Party Transactions disclosure
IV.	Annual Report on Corporate Social Responsibility
V.	Report on Sustainability
VI.	Secretarial Audit Report

ANNEXURE I**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2021**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

i	CIN	U15549MH2003PTC139352
ii	Registration Date	26.02.2003
iii	Name of the Company	Sula Vineyards Private Limited
iv	Category/Sub-category of the Company	Company having share capital
v	Address of the Registered office & contact details	901, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400 069
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel),Marol Maroshi Road, Andheri East, Mumbai – 400059.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of wines	11020	78.65%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Artisan Spirits Private Limited 901, Hubtown Solaris, N.S Phadke Marg, Andheri (East), Mumbai 400 069	U15122MH2011PTC222280	Subsidiary Company	100.00%	2(87)
2	Progressive Alcobev Distributors Private Limited Flat No. 101, Plot No. 4A & 4B Sec-26, Progressive Viva, Vashi, Navi Mumbai, Thane - 400705	U74120MH2011PTC214013	Subsidiary Company	51.00%	2(87)
3	Sula Intenational Limited 6th Floor 2 London Wall Place, London, England EC2Y 5 AU	12053984	Subsidiary Company	100.00%	2(87)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4914393	0	4914393	32.67%	4948567	0	4948567	32.81%	0.15%
b) Central Govt.or State Govt.	0	0	0	0%	0	0	0	0%	0%
c) Bodies Corporates	0	0	0	0%	0	0	0	0%	0%
d) Bank/FI	0	0	0	0%	0	0	0	0%	0%
e) Any other	0	0	0	0%	0	0	0	0%	0%
SUB TOTAL: (A) (1)	4914393	0	4914393	32.67%	4948567	0	4948567	32.81%	0.15%
(2) Foreign									
a) NRI- Individuals	0	0	0	0%	0	0	0	0%	0%
b) Other Individuals	0	0	0	0%	0	0	0	0%	0%
c) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
d) Banks/FI	0	0	0	0%	0	0	0	0%	0%
e) Any other	0	0	0	0%	0	0	0	0%	0%
SUB TOTAL (A) (2)	0	0	0	0%	0	0	0	0%	0%
Total Shareholding of Promoter									
(A)= (A)(1)+(A)(2)	4914393	0	4914393	32.67%	4948567	0	4948567	32.81%	0.15%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks/FI	0	0	0	0%	0	0	0	0%	0%
c) Central govt	0	0	0	0%	0	0	0	0%	0%
d) State Govt.	0	0	0	0%	0	0	0	0%	0%
e) Venture Capital Fund	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIIS	0	0	0	0%	0	0	0	0%	0%
h) Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
SUB TOTAL (B)(1):	0	0	0	0%	0	0	0	0%	0%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	0	0	0%	0	0	0	0%	0%
ii) Overseas	4201619	4685199	8886818	59.07%	4201619	4685199	8886818	58.93%	-0.14%
b) Individuals	0	0	0	0%	0	0	0	0%	0%
i) Individual shareholders holding nominal share capital upto ` .1 lakhs	14468	0	14468	0.10%	14468	0	14468	0.10%	0.00%
ii) Individuals shareholders holding nominal share capital in excess of ` .1 lakhs	40000	441559	481559	3.20%	40000	441559	481559	3.19%	-0.01%
c) Others (specify) Foreign Individual	657731	89219	746950	4.97%	657731	91231	748962	4.97%	0.00%
SUB TOTAL (B)(2):	4913818	5215977	10129795	67.33%	4913818	5217989	10131807	67.19%	0%
Total Public Shareholding									
(B) = (B)(1)+(B)(2)	4913818	5215977	10129795	67.33%	4913818	5217989	10131807	67.19%	0%
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9828211	5215977	15044188	100%	9862385	5217989	15080374	100%	

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Rajeev Samant	3578447	23.79%	0%	3612621	23.96%	0%	0.17%
2	Mrs Sulabha Samant	299000	1.99%	0%	299000	1.98%	0%	0.00%
3	Mr. Suresh Samant JT Mrs. Sulabha Samant	135498	0.90%	0%	135498	0.90%	0%	0.00%
4	Mr. Bharat Samant	5000	0.03%	0%	5000	0.03%	0%	0.00%
5	Mr. J.A Moos	1000	0.01%	0%	1000	0.01%	0%	0.00%
6	Mr. Ashwin Samant	407724	2.71%	0%	407724	2.70%	0%	-0.01%
7	Ms. Ruta Samant	487724	3.24%	0%	487724	3.23%	0%	-0.01%
	Total	4914393	32.67%	0%	4948567	32.81%	0%	0.15%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	4914393	32.67%		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	*			
	At the end of the year	4948567	32.81%		

* Details of increase or decrease of share

(v) Shareholding of Directors

SI No.	Shareholders Name	Shareholding		Increase/ Decrease in Share holding	Date	Reason	Cumulative Share holding during	
		No. of shares at the beginning/ end of the year	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Rajeev Samant							
	At the beginning of the year	3578447	23.79%		01.04.2020			
				6700	28.08.2020	Conversion		
				10921	02.11.2020	Conversion		
				6553	09.01.2021	Conversion		
				10000	18.03.2021	Conversion		
	At the end of the year	3612621	23.96%		31.03.2020		3612621	23.96%
2	Mr. J.A Moos *							
	At the beginning of the year	1000	0.01%		01.04.2020	Nil movement during the year	1000	0.01%
	At the end of the year	1000	0.01%		31.03.2020			
3	Mr. Kerry Damskey							
	At the beginning of the year	5187	0.03%		01.04.2020			
				2012	03.12.2020	Allotment of sweat equity shares	7199	0.05%
	At the end of the year	7199	0.05%		31.03.2021			

* Mr. J.A. Moos ceased to be the Director on 14th May, 2020

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(INR in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		CEO	Company Secretary	CFO	
1	Gross Salary	-	Sapna Karmokar	-	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	21.42	-	21.42
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	-	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0	-	0
2	Stock Option	-	0	-	0.00
3	Sweat Equity	-	0	-	0
4	Commission	-	0	-	0
	as % of profit	-	0	-	0
	others, specify	-	0	-	0
5	Others, please specify	-	0	-	0
	Total	-	21.42	-	21.42

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

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Rajeev Samant
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 Date: 2021.07.15 21:16:57 +05'30'

Rajeev Samant
 Managing Director
 DIN: 00020675

Chetan Desai
 Director
 DIN: 03595319

ANNEXURE II

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

(INR in Lakhs)

Sl. No.	Particulars		Details	
1.	Name of the subsidiary	Artisan Spirits Private Limited	Sula International	Progressive Alcobev Distributors Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Annual Report on CSR Activities subsidiaries	INR	GBP 100.96	INR
4.	Share capital (INR)	Authorised- 3000.00 Paid-up - 2935.00	Authorised- 0.99 Paid-up - 0.99	Authorised- 150.00 Paid-up - 116.43
5.	Reserves & surplus	(2,954.56)	(24.24)	379.73
6.	Total assets	3,907.49	4.70	2340.10
7.	Total Liabilities	3,927.05	27.95	1843.94
8.	Investments	NIL	NIL	7.60
9.	Turnover	5,071.38	NIL	6078.77
10.	Profit before taxation	266.70	(13.93)	9.13
11.	Provision for taxation	NIL	NIL	3.06
12.	Profit after taxation	266.70	(13.93)	6.07
13.	Proposed Dividend	NIL	NIL	NIL
14.	% of shareholding	100%	100%	51%

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board

Rajeev Samant
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by Rajeev Samant
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Rajeev Samant
Managing Director
DIN: 00020675

**CHETAN RAMESHCHANDRA
DESAI**

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RAMESHCHANDRA DESAI
Date: 2021.07.19 19:49:25 +05'30'

Chetan Desai
Director
DIN: 03595319

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Arjun Anand
Director
DIN: 07639288

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Bittu Varghese
CFO
ACA: 117278

ANNEXURE - III

FORM NO. AOC -2

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

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

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

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

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

Sr. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangement/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Artisan Spirits Private Limited (Subsidiary Company)	By Agreement	Ongoing/ Periodical	Loan Given/ Interest Income/Rent Income/ Purchase of traded goods/ Sale of Products/ Purchase of Property, plant and equipment/Bank Guarantee given	07.06.17 23.05.18 28.05.19 18.09.19 14.05.20	Nil

Sr. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangement/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
2	Progressive Alcobev Distributors Private Limited (Subsidiary Company)	By Agreement	Ongoing/ Periodical	Purchase of Traded goods/Sale of Products	01.02.19 28.05.19 14.05.20	Nil
3	Sula International Limited (Subsidiary Company)		Ongoing/ Periodical	Loan Given	28.05.19 16.03.20	il
4	Rajeev Samant (Managing Director)	By Agreement	Long Term arrangements/ Periodical	Purchase of property, plant & equipment/Purchase of Raw Materials/ Managerial Remuneration/Rent Expense	20.05.15 08.02.17 06.02.18 23.05.18 11.09.18 28.05.19 04.12.19	Nil
5	Suresh Samant (Relative of Director)	By Agreement	Long Term arrangements/ Periodical	Purchase of Raw Materials/ Rent Expense	31.05.16 08.02.17 06.02.18 11.09.18 28.05.19 04.12.19	Nil
6	Sulabha Samant (Relative of Director)	By Agreement	Long Term arrangements/ Periodical	Purchase of Raw Materials	08.02.17 06.02.18 11.09.18 04.12.19	Nil

Sr. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangement/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
7	Bharat Samant (Relative of Director)	By Agreement	Long Term arrangements/ Periodical	Purchase of Raw Materials	08.02.17 06.02.18 11.09.18 04.12.19	Nil
8	Summerlab Private limited	By Agreement	One time	Legal and Professional fees	16.03.21	Nil

For and on behalf of the Board

Rajeev Samant

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Date: 2021.07.15 21:15:36 +05'30'

Rajeev Samant
Managing Director
DIN: 00020675

CHETAN RAMESHCHANDRA DESAI

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Date: 2021.07.15 21:57:48 +05'30'

Chetan Desai
Director
DIN: 03595319

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- (1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs.

CSR Policy is stated herein below: CSR Policy (Approved by the Board of Directors on 12.11.2014)

Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, associates, shareholders, employees and Society at large.

Since inception, we have focused on achieving the 'triple bottom line' – people, planet and profit. It has been our constant endeavor to achieve growth in a socially and environmentally sustainable manner.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives, we will continue to:

- 1) Respect, protect, and make efforts to restore the environment.
- 2) To create livelihoods for people, support rural development, improve the living environment within the vicinity of our winery's operations.
- 3) Acting in a socially responsible way.
- 4) Encouraging our staff to be mindful of the effect of their actions on any natural resource.

- (2) Composition of the 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. Rajeev Samant	Managing Director DIN: 00020675	No meeting was held during the year owing to the Covid-19 pandemic and time difference in the base locations of the Committee Members. The CSR contribution was directly approved by the Board of Directors as a part of Annual Business Plan.	
2.	Mr. Kerry Damskey	Director DIN: 07793310		

- (3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.sulavineyards.com
- (4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable - Not Applicable
- (5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – INR 0.4 lakhs
- (6) Average net profit of the Company for last three financial years:
Average net profit: INR 2055.89 lakhs
- (7) (a) Two percent of average net profit of the company as per section 135(5): INR 41.12 lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
- (c) Amount required to be set off for the financial year, if any: Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b+7c): INR 41.12 lakhs
- (8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	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 fund	Amount	Date of Transfer
41.52 lakh	--	--	--	--	--

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
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		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Not Applicable											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(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		Amount spent for the project (in Rs.)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration
1	Geographic reach road Development for Villages	Rural development projects	Yes	Maharashtra	Savargoan Govarhdan	INR 5.9 lakhs	Yes	NA	NA
2	Donation towards Covid Equipment's	Promoting health care including preventive health care	Yes	Maharashtra	Nashik	INR 4.46 lakhs	Yes	NA	NA
3	Plantation Afforestation & Maintenance of Existing Plantation Project	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare,	Yes	Maharashtra & Karnataka	Nashik, Tisgaon Dam, and Chekkre	INR 10.19 lakhs	Yes	NA	NA

		agroforestry, conservation of natural resources and maintaining quality of soil, air and water							
4	Promotion of Sports activities, cultural & Social Empowerment by donating old computers, donating benches and donating play equipment	promoting education among children	Yes	Karnataka	Chekkre	INR 2.21 lakhs	Yes	NA	NA
5	Prime Minister Relief Fund	Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women				INR 16 lakhs	Yes	NA	NA

(d) Administrative Overheads: INR 2.76 lakhs

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 41.52 lakhs

(g) Excess amount for set off, if any:

Sr. No	Particulars	Amount
(1)	Two percent of average net profit of the company as per section 135(5)	INR 41.12 lakhs
(2)	Total amount spent for the Financial Year	INR 41.52 lakhs
(3)	Excess amount spent for the financial year [(ii)-(i)]	INR 0.4 lakhs
(4)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(5)	Amount available for set off in succeeding financial years [(iii)-(iv)]	INR 0.4 lakhs

(9) (a) Details of Unspent CSR amount for the preceding three financial years:

Sr No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of fund	Amount	Date of Transfer	
1.	2019-2020	-	INR 41.68 lakhs	-	-	-	INR 78.8 lakhs
2.	2018-2019	-	INR 30.08 lakhs	-	-	-	
3.	2017-2018	-	INR 41.59 lakhs	-	-	-	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
	Not Applicable							

(10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable

(11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable for FY 2020-21.

For earlier financial years, the Company deferred CSR expense for want of appropriate CSR projects, which the Company will ensure contributing in FY 2021-22.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Rajeev Samant
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by Rajeev Samant
Date: 2021.07.15
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Rajeev Samant
Managing Director
DIN: 00020675

**CHETAN RAMESHCHANDRA
DESAI**

Chetan Desai
Director
DIN: 03595319

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RAMESHCHANDRA DESAI
Date: 2021.07.15 21:56:21 +05'30'

SULA

SUSTAINABILITY REPORT FY'21



SULA
VINEYARDS

Sula as a business finds its roots in sustainable practices. We firmly believe that for a business to be successful it needs to be run sustainably. We are responsible for our environmental and social footprint and have taken great care to grow our business while continuing to have a positive impact on nature and communities. We have set and achieved ambitious sustainability targets in the past, will continue to do so in the future.

At Sula, green is as important as red and white. As a family-owned wine company, we are committed to producing India's finest wines through sustainable winemaking and viticulture operations, while minimizing adverse environmental impact to secure natural resources for future generations and enrich the lives of the community dependent on our business.

OUR APPROACH



At Sula, we are committed to growing sustainably by having a positive impact on the environment and communities of the regions in which we operate. We have ambitious targets and want to be recognized as the most sustainable winery in Asia. Our sustainability program is designed to drive us towards the said objective and develop a reporting framework which allows us to confidently report our performance.



SUSTAINABLE DEVELOPMENT GOALS

Our sustainability program is developed after thoroughly analysing our footprint on the environment. Two key pillars of this program are Planet and People. We correlate our focus areas with the United Nations' Sustainable Development Goals, designed to provide a framework to achieve a better and more sustainable future for all by 2030.

OUR KEY FOCUS AREAS CORRELATE TO THE SDG'S AS HIGHLIGHTED BELOW



PERFORMANCE INDICATORS

METRIC	UNIT OF MEASUREMENT	FY'18	FY'19	FY'20	FY'21	FY'22 TARGET	LONG TERM TARGET
Total Energy Consumed	Million Units	4.84	5.43	5.86	5.32	5.76	-
Energy Efficiency	Power Units per 9 Lakhs Case	4.4	4.5	5.9	6.5	5.1	4.1
Solar Contribution	%	36	45	49	61	70	75
Total Water Consumed	Million Litres	84	106	81	64	78	-
Water Efficiency	Litre per 9 Lakhs Case	74.59	85.04	67.18	74.32	63.94	50

NOTES :

Total energy consumed includes all our owned and leased production facilities and hospitality operations; it excludes our head office in Mumbai and pan India sales offices.

Energy efficiency and water efficiency is calculated taking into consideration all our owned and leased production facilities, it excludes our hospitality operations.

Solar contribution includes all our owned and leased production facilities and hospitality operations; it excludes our head office in Mumbai and pan India sales offices.

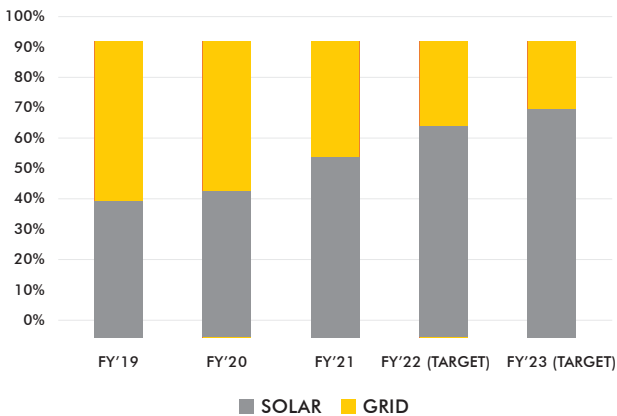
PLANET

Sula being an agro based industry, all our operations are impacted by climate change. Lack of water availability due to irregular rainfall is a major cause for concern in viticulture. Our operations and supply chain are also impacted by the rising temperatures, as more energy is required for storing and transporting wine at cold temperatures. We are taking various steps for reducing our environmental footprint, in view of the challenges faced due to global warming and climate change.



GREEN HOUSE GASES

GHGs are the major contributor of climate change and mitigating the negative impact of CO₂ emissions is a key sustainability initiative. With increasing pollution and depleting fossil fuel reserves, switching to renewable forms of energy is a crucial step. At Sula we are at the forefront of using solar technology to meet our energy needs. We installed our first solar in 2014, when this technology was rare. This has helped us save approx. 12,000 MT of CO₂ emissions over the last 8 years.



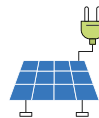
RISING SHARE OF SOLAR IN THE ENERGY MIX



61% of energy used at our manufacturing sites and hospitality operations was generated by Solar in FY'21.



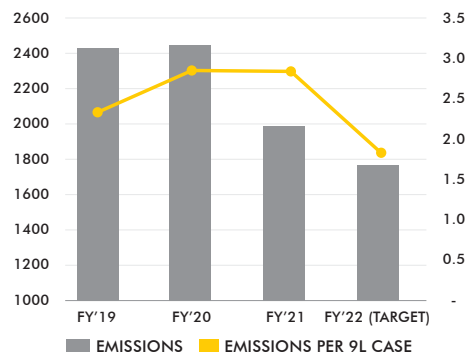
We aim to generate 75% of our energy requirement through solar power by FY'23.



100% decrease in diesel consumption for irrigation at our farms in FY'21, by installing solar powered pumps.



SOLAR PANELS OCCUPYING ROOF SPACE. ARIEL VIEW OF DOMAIN DINDORI, OUR LARGEST FACILITY



FALLING EMISSIONS FROM PURCHASED ELECTRICITY DUE TO HIGHER SOLAR CONTRIBUTION

GHG HIGHLIGHTS

We have implemented several new innovations and technologies in our daily operations to reduce our carbon footprint.

— SMART OPERATIONS

Chilling plants are the largest energy consumers in winery operations. We run our chilling plants during the day with solar power. At night when no solar is available, all chilling plants are shut. Day time chilling, along with tank and building insulation allows to keep our wines cool during the night. Thus, using **100% solar energy for chilling operations.**

— INNOVATIVE LIGHTING

In the past we had installed sky lights at our facilities. Over the last 5 years we have replaced all lighting with LED lights. We have **100% LED lighting at our wineries.**

— SOLAR WATER HEATING

Solar water heaters preheat water which is used to clean tanks. This allows us to reduce diesel consumption for hot water generators with an approx. **saving of 243 MT of CO₂** over the last three years and target to save **81 MT CO₂ in FY'22.**

— HEAT PUMPS

Heat pumps are a revolutionary technology which not only generate hot water, but also produce cold air as a by-product. Heat pumps consume only 1/3rd of energy as compared to conventional electrical heaters. We have installed heat pumps to heat the pool water at our resort and for heating water for tank sanitation. We **saved about 1.2 lakh energy units, i.e. approx. 114 MT CO₂** over the last three years. With the installation of additional heat pumps we aim to **save approx. 98 MT CO₂ emission in FY'22.**



— ENERGY SAVING PANELS

We have installed energy saving panels to air compressors and nitrogen generator plants. The panels provide optimum voltage to the equipment thus saving electricity. The power requirement for both the machines has reduced by 8%.



— BIO GAS

Wet waste from our restaurants is fed into the biogas plant. Produced gas is used at the restaurant for cooking. The generator, when used at full capacity it helps save about 300 LPG cylinders annually. About **11,000 kg biofuel generated** in the last three years. We target to **generate 3,500 kg biogas in FY'22.**

— E – VEHICLES

We have moved to use of electric vehicles in our hospitality operations and electric forklifts in the wineries. All E-vehicles are charged only during the day using solar power. We currently possess 3 E-vehicles and 9 E-forklifts, amounting to 17% of the total company vehicles. We aim to get to 20% E-vehicles by the end of FY'23 and further increase by 10% each year till we get to 80% E-vehicles.

The company has totally stopped the earlier program of financing petrol bikes. Now we only provide attractive financing for E-bike to our employees. Thus, incentivising them to move away from fossil fuel two wheelers to E-bikes.



— SUSTAINABLE CONSTRUCTION

Since FY'19 almost all the company's civil construction has used fly ash bricks. We are committed that 100% of all future construction will use fly ash bricks. We use an innovative construction technique that involves building of double walls with air cavities, to retain cooling for all our cold storage areas, which are predominant in winery construction.

WATER

Water is the most constrained and vital resource in our value chain. We require water for irrigation in the vineyards, in cellar operations and in hospitality for guest service. Our operations are based in water stressed regions of Maharashtra and Karnataka. With the occurrence of inconsistent rainfall events in the past few years, it is vital for us to use the available water resources judiciously.

Sula is one of the pioneers in rainwater harvesting the Nashik area and our wineries have a combined **rainwater harvesting reservoir 4.36 crore litres**. This contributes to approx. **85% of our total fresh water uptake**.



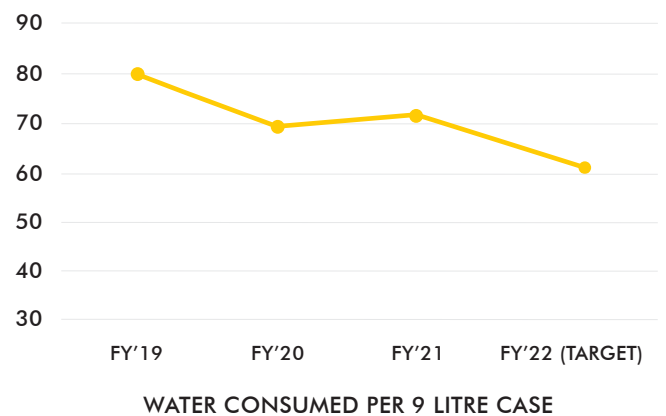
ARIEL VIEW OF RAINWATER HARVESTING RESERVOIR AT DOMAIN DINDORI



The hot water network at our wineries' typically releases about 300 litre of cold water from the piping, before the hot water starts flowing. During the Clean In Place process we store and reuse this cold water, reducing daily freshwater consumption by 3,000 to 4,000 litres.

RO reject water from the purification units is collected and used for activities like floor cleaning and dish washing at all our facilities.

With various water saving and recycling initiatives over the last three years we have reduced water consumption per case by 11%. In FY'22 we target to reduce our water consumption further by 15% and long term we aim to hit a target of 50 litre per case i.e. about 40% reduction.



— RECYCLING WASTEWATER

At Sula, not a single drop of water gets wasted. We have installed high specification effluent treatment plants at all sites to ensure that 100% water is recycled. Our treatment plants allow us to recycle all of our wastewater and use it for numerous purposes including irrigation of green areas, flushing in restrooms etc., aiming at zero liquid discharge. Using the ETPs we were able to recycle approx. 20 million litres of water in FY'21.



EFFULENT TREATMENT PLANT AT SULA'S NASHIK FACILITY

— IMPROVE WATER USE EFFICIENCY IN VITICULTURE

Growing grapes is a water intensive process, especially in tropical and sub-tropical regions. We use drip irrigation in 100% of our owned and contracted vineyards.



EVERY DROP MATTERS

We use drip irrigation system in all our vineyards, which helps us to reduce water consumption by approx. 50% compared to flood irrigation.



RAINWATER HARVESTING AT THE FARMS

We have developed artificial ponds and check dams in vineyards for collecting rainwater, which is used for irrigation post monsoon.



DATA DRIVEN WATER MANAGEMENT

We have installed soil moisture sensors at our vineyards, which consider soil moisture at different depths, evaporation rates and rainfall, to help us be judicious and scientific in water consumption.



— REPLENISH WATERSHEDS

We carry out bore well recharge at our farms for increasing the ground water level. We also help maintain local ponds, by carrying out desilting activity pre monsoon, so that the groundwater can be replenished through percolation. This helps us provide water security to the communities in areas where we operate.

BORE WELL RECHARGE AT ESTATE VINEYARDS

WASTE

Solid waste pollution of green spaces, water bodies and urban environment is a major global issue. Sula has achieved 99% recyclability of packaging materials.

- We recycled approx. 2,000 MT of recyclable material In FY'21.
- We used about 5% recycled bottles for packaging wines in FY'21.

99% OF OUR PACKAGING IS RECYCLABLE



— INNOVATIVE PACKAGING



Sula launched Dia Wine Sparkler - India's first wine in a can. The aluminium cans ensure that the wines cool down quickly, using less energy and are easy to transport, larger volumes can be transported in a single shipment in turn reducing carbon emissions. Aluminium as a material is also greatly recyclable.

— MANAGING ORGANIC WASTE

Pomace obtained from the winemaking process is sundried and used as a component for vermicompost along with FYM and shredded vineyard cuttings. In FY'22 we are targeting to produce about 200 MT of vermicompost, which will be exclusively used in our vineyards as a substitute for regular chemical fertilizers. Grape seeds are harvested from the dried pomace are cold pressed to produce grape seed oil.



VERMICOMPOST



GRAPESEED OIL

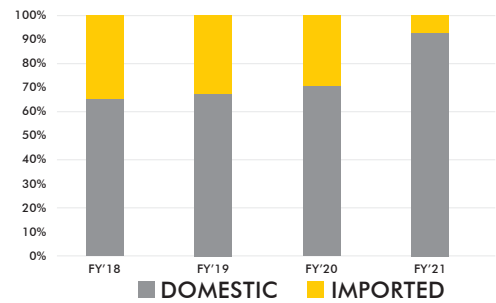
SUPPLY CHAIN

We understand the impact the supply chain can have on the environment, so sourcing of raw materials is a key focus area for us. We have worked extensively on optimizing our packaging material to minimize our footprint.



— SOURCING LOCALLY

In FY'21 we have completely moved away from importing glass bottles for packaging, by developing a local vendor for manufacturing bottles. Previously, our bottles were imported from France and Dubai, whereas now they are supplied from Hyderabad, India. This has led to massive savings in freight carbon emissions in our supply chain. We sourced about 3,000 MT of glass for packaging locally in FY'21.



— LIGHTWEIGHT BOTTLES

We have worked with our vendors to develop light weight bottles. Manufacturing of light weight glass bottles requires less amount of heat during the melting process, the bottles are more convenient to transport and can be cooled using less energy.

BOTTLE TYPE	OLD WEIGHT (IN GRAMS)	NEW WEIGHT (IN GRAMS)	% REDUCTION
Champagne	835	600	28%
Bordeaux	480	440	17%
Burgundy	465	420	10%

ORGANIC CAMPUS

Our Nashik site caters to hospitality, viticulture, and winery operations. Wine tourism is the focus of this facility and we receive around 3,50,000 to 4,00,000 guests annually. It is of utmost importance for us to provide a safe, healthy and chemical free environment to all our guests and employees alike.

- 13 acres of vineyards are farmed using organic cultivation practices.



AERIAL VIEW OF OUR ESTATE VINEYARDS AT THE NASHIK FACILITY



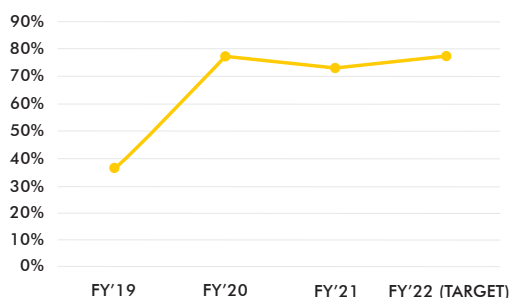
SHEEP GRAZING IN THE VINEYARDS

- **Soil Fertility:** Vermicompost and farmyard manure are used instead of chemical fertilizers. Nitrogen fixing cover crops are planted in between the rows during monsoon, for enriching the soil with essential nutrients.
- **No Pesticides:** Neem extract is used as an alternative to pesticides and insecticides.
- **Integrated Pest Management:** The vineyards have indigenous flower and grass species with insecticidal properties. Conservation of natural flora helps in reducing dependence on insecticides and pesticides. Sticky traps and light traps to attract unwanted insects.
- **Weed Management:** De-weeding is done with the help of mechanical handheld grass cutters. We have sheep at our vineyards, which greatly helps in controlling weeds in the farm through grazing. Additionally, sheep manure is very rich in essential nutrients and helps improve the soil fertility.

SUSTAINABILITY IN HOSPITALITY

Sula is the pioneer for India's wine tourism and one of the world's most visited vineyards. Our sustainability values are integrated into our business decisions and are key to driving the processes in hospitality operations.

- **Solar:** Over the past three years we have increased the use of renewable energy in our hospitality operations. Solar contribution in the energy mix has increased from 37% to 73%.



INCREASING SOLAR CONTRIBUTION



AERIAL VIEW OF SULA'S NASHIK FACILITY

- **E - Vehicles:** vehicles are used for guest movement at the resorts. The vehicles are charged only during the day time with solar power.
- **Energy Saving:** We use heat pumps to heat the pool water at our resorts. The cold air released from the heat pumps is used for cooling the entrance lobby. All the room AC temperatures are locked at 24°C, ensuring optimum functioning and energy saving.
- **Water Recycling:** ETP treated water is used for landscaping and gardening, as well as for toilet flush tanks.
- **Water Use Reduction:** We have installed low flow shower heads and have taken a conscious decision to not have bathtubs in our resort, even in suites.
- **Chemical Free Hygiene Practices:** All chemicals previously used for housekeeping are now replaced with organic products at the resorts and restaurants.
- **Waste Management:** All the waste generated is segregated into dry and organic. The vegetable waste from the kitchens is fed to the biogas plant on site and resultant biogas is used to fuel the kitchen.
- **No Single Use Plastics:** We have replaced all plastic packaged drinking water bottles with glass bottles, which are recyclable. All individually wrapped toiletries like soap, shampoo and conditioner are replaced with refillable and reusable dispensers.

PEOPLE

At Sula, we believe that nurturing relationships with all our stakeholders, including our work force and the communities we operate in is crucial to business success. We take all necessary measures for ensuring the safety, security and wellbeing of our people.

FY'21 has been an especially challenging year amidst the COVID-19 pandemic. The focus this past year has been on extending support to our teams and ensuring we provide safe work environment for all.



COVID RELATED MEASURES TAKEN ARE AS FOLLOWS :

- Increased communication with and within the teams and extended support where required.
- Benefits like additional paid leaves and work from home system were introduced.
- We implemented thorough sanitation protocols at all our locations and ensured social distancing, wearing of masks and hand sanitization for all employees.
- We also donated towards the PM Care funds and Maharashtra State Relief funds for pandemic relief
- We are committed to providing our employees and their spouses free vaccination for COVID -19.

- **Gender Equality:** We take pride in the fact that we are an Equal Opportunity Employer and ensure zero discrimination during hiring or at the workplace. There is no gender-based discrimination for determining the compensation packages or during promotions. In FY'21 we had 39 new hires, of which 20% were women. Our administrative office in Mumbai has 44% women employees.
- **Health Benefits:** We provide comprehensive health insurance to our permanent employees and families, including their spouses and two children. Annual health check-up is also provided to all our permanent employees.
- **POSH (Prevention of Sexual Harassment) Committee:** We have zero tolerance towards sexual harassment and have a specially appointed panel to investigate any complaints across our value chain. In FY'21 zero cases were reported under POSH.
- **Vigilance mechanism:** At Sula, reporting issues related to unethical or non-compliant practices is convenient and highly encouraged.
- **Parental Leave Policies:** We are 100% compliant with the Maternity Benefit Act 2017. We go above and beyond by offering a three-week paternity leave to all our male employees.
- **Employee Engagement:** Various technical and skill development training sessions are conducted online and offline for all employees throughout the year. 160 offline training sessions were conducted during FY'21 and the employees spent a total of 5,500 hours on the online training portal.
- **No Child Labour:** All our vineyards, estate and contract are 100% free of child labour.
- **Farmer Well Being:** Our contracts with farmers ensure price stability and insulate them from the volatility of the agro market in India. We currently have contracts with 456 farmers for 1,854 acres of land.

— COMMUNITY ENGAGEMENT

Community engagement is a part of our Corporate Social Responsibility initiatives. We have initiated a host of measures, including infrastructure projects and educational programs which have driven progress and development among the communities near us. We aim to continue supporting these communities and actively engage with them in the future to ensure progress.

NOTABLE CSR PROJECTS EXECUTED OVER THE LAST FEW YEARS

INITIATIVES FY'21	AREA
Donated towards Prime Minister Care funds and Maharashtra State relief fund for COVID-19	
Road development of village road from Savargaon to Gangavare	Savargaon
Planted 10,000 trees during monsoon at Wasali, Govardhan & Nalwadi - survival rate is 98%	Wasali, Govardhan, Nalwadi
Gangapur & Trambak road divider plantation monthly maintenance	Nashik
Donated Funds, PPE kits , Thermometer & Gloves to Municipal hospitals and Police on request	Nashik
Solar light installation along village road	Gangedoddi
Regular fogging & disinfectant spraying at local villages	Jaulke Wani
Donation of play equipment, old computers to local school	Gangedoddi
Maintenance of environment park	Govardhan
Wasali mountain and Gangapur - Savargaon road cleaning activity	Govardhan, Wasali

PAST INITIATIVES	AREA
Construction of toilets and drainage infrastructure improvement	Savargaon
Construction of a school building	Savargaon
Construction of a community hall	Jaulke Wani
Water ATM for clean drinking water	Govardhan, Jaulke Wani

SUNIL AGARWAL & CO.

COMPANY SECRETARIES

124-125, Ostwal Ornate, Building No. 1, 'A' Wing, Opp. Jain Temple, Bhayander (East), Thane-401105, web: www.cssunilagarwal.com

Email: sunilcs_mumbai@rediffmail.com, agarwalcs_mumbai@yahoo.co.in

**To,
The Members,**

SULA VINEYARDS PRIVATE LIMITED

**901, Hubtown Solaris, N.S. Phadke Marg,
Andheri (E), Mumbai – 400069.**

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

1. In light of government lockdown measures and the practice of social distancing many companies have been left shut, due to which I was unable to physically verify the secretarial and other records of the Company to carry out the Secretarial Audit for the year ended 31st March, 2021. However, I have conducted the audit process and verified all the information, records and documents maintained by the Company which are provided to me through electronic mode for the year ended 31st March, 2021.
2. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
3. I 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 reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company. I will rely on the statutory report provided by the Statutory Auditor as well as Internal Auditor of the company for the financial year ending 31st March, 2021.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.

**SUNIL
SHIVKUMAR
AGARWAL**

Digitally signed by SUNIL SHIVKUMAR
AGARWAL
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SUNIL AGARWAL & CO.

COMPANY SECRETARIES

124-125, Ostwal Ornat, Building No. 1, 'A' Wing, Opp. Jain Temple, Bhayander (East), Thane-401105, web: www.cssunilagarwal.com

Email: sunilcs_mumbai@rediffmail.com, agarwalcs_mumbai@yahoo.co.in

7. The secretarial audit report is neither an assurance as to the future liability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For SUNIL AGARWAL & CO.
Company Secretaries**

SUNIL
SHIVKUMAR
AGARWAL

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**SUNIL AGARWAL
(Proprietor)**

FCS No.8706

C.P. No. 3286

UDIN number: F008706C000352797

Place: Mumbai

Date: 21/05/2021

SUNIL AGARWAL & CO.

COMPANY SECRETARIES

124-125, Ostwal Ornate, Building No. 1, 'A' Wing, Opp. Jain Temple, Bhayander (East), Thane-401105, web: www.cssunilagarwal.com

Email: sunilcs_mumbai@rediffmail.com, agarwalcs_mumbai@yahoo.co.in

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time are not applicable, as the company is an unlisted private limited company;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and dealing with client are not applicable, as the company is an unlisted private limited company;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares)
- (h) Regulations, 2009 are not applicable, as the company is an unlisted public company; and;
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time are not applicable, as the company is an unlisted private limited company;

We have also examined compliance with the applicable clauses of the following:

- (i) The Secretarial Standards issued and notified by the Institute of Company Secretaries of India have been generally complied with by the Company to the extent applicable during the year under review;
- (ii) The Company being Unlisted Private Limited Company, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 are not applicable to the Company;

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

4. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

- 5. I further report that** in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines as provided by the management hereunder;

SUNIL AGARWAL & CO.

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1. Employees' Provident Fund Scheme, 1952 & Rules Made there under
2. Professional Tax Act
3. Air (Prevention & Control of Pollution Act, 1981
4. Apprentice Act, 1961
5. Contract Labour (Regulation & Abolition Act), 1970
6. Environment Protection Act 1986
7. ESIC Act, 1948
8. Factories Act
9. GST Act, 2017
10. Indian Boilers Act, 1923
11. Minimum Wages Act, 1948
12. Payment of Bonus Act
13. Payment of Gratuity Act, 1972
14. Standard of Weight & Measures Act, 1976
15. The Employees Deposit Linked Insurance Scheme, 1976
16. The Employees' Pension Scheme, 1995
17. Water (Prevention & Control of Pollution) Act, 1974
18. Food Safety and Standards Act, 2006, and the Rules made thereunder;
19. Legal Metrology Act, 2009, and the Rules made thereunder;
20. Maharashtra Prohibition Act, 1949;
21. The Central Excise Act, 1944, including the rules and regulations with respect to the various State and Central Excise Policies;
22. The Arbitration and Conciliation Act, 1996;
23. The Indian Contract Act, 1872;
24. The Foreign Exchange management Act, 1999, and the rules passed by the Reserve Bank of India from time to time;
25. various acts, rules and regulations passed by the Central Board of Direct Taxes and other authorities dealing with taxation

6. I further report that During the year under review

- (a) The Company has spent Rs. 38.76 Lakhs towards Corporate Social Responsibility. The CSR expense was approved by the Board of Directors as a part of Annual Business Plan of the Company.
- (b) the shareholders at the 17th Annual General Meeting held on 29th September 2020 has approved for variation in terms and conditions of Employee Stock Option Schemes - ESOS 2018, ESOS 2018(2) and ESOS for COO & CFO 2019 by extending their exercise period until IPO/ QIPO due to spread of covid-19 and also approved ESOS 2020.
- (c) the company has issued 2012 Sweat Equity Shares to one director for consultancy services provided by him, as approved by shareholders in 17th Annual General Meeting

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- (d) the Company has revised payment of sitting fees to be paid to directors attending the meeting as per shareholders agreement and as approved by shareholders in Annual General Meeting.
- (e) the Company has altered its Articles of Association for common seal clause approved by shareholders in Extra-Ordinary General meetings held on 16th December 2020 and 30th March 2021.
- (f) the Company has purchased 2 acres of land at Gat No. 34 situated at Govardhan Village on Gangapur- Savargaon Road, in Taluka & District Nashik, Maharashtra from one of the promoters at fair market price.
- (g) the company has converted 34,174 warrants in to 34,174 equity shares of Rs. 10/- each at a premium out of 1,00,000 warrants issued to its Managing Director as approved by Board of Directors of the Company on 19th August 2014 in tranches and the same is approved by the Board vide circular resolution.

**For SUNIL AGARWAL & CO.
Company Secretaries**

SUNIL
SHIVKUMAR
AGARWAL

Digitally signed by SUNIL SHIVKUMAR AGARWAL
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SUNIL AGARWAL

(Proprietor)

FCS No.8706

C.P. No. 3286

UDIN number: F008706C000352797

Place: Mumbai

Date: 21/05/2021

Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
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Independent Auditor's Report

To the Members of Sula Vineyards Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Sula Vineyards Private Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at **31 March 2021**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 2.1(v)(a) to the accompanying consolidated financial statements, which describes the uncertainties relating to COVID-19 pandemic and the management's evaluation of its impact on the operations and the accompanying consolidated financial statements of the Group as at the balance sheet date, the extent of which is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

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

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group covered under the Act are responsible for 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. 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.

Other Matters

12. We did not audit the financial statements of one (1) subsidiary, whose financial statements (before eliminating inter-company balances and transactions) reflect total assets of ₹ 2,340.10 lakhs and net assets of ₹ 496.16 lakhs as at 31 March 2021, total revenues of ₹ 6,053.03 lakhs and net cash outflow amounting to ₹100.45 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditor.

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

13. We did not audit the financial statements one (1) subsidiary, whose financial statements reflect (before eliminating inter-company balances and transactions) total assets of ₹ 4.70 Lakhs and net liability of ₹ 23.25 lakhs as at 31 March 2021, total revenues of NIL and net cash inflows amounting to ₹ 4.70 lakhs for the year ended on that date, as considered in the consolidated financial statements, whose financial statements has not been audited by us. This financial statements is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Holding Company's management.

Report on Other Legal and Regulatory Requirements

14. Based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 12, on separate financial statements of the subsidiaries, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company and its subsidiary companies, since none of such companies is a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
15. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) the matter described in paragraph 4 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Group;
 - f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiaries:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in notes 32A (ii) to (v) and 45 to the consolidated financial statements;
 - ii. the Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

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Date: 2021.07.15
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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:21109632AAAAIY4096

Place: Mumbai
Date: 15 July 2021

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Annexure 1

List of entities included in the Consolidated Financial Statements

Sr. No.	Name of the entity	Relationship
1.	Sula Vineyards Private Limited, India	Holding Company
2.	Artisan Spirits Private Limited, India	Subsidiary
3.	Progressive Alcobev Distributors Private Limited, India	Subsidiary
4.	Sula International Limited, United Kingdom	Subsidiary

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Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Annexure II to the Independent Auditor's Report of even date to the members of Sula Vineyards Private Limited on the consolidated financial statements for the year ended 31 March 2021

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

1. In conjunction with our audit of the consolidated financial statements of **Sula Vineyards Private Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with respect to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

Annexure II (Contd)

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of another auditor on internal financial controls with reference to financial statements of a the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with respect to financial statements criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one (1) subsidiary company, which is a company covered under the Act, whose financial statements (before eliminating inter-company balances) reflect total assets of ₹ 2,340.10 lakhs and net assets of ₹ 496.16 lakhs as at 31 March 2021, total revenues (before eliminating inter-company transactions) of ₹ 6,053.03 lakhs and net cash outflow amounting to ₹ 100.45 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company has been audited by another auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

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

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Date: 2021.07.15 23:24:40
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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:21109632AAAAY4096

Place: Mumbai
Date: 15 July 2021

AUDITED CONSOLIDATED
BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED
31 March 2021

SULA VINEYARDS PRIVATE LIMITED

Sula Vineyards Private Limited
Consolidated Balance Sheet as at 31 March 2021

	Note No.	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	30,402.40	32,625.60
Right-of-use assets	3A	1,252.55	2,369.13
Capital work-in-progress		10.71	12.31
Goodwill	4	1.18	269.15
Other intangible assets	4	119.40	200.95
Financial assets			
Investments	5	0.25	0.25
Loans	6	386.71	393.71
Other financial assets	7	1,902.71	1,606.44
Deferred tax assets (net)	8	-	4.21
Income tax assets (net)	8	13.95	939.10
Other non-current assets	9	308.84	234.63
Total non-current assets		34,398.70	38,655.48
Current assets			
Inventories	10	14,393.21	17,133.96
Financial assets			
Investments	5	-	7.50
Trade receivables	11	12,639.63	15,436.12
Cash and cash equivalents	12	4,079.07	3,747.21
Bank balances other than cash and cash equivalents	13	1,097.08	280.21
Loans	6	125.81	301.61
Other financial assets	7	4,678.53	6,454.44
Other current assets	9	817.28	1,412.98
		37,830.61	44,774.03
Non-current assets and assets of a disposal group classified as held for sale	14	3,208.44	-
Total current assets		41,039.05	44,774.03
TOTAL ASSETS		75,437.75	83,429.51
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,508.04	1,504.42
Other equity		28,965.80	28,510.98
Equity attributable to owners of the parent		30,473.84	30,015.40
Non-controlling interest		-	240.14
Total equity		30,473.84	30,255.54
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	5,911.89	7,882.50
Lease liabilities	17	1,000.60	1,868.65
Provisions	18	1,044.82	921.39
Deferred tax liabilities (net)	8	1,597.49	1,797.51
Total non-current liabilities		9,554.80	12,470.05
Current liabilities			
Financial liabilities			
Borrowings	16	20,193.25	26,927.13
Trade payables	19	-	-
- Total outstanding dues of micro enterprises and small enterprises		97.09	111.75
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,014.29	8,418.68
Lease liabilities	17	389.51	581.29
Other financial liabilities	20	5,467.66	3,747.46
Other current liabilities	21	1,680.72	834.39
Provisions	18	81.06	83.22
Current tax liabilities (net)	8	127.05	-
		34,050.63	40,703.92
Liabilities of a disposal group classified as held for sale	14.1	1,358.48	-
Total current liabilities		35,409.11	40,703.92
TOTAL EQUITY AND LIABILITIES		75,437.75	83,429.51

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

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

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013
RAKESH
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Rakesh R. Agarwal
Partner
Membership No. 109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev Samant
Digitally signed by Rajeev Samant
Date: 2021.07.15 21:32:15 +05'30'

Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Moscow

CHETAN RAMESHCHANDRA ANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2021.07.15 22:07:30 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

ARJUN ANAND
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Date: 2021.07.15 20:53:42 +05'30'

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
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Date: 2021.07.15 20:14:43 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

RUCHI PRAMOD SATHE
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Date: 2021.07.15 20:53:42 +05'30'

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Place: Mumbai
Date : 15 July 2021

Date : 15 July 2021

Sula Vineyards Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2021

	Note No.	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Income			
Revenue from operations	22	42,421.76	52,952.67
Other income	23	357.19	157.76
Total income		42,778.95	53,110.43
Expenses			
Cost of materials consumed	24	6,691.24	10,928.03
Purchase of stock-in-trade		7,520.09	13,252.43
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	1,536.85	(1,431.57)
Excise duty on sales		3,827.72	4,428.40
Employee benefits expense	26	5,550.08	6,574.35
Finance costs	27	3,338.72	3,289.26
Depreciation, amortisation and impairment expense	28	2,570.03	3,499.66
Selling and distribution expense	29	4,858.33	5,448.74
Other expenses	30	6,343.26	8,860.51
Total expenses		42,236.32	54,849.81
Profit / (loss) before exceptional item and tax		542.64	(1,739.38)
Exceptional item	30.2	(224.10)	-
Profit / (loss) before tax		318.54	(1,739.38)
Tax expense / (credit)	8		
Current tax		226.70	(242.82)
Deferred tax		(188.56)	(145.83)
		38.14	(388.65)
Profit / (loss) for the year (A)		280.40	(1,350.73)
Other comprehensive income / (loss) (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss			
- Loss on remeasurement of defined benefit plans	33	(34.74)	(45.40)
- Income tax effect on above	8	9.05	11.36
Items that will be reclassified subsequently to statement of profit or loss			
- Cash flow hedge reserve		(2.08)	-
- Income tax effect on above		-	-
Other comprehensive loss for the year, net of tax (B)		(27.77)	(34.04)
Total comprehensive income/ (loss) for the year, net of tax (A+B)		252.63	(1,384.77)
Net profit/ (loss) for the year attributable to:			
Owners of the parent		277.90	(1,324.89)
Non-controlling interest		2.50	(25.84)
Other comprehensive income/ (loss) for the year attributable to:			
Owners of the parent		(28.24)	(34.30)
Non-controlling interest		0.47	0.26
Total comprehensive income/ (loss) for the year attributable to:			
Owners of the parent		249.66	(1,359.19)
Non-controlling interest		2.97	(25.58)
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	31	1.85	(8.82)
Diluted (in ₹)	31	1.85	(8.82)

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

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

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

**RAKESH
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AGARWAL**

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RAMAWATAR AGARWAL
Date: 2021.07.15 23:25:25
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Rakesh R. Agarwal
Partner
Membership No.109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

**Rajeev
Samant**

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by Rajeev Samant
Date: 2021.07.15
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Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Moscow

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Date: 2021.07.15
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Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

**CHETAN
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RA DESAI
Date:
2021.07.15
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Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

**RUCHI
PRAMO
D SATHE**

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

**ARJUN
ANAND**

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ANAND
Date: 2021.07.15
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Arjun Anand
Director
DIN: 07639288
Place: Singapore

Sula Vineyards Private Limited
Consolidated Cash Flow Statement for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax	318.54	(1,739.38)
Adjustments for		
Depreciation, amortisation and impairment expense	2,570.03	3,499.66
Interest Expense	3,165.30	3,094.54
Interest income	(264.98)	(70.94)
Dividend income	-	(0.04)
Provisions/ balances no longer required written back	(68.09)	(16.29)
Cancellation of employee stock options	(1.97)	(1.71)
Impairment allowance on financial and other assets	29.36	219.11
Impairment loss on assets classified as held for sale	118.00	-
Exceptional item - loss on disposal group classified as held for sale	224.10	-
Legal and professional expenses settled by issue of equity shares for consideration other than cash	-	25.59
Share based payment to employees	40.97	23.35
Unrealised exchange loss on foreign currency translations (net)	2.34	15.44
Profit on disposal/ cancellation of lease agreement	(23.06)	-
Loss on property, plant and equipment sale/ disposal/ write-off (net)	319.27	390.58
	6,111.27	7,179.29
Operating profit before working capital changes	6,429.81	5,439.91
Adjustments for changes in working capital:		
Decrease/ (Increase) in inventories	2,093.07	(1,412.87)
Decrease/ (Increase) in trade receivables	1,639.84	2,167.64
Decrease/ (Increase) in current/ non-current financial and other assets	2,087.09	(154.22)
(Decrease) / Increase in trade payables and other financial / other liabilities	(1,011.37)	(431.34)
	4,808.63	169.21
Cash generated from operations	11,238.44	5,609.13
Direct taxes - refund received/ (paid) [net]	715.62	(1,142.00)
Net cash generated from operating activities	11,954.06	4,467.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer Note 2 below)	(1,645.16)	(4,533.27)
Proceeds from sale of property, plant and equipment	86.58	146.52
Net proceeds from bank deposits with original maturity of more than three months	(856.95)	(64.95)
Purchase of investment in mutual funds	-	(7.50)
Interest received	245.17	62.82
Dividend received	-	0.04
Net cash used in investing activities	(2,170.36)	(4,396.34)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	156.45	148.80
Proceeds from long-term borrowings	2,175.20	3,950.00
Repayment of long-term borrowings	(2,139.95)	(1,272.95)
Proceeds from short-term borrowings (net)	(5,917.75)	4,928.48
Repayment of lease liabilities	(567.75)	(501.47)
Interest paid	(3,154.00)	(2,831.56)
Dividend paid (including dividend distribution tax)	-	(1,087.22)
Net cash (used in)/ generated from financing activities	(9,447.80)	3,334.08
Net increase / (decrease) in cash and cash equivalents (A+B+C)	335.90	3,404.87
Cash and cash equivalents at the beginning of the year	3,747.21	342.34
Cash and cash equivalents at the end of the year	4,083.11	3,747.21
Less: Transfer to assets of a disposal group classified as held for sale (Refer Note 14)	(4.04)	-
Cash and cash equivalents at the end of the year (Refer Note 12)	4,079.07	3,747.21

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and liability for capital goods.
- Cash flow statement excludes the shares allotted as fully paid up pursuant to contracts without payment being received in cash.

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

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

RAKESH

RAMAWATAR

AGARWAL

Rakesh R. Agarwal

Partner

Membership No.109632

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RAKESH RAMAWATAR
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Date: 2021.07.15 23:25:41
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For and on behalf of the Board of Directors of Sula Vineyards Private Limited

**Rajeev
Samant**

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Rajeev Samant
Date: 2021.07.15
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Rajeev Samant

CEO and Managing Director

DIN: 00020675

Place: Moscow

**CHETAN
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DESAI**

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Chetan Desai

Chairman and Director

DIN: 03595319

Place: Mumbai

**ARJUN
ANAND**

Arjun Anand

Director

DIN: 07639288

Place: Singapore

**BITTU
VARGHESE
NELLISSERY**

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VARGHESE NELLISSERY
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Bittu Varghese

Chief Financial Officer

ACA: 117278

Place: Mumbai

**RUCHI
PRAMOD
SATHE**

Ruchi Sathe

Company Secretary

Membership No. A33566

Place: Mumbai

Place: Mumbai

Date : 15 July 2021

Date : 15 July 2021

Sula Vineyards Private Limited
Consolidated Statement of Changes in Equity as at and for the year ended 31 March 2021

a) Equity share capital

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 1 April 2019	1,50,08,942	1,500.89
Issued during the year [Refer notes 15(e), 15(f) and 42]	35,246	3.53
As at 31 March 2020	1,50,44,188	1,504.42
Issued during the year [Refer notes 15(e) and 15(f)]	36,186	3.62
As at 31 March 2021	1,50,80,374	1,508.04

b) Other equity

Particulars	Reserves and surplus				Other reserve			Total	₹ lakhs Non-controlling interest
	Securities premium	Share option outstanding reserve	General reserve	Retained earnings	Money received against share warrants	Currency fluctuation reserve	Cash flow hedge reserve		
As at 1 April 2019	16,060.42	5.69	359.52	14,240.47	98.78	-	-	30,764.88	265.72
Loss for the year	-	-	-	(1,324.89)	-	-	-	(1,324.89)	(25.84)
Conversion of warrants into equity shares [Refer notes 15(f) and 35]	162.08	-	-	-	(16.53)	-	-	145.55	-
Issue of equity shares [Refer note 15(e)]	25.32	-	-	-	-	-	-	25.32	-
Share based payment expense	-	23.35	-	-	-	-	-	23.35	-
Cancellation of employee stock options	-	(1.71)	-	-	-	-	-	(1.71)	-
Other comprehensive loss for the year	-	-	-	(34.30)	-	-	-	(34.30)	0.26
Payment of dividend (including dividend distribution tax) (Refer note 44)	-	-	-	(1,087.22)	-	-	-	(1,087.22)	-
As at 31 March 2020	16,247.82	27.33	359.52	11,794.06	82.25	-	-	28,510.98	240.14
Profit for the year	-	-	-	277.90	-	-	-	277.90	2.50
Conversion of warrants into equity shares [Refer notes 15(f) and 35]	170.43	-	-	-	(17.39)	-	-	153.04	-
Issue of equity shares [Refer note 15(e)]	14.42	-	-	-	-	-	-	14.42	-
Share based payment expense	-	40.97	-	-	-	-	-	40.97	-
Cancellation of employee stock options	-	(1.97)	-	-	-	-	-	(1.97)	-
Other comprehensive income / (loss) for the year	-	-	-	(26.16)	-	-	(2.08)	(28.24)	0.47
Currency Translation difference	-	-	-	-	-	(1.30)	-	(1.30)	-
Transfer to liabilities of a disposal group classified as held for sale (Refer notes 14 and 30.1)	-	-	-	-	-	-	-	-	(243.11)
As at 31 March 2021	16,432.67	66.33	359.52	12,045.80	64.86	(1.30)	(2.08)	28,965.80	-

Nature and purpose of reserves

i. Securities premium

Securities premium is used to record the premium on issue of shares. This account is utilised in accordance with the provisions of the Companies Act, 2013 ('the Act').

ii. Share option outstanding reserve

The share option outstanding reserve represents reserve in respect of equity settle share options granted to the Holding Company's employees pursuant to the Employee Stock Options Plan.

iii. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

iv. Retained earnings

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

v. Money received against share warrants

Money received against share warrants represents the subscription amount received at the time of issue of share warrants less utilised for conversion of warrants into equity shares.

vi. Currency fluctuation reserve

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in 'Currency fluctuation reserve' under Other Equity.

vii. Cash flow hedge reserve

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

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

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

RAKESH
RAMAWATAR
AGARWAL

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Date: 2021.07.15 23:26:01
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Rakesh R. Agarwal

Partner

Membership No. 109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev
Samant

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Rajeev Samant
Date: 2021.07.15
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Rajeev Samant

CEO and Managing Director

DIN: 00020675

Place: Moscow

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Bittu Varghese

Chief Financial Officer

ACA: 117278

Place: Mumbai

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NDRA DESAI

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Chetan Desai

Chairman and Director

DIN: 03595319

Place: Mumbai

RUCHI
PRAMOD
SATHE

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RUCHI
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Date: 2021.07.15 10:03:00

Ruchi Sathe

Company Secretary

Membership No. A33566

Place: Mumbai

ARJUN
ANAND

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ARJUN ANAND
Date: 2021.07.15
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Arjun Anand

Director

DIN: 07639288

Place: Singapore

Place: Mumbai

Date : 15 July 2021

Date : 15 July 2021

Note 1 Corporate Information

Sula Vineyards Private Limited (the "Holding Company" or the "Parent Company") is a private company domiciled and headquartered in Mumbai, India and was incorporated under the provisions of the erstwhile Companies Act, 1956. The Holding Company having CIN U15549MH2003PTC139352 is located at 901 Hubtown Solaris N.S. Phadke Marg, Andheri East, Mumbai-400069.

These consolidated financial statements (the "financial statements") comprises the financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as the "Group"). The Group is principally engaged in the business of manufacture, purchase and sale of premium wine and other alcoholic beverages. These consolidated financial statements of the Group for the year ended 31 March 2021 were authorised for issue in accordance with resolution of Board of Directors on 15 July 2021.

Note 2.1 Significant Accounting Policies

i. Basis of Preparation

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

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

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii. Principles of Consolidation

The financial statements have been prepared on the following basis:

a. Subsidiary

Subsidiary is the entity which is, directly or indirectly, controlled by the Holding Company. Controls exists when the Holding Company, directly or indirectly, has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Consolidation of a subsidiary begins when the Holding Company, directly or indirectly, obtains control over the subsidiary and ceases when the Holding Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Holding Company, directly or indirectly, gains control until the date when the Holding Company, directly or indirectly, ceases to control the subsidiary.

The Group combines the separate financial statements of the parent and its subsidiary line by line by adding together like items of assets, liabilities, contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Holding Company.

b. The financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

c. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Holding Company.

- d. The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.
- e. The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.
- f. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.
- g. Notes to the financial statements represent notes involving items which are considered material and accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iii. Operating cycle and current, non-current classification

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities. The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An Asset is Current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current.

A Liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

iv. Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

v. Key accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgements

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies.

Estimates

(a) Estimation uncertainty related to the global health pandemic on COVID-19

The impact of pandemic started in March 2020 with Central Government announcing nationwide lockdown to control the spread of the virus. The spread of the virus brought economic activity to a near-standstill in the first quarter of FY 2021, this was followed by gradual easing of restrictions across different states and as a result Group's operations across all manufacturing locations and offices started scaling up. The accelerating rollout of COVID-19 vaccines from January 2021 in India has set the stage for rapid recovery. Although second wave of Infections led to localized lockdowns in some part of the country, there hasn't been any major disruptions to company's operations.

The Group considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effect of pandemic relating to COVID-19 on the consolidated financial statements and in particular in respect of impairment assessment of its assets. The Group has used the principle of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group believes it has taken into account all the possible impact of known events arising out of COVID-19 in the preparation of these consolidated financial statements. The eventual outcome of impact of global health pandemic may be different from those presently estimated and the Group will continue to closely monitor any material changes to future economic conditions.

(b) Useful lives of various assets

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

(b) Current Income Taxes

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

(c) Provision and Contingencies

Contingent Liability may arise from the ordinary course of business in relation to claims against the Group, refer notes 32 and 45. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

(d) Accounting for defined benefit plans

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

(e) Impairment of financial/ non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

vi. Fair Value Measurement

The Group measures financial instruments, at fair value at each balance sheet date. (Refer note 34).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

vii. Property, Plant and Equipment (Tangible Assets)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss. Bearer plants comprising of grapevines are stated at cost less accumulated depreciation and accumulated impairment losses. Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants.

viii. Capital work-in-progress

Capital work-in-progress representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

ix. Goodwill and Other Intangible Assets

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

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

Other Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any. Other Intangible assets mainly comprise of implementation cost for software and other application software acquired and brand acquired through business combination.

x. Investment Property

Investment properties are held to earn rentals (except for short-term purposes) or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined on an annual basis.

xi. Non-current assets or disposal group classified as held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable. The appropriate level of management must be committed to sell the asset or disposal group expected within one year from the date of classification. Non-current assets or disposal group (along with associated assets and liabilities) classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. Once classified as held for sale, the assets are no longer amortized or depreciated.

xii. Depreciation and Amortisation

Depreciation on Property, plant and equipment ('PPE') is calculated using the straight line method as per the estimated useful lives of assets as below:

Asset category	Useful life (in years)	Basis of determination of useful lives
Building	30 – 60	Assessed to be in line with Schedule II to the Act
Leasehold improvement	Over the lease period	-
Plant and equipment	10 – 25	Assessed to be in line with Schedule II to the Act
Furniture and fixtures	5 – 10	Management estimate [^]
Vehicles	8 – 10	Assessed to be in line with Schedule II to the Act
Office equipment	3 – 10	Management estimate [^]
Computers	3 – 6	Assessed to be in line with Schedule II to the Act
Oak barrels	4 - 15	Management estimate [^]
Bearer plants	20	Management estimate [^]

[^] Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of the useful lives.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation on additions is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Statement of profit and loss within Other income/ Other expenses.

Amortisation on Intangible Assets

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

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

xiii. Financial Instruments

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

a. Financial Assets**(i) Initial Recognition**

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

(ii) Subsequent Measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

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

(iii) Impairment of Financial Assets

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

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

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

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

(iv) De-recognition of Financial Assets

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

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

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

Equity Instruments

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

Financial Liabilities

• **Initial Recognition**

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

• **Subsequent Measurement**

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

Financial liabilities at FVPL:

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

Financial liabilities at amortised cost

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

• **De-recognition of Financial Liabilities**

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

c) Cash flow hedge

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

d) offsetting Financial Instruments

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

xiv. Employee Benefits

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Group provides for gratuity which is a defined benefit plan the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

c) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

xv. Inventories

Inventories which comprise of raw materials, work-in-progress / semi-finished goods, finished goods, stock-in-trade, packing materials and consumables, chemicals, stores and spares are carried at the lower of cost or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. The cost is determined as follows:

- Raw Materials, Traded goods, Packing Materials and Consumables, chemicals, stores and spares are valued using the weighted average method.
- Finished goods and work-in-progress / semi-finished goods are valued at the cost of raw materials along with fixed production overheads being allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

xvi. Cash and Cash Equivalents

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

xvii. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of "Manufacture and sale of alcoholic beverages (wines and spirits)". Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xviii. Foreign currency transactions and balances

(a) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

xix. Revenue Recognition

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

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

(a) Revenue from sale of products

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

(b) Revenue from services

Revenue from services represents revenue from hospitality services mainly comprise of sale of room nights, food and beverages and allied services relating to the resort and winery operations. Revenue is recognized at a point in time when the services are rendered and is disclosed net of allowances.

(c) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Dividend Income

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

(e) Other Income

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

xx. Government Grants

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

xxi. Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xxii. Trade payables

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

xxiii. Income Tax

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

a) Current Income Tax

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

b) Deferred Income Tax

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

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

xxiv. Share Based Payments

Share based compensated benefits are provided to certain grades of employees in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the instrument given to employees is recognised as 'employee benefits expenses' with a corresponding increase in equity over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

xxv. Leases

Effective 1 April 2019, the Group has adopted Ind AS 116, "Leases" using the modified retrospective approach, as a result of which the comparative information is not required to be restated.

The Group's lease asset classes primarily consist of leases for land, building and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the period of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

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

xxvi. Business Combinations

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

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

xxvii. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xxviii. Provisions, Contingent Liabilities and Contingent Assets

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

The Group recognises a provision in respect of an onerous contract when the expected benefits to be derived from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably. Contingent assets are disclosed where an inflow of economic benefits is probable.

xxix. Earnings per share

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

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

xxx. Exceptional Items

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

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to existing standards. There is no such notification which would have been applicable to the Group effective 1 April 2021.

Note 3 Property, plant and equipment

Particulars	₹ lakhs											
	Freehold land	Leasehold land	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Oak Barrels	Bearer Plant	Total
Gross carrying value (at deemed cost)												
As at 1 April 2019	6,524.63	9.48	12,537.81	8.27	12,126.76	1,287.42	720.43	722.65	309.44	535.55	38.50	34,820.94
Additions	34.80	-	2,422.47	-	1,070.64	252.34	99.39	130.69	72.89	76.26	-	4,159.48
Transition impact of Ind AS 116 (refer note 3A)	-	(9.48)	-	-	-	-	-	-	-	-	-	(9.48)
Disposals/ write-off	(292.50)	-	(32.68)	(8.27)	(237.72)	(0.82)	(63.83)	(5.82)	(7.39)	(16.84)	-	(665.87)
As at 31 March 2020	6,266.93	-	14,927.60	-	12,959.68	1,538.94	755.99	847.52	374.94	594.97	38.50	38,305.07
Additions	572.30	-	164.12	-	306.41	74.15	69.38	75.29	47.39	106.50	-	1,415.54
Transfer to assets of a disposal group classified as held for sale (Refer Note 14.1)	-	-	(188.03)	-	-	(3.47)	(64.02)	(2.01)	(2.05)	-	-	(259.58)
Transfer to non-current assets classified as held for sale (Refer Note 14.2)	-	-	(1,118.56)	-	(33.42)	(65.81)	-	-	-	-	-	(1,217.79)
Disposals/ write-off	-	-	(1.32)	-	(471.84)	(212.64)	(99.81)	(147.02)	(130.00)	(34.85)	-	(1,097.48)
As at 31 March 2021	6,839.23	-	13,783.81	-	12,760.83	1,331.17	661.54	773.78	290.28	666.62	38.50	37,145.76
Accumulated depreciation												
As at 1 April 2019	-	0.24	1,052.67	7.89	1,594.58	342.43	260.57	315.53	169.59	193.23	14.65	3,951.38
Depreciation charge	-	-	516.35	-	789.22	146.10	101.35	130.33	66.78	105.35	1.63	1,857.11
Transition impact of Ind AS 116 (refer note 3A)	-	(0.24)	-	-	-	-	-	-	-	-	-	(0.24)
Accumulated depreciation on disposals/ write-off	-	-	(2.11)	(7.89)	(69.26)	(0.28)	(33.02)	(4.24)	(6.18)	(5.80)	-	(128.78)
As at 31 March 2020	-	-	1,566.91	-	2,314.54	488.25	328.90	441.62	230.19	292.78	16.28	5,679.47
Depreciation charge	-	-	586.30	-	817.76	163.83	93.13	131.56	65.03	121.11	1.63	1,980.35
Accumulated depreciation on assets of a disposal group classified as held for sale (Refer Note 14.1)	-	-	(34.05)	-	-	(2.42)	(49.76)	(1.88)	(1.86)	-	-	(89.97)
Accumulated depreciation on non-current assets classified as held for sale (Refer Note 14.2)	-	-	(89.95)	-	(16.54)	(26.26)	-	-	-	-	-	(132.75)
Accumulated depreciation on disposals/ write-off	-	-	(0.24)	-	(227.00)	(149.17)	(59.29)	(125.23)	(114.48)	(18.33)	-	(693.74)
As at 31 March 2021	-	-	2,028.97	-	2,888.76	474.23	312.98	446.07	178.88	395.56	17.91	6,743.36
Net carrying value												
As at 31 March 2020	6,266.93	-	13,360.69	-	10,645.14	1,050.69	427.09	405.90	144.75	302.19	22.22	32,625.60
As at 31 March 2021	6,839.23	-	11,754.84	-	9,872.07	856.94	348.56	327.71	111.40	271.06	20.59	30,402.40

Note:

(i) Refer note 16 for information of Property, plant and equipment pledged as security against borrowings of the Group.

(ii) Refer note 32(B)(i) for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) Includes property, plant and equipment aggregating ₹ 550 lakhs (31 March 2020: ₹ 120 lakhs) from related parties [Refer note 35(B)].

Note 3A Right to use asset (ROU)

Particulars	Land	Building	Vehicles	Total
Gross carrying value (at deemed cost)				
Impact of adoption of Ind AS 116 as at 1 April 2019	425.69	799.91	6.05	1,231.65
Transfer from Property, plant and equipment on implementation of Ind AS 116	9.24	-	-	9.24
Additions	184.55	1,374.49	28.21	1,587.25
Disposals	-	(6.08)	-	(6.08)
As at 31 March 2020	619.48	2,168.32	34.26	2,822.06
Additions	9.53	9.48	-	19.01
Disposals	(92.38)	(779.64)	(18.06)	(890.08)
As at 31 March 2021	536.63	1,398.16	16.20	1,950.99
Accumulated depreciation				
As at 1 April 2019	-	-	-	-
Depreciation charge	127.88	309.77	15.28	452.93
Accumulated depreciation on disposals	-	-	-	-
As at 31 March 2020	127.88	309.77	15.28	452.93
Depreciation charge	138.84	348.34	11.36	498.54
Accumulated depreciation on disposals	(33.87)	(205.05)	(14.11)	(253.03)
As at 31 March 2021	232.85	453.06	12.53	698.44
Net carrying value				
As at 31 March 2020	491.60	1,858.55	18.98	2,369.13
As at 31 March 2021	303.78	945.10	3.67	1,252.55

Note:

(i) Also refer note 39 for Ind AS 116 Leases and the related disclosures

(ii) During the year ended 31 March 2021, certain leases have been cancelled/ discontinued resulting in an adjustment to the carrying amount of the related Right-of-use assets and lease liabilities which have been reduced by ₹ 634.96 lakhs and ₹ 658.02 lakhs respectively. A resultant profit of ₹ 23.06 lakhs has been recognised in the statement of profit and loss during the year under Other Income (Refer note 23)

Note 4 Intangible assets

Particulars	Brand (A)	Computer software (B)	Other intangible assets (C = A + B)	Goodwill (D)	Total intangible assets
Gross carrying value (at deemed cost)					
As at 1 April 2019	1,616.32	456.36	2,072.68	319.15	2,391.83
Additions	-	74.32	74.32	-	74.32
Disposals	-	-	-	-	-
As at 31 March 2020	1,616.32	530.68	2,147.00	319.15	2,466.15
Additions	-	11.70	11.70	-	11.70
Disposals	-	(31.07)	(31.07)	-	(31.07)
Transfer to assets of a disposal group classified as held for Sale (Refer Note 14)	-	-	-	(267.97)	(267.97)
As at 31 March 2021	1,616.32	511.31	2,127.63	51.18	2,178.81
Accumulated amortisation					
As at 1 April 2019	563.05	243.38	806.43	-	806.43
Amortisation charge	371.75	86.35	458.10	-	458.10
Impairment charge (Refer note below)	681.52	-	681.52	50.00	731.52
As at 31 March 2020	1,616.32	329.73	1,946.05	50.00	1,996.05
Amortisation charge	-	91.14	91.14	-	91.14
Reversal on disposal of assets	-	(28.96)	(28.96)	-	(28.96)
As at 31 March 2021	1,616.32	391.91	2,008.23	50.00	2,058.23
Net carrying value					
As at 31 March 2020	-	200.95	200.95	269.15	470.10
As at 31 March 2021	-	119.40	119.40	1.18	120.58

Note: Impairment testing for Goodwill

Brand / Goodwill is tested for impairment annually in accordance with the Group procedure for determining the recoverable amount of such assets. The recoverable amount of the assets/CGU is based on value in use. The value in use is determined based on discounted cash flow projections. Based on the above, during the year ended 31 March 2020, impairment provision with respect of Brand and goodwill of acquisition of Heritage winery was recognised as the recoverable value was lower than the carrying value.

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Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 5 Investments		
Non- current		
Investments at fair value through other comprehensive income		
Investment in equity shares, fully paid up		
The Saraswat Co-operative Bank 2,500 (31 March 2020: 2,500) equity shares of ₹ 10 each	0.25	0.25
Current		
Investments at fair value through profit and loss		
Investment in mutual funds		
Axis Blue Chip Mutual Fund Nil (31 March 2020: 25,871) units - quoted	-	7.50
Total investments	0.25	7.75
Details:		
Aggregate of non-current investments:		
(i) Aggregate value of quoted investments and market value thereof	-	7.50
(ii) Aggregate value of unquoted investments	0.25	0.25
(iii) Aggregate value of impairment of investments	-	-
(i) Investments carried at deemed cost	-	-
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through other comprehensive income	0.25	0.25
(iv) Investments carried at fair value through profit and loss	-	7.50
	0.25	7.75
Note 6 Loans		
Non-current		
Security deposits	279.72	282.49
Loans to employees	106.99	111.22
Total non-current loans	386.71	393.71
Current		
Security deposits	10.24	62.87
Loans to employees	115.57	238.74
Total current loans	125.81	301.61
Total loans	512.52	695.32
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable considered good - unsecured	512.52	695.32
Loans receivable which have significant increase in credit risk	-	-
Loans receivable - credit impaired	-	-
Total	512.52	695.32
Note 7 Other financial assets		
Non-current		
Government grants receivable	1,897.53	1,528.86
Banks deposits with maturity of more than 12 months [Includes ₹ 5.18 lakhs (31 March 2020: ₹ 69.02 lakhs) pledged with excise authorities or earmarked against bank guarantees taken by the Group]	5.18	77.58
Total non-current financial assets	1,902.71	1,606.44
Current		
Government grants receivable	4,641.95	6,437.67
Interest accrued	36.58	16.77
Total current financial assets	4,678.53	6,454.44
Total other financial assets	6,581.24	8,060.88

Note 8 Income tax assets/ (liabilities) (net)

i. The following table provides the details of income tax assets and liabilities

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(a) Income tax assets	13.95	2,183.69
(b) Income tax liabilities	<u>(127.05)</u>	<u>(1,244.59)</u>
Net Income tax assets / (liabilities)	<u>(113.10)</u>	<u>939.10</u>
Current income tax liabilities in case of an entity	(127.05)	-
Income tax assets in case of some entities	<u>13.95</u>	<u>939.10</u>
Net Income tax assets / (liabilities)	<u>(113.10)</u>	<u>939.10</u>

ii. The gross movement in the current income tax assets / (liabilities) for the years ended 31 March 2021 and 31 March 2020 is as follows:

Net current income tax liability/ (assets) at the beginning	939.10	(445.72)
Income tax paid/ (refund received) [net]	(785.02)	1,142.00
Current tax expense (including interest on tax payable of ₹ 11.71 lakhs)	(176.75)	-
Earlier year income tax adjustments (net)	(61.66)	242.82
Transferred to assets of a disposal group classified as held for sale (Refer note 14)	<u>(98.17)</u>	<u>-</u>
Net current income tax assets / (liabilities) at the end	<u>(182.50)</u>	<u>939.10</u>

iii. Income tax expense in the Statement of Profit and Loss comprises:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Current tax expense	226.70	(242.82)
Deferred tax credit	<u>(188.56)</u>	<u>(145.83)</u>
Income tax expenses/ (credit) [net] in Statement of Profit and Loss	38.14	(388.65)
Deferred tax credit in other comprehensive income	<u>(9.05)</u>	<u>(11.36)</u>
Income tax expenses / (credit) [net]	<u>29.09</u>	<u>(400.01)</u>

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Profit/ (loss) before income tax	318.54	(1,739.38)
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense / (credit)	80.18	(437.80)
Effect of expenses that are not deductible for determining taxable profits	23.86	25.62
Effect of deferred tax assets not created on loss during the year/ in earlier years of subsidiaries	(61.85)	141.43
Effect of difference in tax rates of subsidiaries	-	(4.10)
Impact of change in tax rate (Refer note 8.1 below)	-	131.24
Tax Impact on conso adjustment	<u>(23.64)</u>	<u>(2.83)</u>
	18.55	(146.46)
Earlier years tax adjustments	19.59	(242.19)
Income tax expense charged/ (credited) to the Statement of Profit and Loss	<u>38.14</u>	<u>(388.65)</u>

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(a) Deferred tax liabilities		
- Timing difference on tangible and intangible assets depreciation and amortisation	<u>2,757.54</u>	<u>3,050.43</u>
	2,757.54	3,050.43
(b) Deferred tax assets		
- Expenses allowable on payment basis	984.71	1,193.33
- Impairment allowable on financials assets	175.34	62.45
- Others	-	1.35
	<u>1,160.05</u>	<u>1,257.13</u>
Total deferred tax liabilities (net)	<u>1,597.49</u>	<u>1,793.30</u>
- Deferred tax liabilities in case of some entities	<u>1,597.49</u>	<u>1,797.51</u>
- Deferred tax assets in case of an entity	-	(4.21)

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Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

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

	Timing difference on tangible and intangible assets depreciation and amortisation (A)	Expenses allowable on payment basis (B)	Unused tax losses (C)	Impairment allowable on financials assets (D)	Others (E)	Total F=(A)-(B)-(C)-(D)-(E)
At 1 April 2019	2,473.97	458.75	35.23	27.62	1.88	1,950.49
- to profit or loss	576.46	745.94	(35.23)	34.83	(0.53)	(168.55)
- to other comprehensive income	-	(11.36)	-	-	-	11.36
At 31 March 2020	3,050.43	1,193.33	-	62.45	1.35	1,793.30
- to profit or loss	(291.46)	(256.82)	-	112.89	(1.35)	(146.18)
- to profit or loss (earlier year adjustment)	-	42.07	-	-	-	(42.07)
- to other comprehensive income	-	9.38	-	-	-	(9.38)
- transferred to asset held for sale	(1.43)	(3.25)	-	-	-	1.82
At 31 March 2021	2,757.54	984.71	-	175.34	-	1,597.49

Note 8.1: During the previous year ended 31 March 2020, the Holding Company and Progressive Alcobev Distributors Private Limited has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company and its subsidiary i.e. Progressive Alcobev Distributors Private Limited has recognised provision for income tax basis the rate prescribed in the said section. Further, the deferred tax assets/liabilities have also been remeasured basis the revised rate and the impact of this change was recognised in the statement of profit and loss during the previous year.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 9 Other assets		
Non-current		
Capital advances	7.80	21.69
Balances with government authorities	274.60	191.70
Prepaid gratuity (Refer note 33)	4.21	2.28
Prepaid expenses	22.23	18.96
Total other non-current assets	308.84	234.63
Current		
Advance to suppliers	1,617.15	1,695.02
Less: Impairment	(1,223.58)	(1,259.14)
	393.57	435.88
Balances with government authorities	162.83	724.95
Prepaid expenses	260.88	252.15
Total other current assets	817.28	1,412.98
Total other assets	1,126.12	1,647.61

Note 10 Inventories

Raw materials	-	57.00
Work-in-progress / Semi-finished goods	10,459.86	10,906.39
Finished goods	1,508.66	2,062.19
Stock-in-trade [including goods-in-transit of ₹ 74.26 lakhs (31 March 2020: ₹ 557.86 lakhs)] [Refer Note 10.1]	1,572.96	2,977.66
Consumables, stores and spares [including goods-in-transit ₹ 9.98 lakhs (31 March 2020: Nil)]	272.31	461.78
Packing materials [including goods-in-transit ₹ 9.90 lakhs (31 March 2020: Nil)]	579.42	668.94
Total inventories	14,393.21	17,133.96

Note 10.1

Stock-in-trade [including goods-in-transit of ₹ 74.26 lakhs (31 March 2020: ₹ 557.86 lakhs)]	2,220.64	-
Less: Transfer to assets of a disposal group classified as held for sale (Refer Note 14)	(647.68)	-
	1,572.96	-

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Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 11 Trade receivables		
Trade receivables	12,639.63	15,436.12
Total trade receivables	12,639.63	15,436.12
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	12,639.63	15,436.12
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	333.21	303.85
Total	12,972.84	15,739.97
Loss allowance (Refer note 30)	(333.21)	(303.85)
Total trade receivables	12,639.63	15,436.12

Note 11.1 Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Note 11.2: There are no trade receivables due from any director or any officer of the Group, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 12 Cash and cash equivalents

Balances with banks in current accounts	4,075.86	3,740.42
Cash on hand	3.21	6.79
Total cash and cash equivalents	4,079.07	3,747.21

Note 12.1: There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 13 Bank balances other than cash and cash equivalents

Earmarked balances with bank		
Bank deposits with maturity of more than 3 months but less than 12 months	1,097.08	280.21
[Includes ₹ 1,097.08 lakhs (31 March 2020: ₹ 172.22 lakhs) held as margin money or security against borrowings, guarantee and other commitments of the Group]		
Total bank balances other than cash and cash equivalents	1,097.08	280.21

Note 14 Non-current assets and disposal group classified as held for sale

Assets of a disposal group classified as held for sale (Refer note 14.1 below)	2,241.40	-
Office premises along with plant and equipment and furniture/ fixtures (Refer note 14.2 below)	967.04	-
	3,208.44	-

Note 14.1: The Company in March 2021 has entered into a Memorandum of Understanding ('MOU') pursuant to which the Company is committed to sell its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 296.90 lakhs. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') has been classified as held for sale and the resultant impairment loss of ₹ 224.10 lakhs has been recognised against the goodwill as at 31 March 2021. Subsequent to 31 March 2021, the sale has been concluded and sale consideration has been received. Also refer note 30.2.

Particulars	₹ lakhs
Assets	
Property, plant and equipment	169.61
Loans and advances	17.76
Investments	7.60
Inventories	790.24
Trade receivable	1,125.80
Cash and cash equivalents	4.04
Bank balances other than cash and cash equivalents	112.48
Income tax assets	98.17
Deferred tax assets	1.80
Other current assets	12.60
Goodwill (net of loss on disposal group classified as held for sale aggregating ₹ 224.10 lakhs. Also refer note 30.2)	43.86
Total	2,383.96
Less: intercompany elimination	(142.56)
Assets of a disposal group classified as held for sale	2,241.40
Liabilities	
Trade and other payables	1,024.20
Short-term borrowings	819.75
Non-controlling interest	243.11
Total	2,087.06
Less: intercompany elimination	(728.58)
Liabilities of a disposal group classified as held for sale	1,358.48

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021**

Note 14.2: The Holding Company intends to dispose off an office premises along with certain plant and equipment and furniture/ fixtures with an aggregate carrying value ₹ 1,085.04 lakhs, as it no longer intends to utilise the same in near future and accordingly classified the asset as held for sale. Search for a suitable buyer is underway. Based on valuation of the aforesaid assets by an independent valuer, the fair value less cost to sell is determined as ₹ 967.04 lakhs. Accordingly, an impairment loss of ₹ 118 lakhs has been recognized on reclassification of the said premises as held for sale.

Particulars	₹ lakhs
Building	1,028.61
Plant and equipment	16.88
Furniture and fixtures	39.55
Written down value of assets held for sale	1,085.04
Impairment loss on classification of assets classified as held for sale (Refer note 30)	(118.00)
Fair value less cost to sell	967.04

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Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

Note 15 Equity share capital	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Authorised share capital		
2,02,06,000 Equity shares of ₹ 10 each (31 March 2020: 20,206,000 equity shares of ₹ 10 each)	2,020.60	2,020.60
Total authorised share capital	2,020.60	2,020.60
Issued, subscribed and paid-up equity share capital:		
1,50,80,374 Equity shares of ₹ 10 each fully paid up (31 March 2020: 1,5,044,188 equity shares of ₹ 10 each)	1,508.04	1,504.42
Total issued, subscribed and paid-up equity share capital	1,508.04	1,504.42

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

	Number	₹ lakhs
As at 1 April 2019	1,50,08,942	1,500.89
Issued during the year [Refer note 15(e)]	2,746	0.28
Shares warrants converted during the year [Refer note 15(f)]	32,500	3.25
As at 31 March 2020	1,50,44,188	1,504.42
Shares warrants converted during the year [Refer note 15(f)]	34,174	3.42
Sweat equity shares issued during the year [Refer note 15(e)]	2,012	0.20
As at 31 March 2021	1,50,80,374	1,508.04

b. Terms/rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Rajeev Samant	36,12,621	23.96%	35,78,447	23.79%
Verlinvest Asia Pte Ltd.	35,28,455	23.40%	35,28,455	23.45%
Verlinvest S.A	14,38,367	9.54%	14,38,367	9.56%
Cofintra S.A.	14,38,367	9.54%	14,38,367	9.56%
Verlinvest France S.A	13,15,913	8.73%	13,15,913	8.75%

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

d. Shares reserved for issue under Employee Stock Options Scheme (ESOS):

As at 31 March 2021, the Holding Company has granted 166,291 (31 March 2020: 111,479) employee stock options under the Employee stock option scheme of the Holding Company to its senior executives subject to achievement of targets as defined in ongoing vision of the Holding Company. (Refer note 42)

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

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - 2,012 equity shares at a premium of ₹ 716.93 per share (31 March 2020: 2,746 equity shares at a premium of ₹ 921.76 per share)

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

f. Share warrants issued and converted

(i) The Holding Company has issued share warrants to Rajeev Samant (CEO and Managing Director), as a part of the remuneration package. The details of the same are as under:

Financial year in which warrants have been issued	Number of warrants	Number of warrants converted	Exercise price	Date of conversion	
2014-15	1,00,000	76,674	508.71	Various*	23,326
2016-17	75,200	-	584	-	75,200
2017-18	1,50,400	-	631	-	1,50,400
2018-19	75,200	-	760	-	75,200
2018-19	2,29,070	-	850	-	2,29,070

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*5,500, 12,000 and 15,000 on 28 May 2019, 10 October 2019 and 14 November 2019 respectively.

*6700, 10,921, 6,553 and 10,000 on 28 August 2020, 02 November 2020, 09 January 2021 and 18 March 2021 respectively.

(ii) The above warrants upto financial year 2014-15 have been issued on payment of 10% amount at the time of subscription and the balance to be paid on conversion, with a right to convert them into equivalent number of equity shares any time before the Initial Public Offering / Qualified Institutional Placement.

(iii) The warrants from financial year 2016-17 onwards have been issued at ₹ 10 each fully paid up at the time of subscription and the balance to be paid on conversion, with a right to convert them into equivalent number of equity shares any time before the Initial Public Offering / Qualified Institutional Placement.

(iv) The above warrants on conversion shall rank pari passu in all respects with the existing fully paid up equity shares of the Holding Company except for dividend which shall be pro-rata from the date of conversion.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 16 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 16.1 below)	9,909.11	9,842.24
Unsecured		
Deferred sales tax liabilities (Refer note 16.2 below)	23.29	54.27
Term loan from banks (Refer note 16.3 below)	-	0.64
	<u>9,932.40</u>	<u>9,897.15</u>
Less: Current maturities of long term borrowings (Refer note 20)	<u>(4,020.51)</u>	<u>(2,014.65)</u>
Total non-current borrowings	5,911.89	7,882.50
II Current borrowings		
Secured		
Loans from banks		
- Working capital demand loans (repayable on demand) (Refer note 16.4 below)	16,715.00	21,413.03
- Cash credit facilities (repayable on demand) (Refer note 16.4 below)	14.41	1,971.64
- Buyer's credit (Refer note 16.5 below)	506.20	542.46
	<u>17,235.61</u>	<u>23,927.13</u>
Unsecured		
- Working capital demand loans from banks (repayable on demand) (Refer note 16.6 below)	1,857.64	3,000.00
- Other bank loans (Refer note 16.7 below)	1,100.00	-
	<u>2,957.64</u>	<u>3,000.00</u>
Total current borrowings	<u>20,193.25</u>	<u>26,927.13</u>
Total borrowings (I+II)	<u>26,105.14</u>	<u>34,809.63</u>

Details of security and terms of repayment of non-current borrowings

Note 16.1: The term loans from banks of Holding Company are repayable in 5-18 balance quarterly instalments ranging from ₹ 52.15 lakhs to ₹ 144.37 lakhs. These loans carry interest ranging from 6.80% to 9.35% and are secured by first pari passu on all the existing and future movable property, plant and equipment and charge on immovable assets. Also refer note 36(iii) for the contractual maturity details of the aforesaid non-current borrowings.

Note 16.2: Deferred sales tax loan of Holding Company ₹ 23.29 lakhs (31 March 2020: ₹ 54.27 lakhs) is interest free and repayable in remaining 2 years.

Note 16.3: Loan of Subsidiary Company Nil (31 March 2020: ₹ 0.64 lakhs) carried interest rate of 15.00 % was fully repaid during the year.

Details of security and terms of repayment of current borrowings

Note 16.4: Working capital demand loans and cash credit facilities of Holding company are repayable on demand. They carry interest rate ranging from 7.50% to 11% p.a (31 March 2020: 8.05% to 10% p.a.) and are secured by all existing and future current assets, movable and immovable property, plant and equipment.

Note 16.5: Buyers credit of holding company carrying interest ranging from 6% to 7% p.a. (31 March 2020: 6% to 7% p.a.) has been repaid during the year. These were secured by the existing and future current assets, movable and immovable property, plant and equipment.

Buyers credit of subsidiary company carries an effective interest rate of 7.35% p.a. and is repayable in 180 days. This is secured by first charge on current assets and collateral of 0.4x fixed deposit placed with the bank.

Secured working capital demand loan of the Subsidiary Company from other have been fully repaid in current year. This loan carried interest rate of 9.75% p.a to 10.50% p.a. and was secured by hypothecation of the entire current assets and immovable property, plant and equipment.

Note 16.6: Unsecured working capital demand loans of Holding Company carry interest ranging from 7.20% to 7.30% p.a. (31 March 2020: 7.60%) and are repayable on demand.

Note 16.7: Other bank loans of Holding Company carry an interest rate of 9.25% p.a. (31 March 2020: Nil) and is repayable within 180 days.

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Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021
Note 16.8 Net debt reconciliation

An analysis of net debts of the Group and the movement in net debts for the years ended 31 March 2021 and 31 March 2020 is as follows:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(A) Cash and cash equivalents	(4,079.07)	(3,747.21)
(B) Non-current borrowings (including current maturities of long term debts)	9,932.40	9,897.15
(C) Current borrowings	20,193.25	26,927.13
(D) Interest payable	160.24	307.58
Net debts (E) = (A-B-C-D)^	26,206.82	33,384.65

^ Excluding debt in respect of a disposal group classified as held for sale (Refer note 14 for further details)

	Other assets		Liabilities from financing activities		₹ lakhs
	Cash and cash equivalents (A)	Non-current borrowings (B)	Current borrowings (C)	Interest payable (D)	Total (E) = (A-B-C-D)
Net debts as at 1 April 2019	(342.34)	7,220.10	21,998.65	181.71	29,058.12
Cash flows (net)	(3,404.87)	2,677.05	4,928.48	-	4,200.66
Exchange rate fluctuations	-	-	-	-	-
Interest expense	-	-	-	2,812.06	2,812.06
Interest paid	-	-	-	(2,686.19)	(2,686.19)
Net debts as at 31 March 2020	(3,747.21)	9,897.15	26,927.13	307.58	33,384.65
Cash flows (net)	(335.90)	35.25	(5,917.75)	-	(6,218.40)
Exchange rate fluctuations	-	-	3.62	-	3.62
Interest expense	-	-	-	2,889.38	2,889.38
Interest paid	-	-	-	(3,036.72)	(3,036.72)
Net debts as at 31 March 2021	(4,083.11)	9,932.40	21,013.00	160.24	27,022.53
Less: Transferred to assets/ liabilities of a disposal group classified as held for sale	4.04	-	(819.75)	-	(815.71)
Net debts as at 31 March 2021	(4,079.07)	9,932.40	20,193.25	160.24	26,206.82

Note 17 Lease Liabilities
Non-current

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Lease liabilities (Refer note 39)	1,000.60	1,868.65

Current

Lease liabilities (Refer note 39)	389.51	581.29
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Total lease liabilities

1,390.11	2,449.94
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Note 18 Provisions
Non-current

Provision for employee benefits (Refer note 33)		
- Gratuity	1,004.95	814.47
- Compensated absences	39.87	106.92
Total non-current provisions	1,044.82	921.39

Current

Provision for employee benefits (Refer note 33)		
- Gratuity	51.18	61.13
- Compensated absences	29.88	22.09
Total current provisions	81.06	83.22

Total provisions

1,125.88	1,004.61
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Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021**

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 19 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	97.09	111.75
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- to related parties (Refer note 35)	139.69	131.64
- to others	5,874.60	8,287.04
Total trade payables	6,111.38	8,530.43
Note 19.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.		
Note 20 Other current financial liabilities		
Current maturities of long-term debt (Refer note 16)	4,020.51	2,014.65
Interest accrued and due	20.77	13.35
Interest accrued but not due	160.24	307.58
Others		
- Liability for capital goods	350.00	583.41
- Security deposits	299.50	327.24
- Due to employees	616.64	501.23
Total other current financial liabilities	5,467.66	3,747.46
Other financial liabilities carried at amortised cost	5,467.66	3,747.46
Other financial liabilities carried at FVTPL	-	-
Note 21 Other current liabilities		
Advance from customers (Refer note 21.1)	103.62	47.50
Statutory dues payable	1,577.10	786.89
Total other liabilities	1,680.72	834.39

Note 21.1:

Management has settled the advance from customers at the beginning of the year, by providing hospitality services against such advances. It expects to similarly settle the closing advance payable as at 31 March 2021.

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 22 Revenue from operations		
(a) Sale of products (including excise duty)	37,734.06	47,196.88
(b) Sale of services	1,813.81	2,816.74
(c) Other operating revenues	2,873.89	2,939.05
Total revenue from operations	42,421.76	52,952.67

Note 22.1: Includes sale of products to related parties of ₹ 3.77 lakhs (31 March 2020: Nil) (Refer note 35).

Note 22.2: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service:

(a) Sale of products		
- Manufactured goods	25,995.82	30,260.14
- Traded goods	11,738.24	16,936.74
	37,734.06	47,196.88
(b) Sale of services	1,813.81	2,816.74
(c) Other operating revenues		
- Government grant	2,734.20	2,902.13
- Provisions/ balances no longer required written back	68.09	16.29
- Others	71.60	20.63
	2,873.89	2,939.05
Total revenue from operations	42,421.76	52,952.67

(B) Based on timing of revenue recognition:

Products transferred at a point of time	37,734.06	47,196.88
Services transferred at a point of time	1,813.81	2,816.74

The amounts receivable from customers become due after expiry of credit period which on an average ranges between 30-90 days. There is no significant financing component in any transaction with the customers. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. All contracts entered by the Group are Fixed-price contracts. Further, the Group's entire business falls under one operational segment of 'manufacture, purchase and sale of alcoholic beverages (Refer note 43).

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

Contract price	47,322.54	54,551.18
Less: Items offset against revenue from customers	(7,774.67)	(4,537.56)
	39,547.87	50,013.62

Note 22.3: The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

Revenue from top customer	6,293.88	6,202.26
Revenue from top five customers	14,944.29	16,851.91

For the year ended 31 March 2021 one (1) customer [(31 March 2020: one customer)], individually accounted for more than 10% of the total revenue.

Note 23 Other income

(a) Interest income

- on financial assets carried at amortised cost	135.28	7.13
- on bank deposits	43.69	19.49
- income tax refund	42.81	-
- on others	43.20	44.32
	264.98	70.94

(b) Dividend income

- 0.04

(c) Other non-operating income

- Cancellation of employee stock options	1.97	1.71
- Insurance claim	10.47	9.37
- Rent Income	24.00	-
- Profit on disposal/ cancellation of lease agreement	23.06	-
- Miscellaneous income	32.71	75.70
	92.21	86.78

Total other income

357.19 157.76

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 24 Cost of materials consumed		
(a) Stock at beginning of the year		
- Raw materials	57.00	98.60
- Packing materials	668.94	824.47
	<u>725.94</u>	<u>923.07</u>
(b) Add: Purchases		
- Raw materials	3,901.05	6,854.79
- Packing materials	2,643.67	3,876.11
	<u>6,544.72</u>	<u>10,730.90</u>
(c) Less: Stock at the end of the year		
- Raw materials	-	57.00
- Packing materials	579.42	668.94
	<u>579.42</u>	<u>725.94</u>
(d) Total cost of materials consumed (a+b-c)		
- Raw materials	3,958.05	6,896.39
- Packing materials	2,733.19	4,031.64
	<u>6,691.24</u>	<u>10,928.03</u>
Total cost of materials consumed	<u>6,691.24</u>	<u>10,928.03</u>
Note 24.1: Includes purchase of raw materials from related parties ₹ 144.06 lakhs (31 March 2020: ₹ 116.41 lakhs) (Refer note 35).		
Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	2,062.19	672.34
- Work-in-progress	10,906.39	11,042.81
- Stock-in-trade	2,977.66	2,545.43
	<u>15,946.24</u>	<u>14,260.58</u>
(b) Closing stock		
- Finished goods	1,508.66	2,062.19
- Work-in-progress	10,459.86	10,906.39
- Stock-in-trade	2,220.63	2,977.66
	<u>14,189.15</u>	<u>15,946.24</u>
(c) Increase / (Decrease) in excise duty on finished goods	(220.24)	254.09
	<u>(220.24)</u>	<u>254.09</u>
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	<u>1,536.85</u>	<u>(1,431.57)</u>
Note 26 Employee benefits expense		
Salaries, wages and bonus	5,102.89	6,008.41
Contribution to provident and other fund (Refer note 33)	124.48	209.16
Gratuity (Refer note 33)	178.54	161.27
Share based payment expenses (Refer note 42)	40.97	23.35
Staff welfare	103.20	172.16
Total employee benefits expense	<u>5,550.08</u>	<u>6,574.35</u>
Note 27 Finance costs		
Interest on:		
- loan from banks	2,760.05	2,654.88
- lease liabilities (Refer note 39)	146.93	137.12
- cash credit facilities	129.33	157.17
- income tax	11.71	-
- others	117.28	145.37
	<u>3,165.30</u>	<u>3,094.54</u>
Other borrowing costs	173.42	194.72
Total finance costs	<u>3,338.72</u>	<u>3,289.26</u>
Note 28 Depreciation, amortisation and impairment expense		
Depreciation on tangible assets (Refer note 3)	1,980.35	1,857.11
Depreciation on right-of-use assets (Refer note 3A)	498.54	452.93
Amortisation of intangible assets (Refer note 4)	91.14	458.10
Impairment of intangible assets (Refer note 4)	-	731.52
Total depreciation, amortisation and impairment expense	<u>2,570.03</u>	<u>3,499.66</u>

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 29 Selling and distribution expenses		
Sales promotion expenses	3,609.29	3,518.37
Commission expenses	829.68	1,065.46
Marketing expense	419.36	864.91
Total selling and distribution expenses	4,858.33	5,448.74
Note 30 Other expenses		
Consumables, chemicals, stores and spares consumed	643.52	1,017.28
Power and fuel	523.55	494.80
Repairs and maintenance		
- Building	85.88	63.52
- Others	551.75	599.65
Rates and taxes	730.00	851.65
Insurance	94.01	60.03
Royalty	-	4.76
Security charges	133.73	169.39
Travelling and conveyance	290.08	835.87
Rent (Refer note 39)	271.83	480.54
Auditor remuneration:		
- statutory audit fees	37.71	40.42
- limited review and tax audit fees	13.57	14.46
- other services	1.95	2.01
- reimbursement of expenses	0.42	1.54
Legal and professional fees (Refer note 30.1)	539.55	569.10
Director sitting fees (Refer note 35)	30.07	25.77
Restaurant expenses	274.61	464.51
Resort maintenance expenses	287.37	395.67
Sulafest expenses	-	363.48
Freight and handling charges	800.69	1,101.56
Impairment allowance on financial assets (Refer note 11)	29.36	219.11
Exchange loss (net)	20.45	15.44
Loss on property, plant and equipment sale/ disposal/ write-off (net)	319.27	390.58
Impairment loss on assets classified as held for sale (Refer notes 14.2)	118.00	-
Corporate social responsibility expenses (Refer note 41)	41.52	41.68
Printing, stationary, postage and telephone expenses	106.46	149.27
Miscellaneous	397.91	488.42
Total other expenses	6,343.26	8,860.51

Note 30.1: Includes ₹ Nil (31 March 2020: ₹ 25.59 lakhs) settled through issue of equity shares for consideration other than cash.

Note 30.2 Exceptional item

Impairment loss on disposal group classified as held for sale	224.10	-
	224.10	-

During the year, the Holding Company entered into a Memorandum of Understanding ('MOU') pursuant to which the Holding Company is committed to sell its investments in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 296.90 lakhs. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') has been classified as held for sale and the resultant impairment loss of ₹ 224.10 lakhs has been recognised against the goodwill as at 31 March 2021 as mentioned below:

	₹ lakhs
(a) Net assets of PADPL as at 31 March 2021	496.14
(b) Non-controlling interest in PADPL	(243.11)
(c) Net identifiable assets apportioned to holding company (51%) (c = a-b)	253.03
(d) Goodwill on acquisition of PADPL	267.97
(e) Net assets of a disposal group classified as held for sale as at 31 March 2021 (e = c+d)	521.00
(f) Fair value less cost to sell	(296.90)
(g) Impairment loss (g = e-f)	224.10

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021**

	Year ended 31 March 2021	Year ended 31 March 2020
Note 31 Earnings / (loss) per share (EPS)		
Basic and diluted EPS		
A. Profit / (loss) computation for basic earnings per share of ₹ 10 each		
Net profit / (loss) as per the Statement of Profit and Loss available for equity shareholders (₹ lakhs)	277.90	(1,324.89)
B. Weighted average number of equity shares for EPS computation (Nos)	1,50,55,153	1,50,27,305
C. EPS - Basic EPS(₹)	1.85	(8.82)
- Diluted EPS(₹)	1.85	(8.82)

Note 31.1: The options granted to employees under employee stock options and the share warrants issued have an anti dilutive effect on earnings per share, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

Note 32 Contingent liabilities and commitments

A. Contingent liabilities	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
i) Bank guarantees issued by banks to excise and various other authorities	1,639.69	1,423.35
ii) Income tax liability that may arise in respect of which the Group is in appeal	468.91	468.91
iii) Stamp duty liability that may arise in respect of matter for which the Group is in appeal	154.09	154.09
v) Others	10.05	10.05

vi) Provident Fund:

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

Note:

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

B. Commitments

i) Capital commitment (net of advances)	46.56	138.49
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Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

Note 33: Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

I Defined benefit obligations - Gratuity (funded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	1,100.56	954.20
Current service cost	123.71	112.35
Past service cost	-	(0.03)
Interest cost	65.13	66.87
Remeasurements - Net actuarial losses	37.83	40.78
Benefits paid	(104.57)	(73.61)
Liability assumed on account of group transfer	-	-
Present value of the obligation as at the end of the year	1,222.66	1,100.56
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the period	229.96	272.27
Interest income	10.49	18.03
Contribution by employer	16.95	16.75
Benefit paid	(104.57)	(73.61)
Remeasurements - Net actuarial gain/ (loss)	0.56	(3.44)
Actual return on plan assets (excluding interest income)	(0.04)	(0.04)
Fair value of the plan assets at the end of the year	153.35	229.96
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost (net)	54.83	48.95
Current service cost	123.71	112.35
Past service cost	-	(0.03)
	178.54	161.27
^ In the current year, there was a benefit improvement in the plan wherein the benefits were enhanced for directors of the Company (31 March 2019, monetary ceiling under the Payment of Gratuity Act 1972 has increased) resulting into past service cost.		
d) Remeasurement losses recognised in OCI		
Remeasurement - Net actuarial losses on defined benefit obligations	37.83	40.78
Remeasurement - Net actuarial (return)/ loss on planned assets	(0.52)	3.48
Adjustment to recognize asset ceiling	(2.57)	1.14
Total	34.74	45.40
e) Movement in asset ceiling		
Opening value of asset ceiling	2.72	1.47
Interest on opening balance of asset ceiling	0.19	0.11
Remeasurements due to changes in surplus / (deficit)	(2.57)	1.14
Closing value of asset ceiling	0.34	2.72
f) Actuarial assumptions		
	31 March 2021	31 March 2020
Discount rate	6.25% to 6.95%	6.50% to 6.90%
Salary escalation rate	Staff: 7% to 11.00%, Director: 0.00% until year 2 inclusive, then 11.00%	Staff: 7% to 9.50%, Director: 0.00% until year 4 inclusive, then 9.50%
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate
Attrition rate:		
- For ages 21-30 years	19.00% p.a.	16.00% p.a.
- For ages 31-40 years	9.00% p.a.	8.00% p.a.
- For ages 41-50 years	9.00% p.a.	11.00% p.a.
- For ages 51-57 years	13.00% p.a.	16.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for

g) Investment details of plan assets

Major Categories of Plan Assets:	31 March 2021	31 March 2020
Insurer managed funds	100%	100%

The Gratuity Scheme is invested in a New Group Gratuity Cash Accumulation Plan Policy offered by Life Insurance Corporation (LIC) and Aditya Birla Sunlife Insurance Company Limited. The information on the allocation of the fund into major asset classes and expected return on each major asset are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

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

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

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
	0.50% increase	
i. Discount rate	(35.81)	(31.51)
ii. Salary escalation rate	33.99	32.20
	0.50% decrease	
i. Discount rate	37.91	33.39
ii. Salary escalation rate	(32.86)	(27.54)

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	194.19	199.08
Between 2 and 5 years	661.14	586.40
Beyond 5 years	1,075.12	969.15
Total expected payments	1,930.45	1,754.63

II Defined contribution plans

The Group also has certain defined contribution plans. The contributions are made to registered provident fund, Employees State Insurance Corporation ('ESIC') administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plans are as follows.

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
a) Following amounts have been charged in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	111.72	191.95
(ii) Contribution to ESIC	12.76	17.21
	124.48	209.16
b) The expenses for compensated absences is recognized in the same manner as gratuity and provision of ₹ 69.75 lakhs has been made as at 31 March 2021 (31 March 2020: ₹ 129.01 lakhs)		

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
III Current/ non-current classification		
a) Gratuity		
(i) Current	52.39	61.13
Less: Liability of a disposal group classified as held for sale	(1.21)	-
	51.18	61.13
(ii) Non-current	1,021.47	814.47
Less: Liability of a disposal group classified as held for sale	(16.52)	-
	1,004.95	814.47
(iii) Non-current prepaid gratuity	(4.21)	(2.28)
	1,051.92	873.32
b) Compensated absences		
Current	29.88	22.09
Non-current	39.87	106.92
	69.75	129.01

Note 34 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	₹ lakhs
						Total carrying value
Assets:						
Investments in equity shares and mutual funds	5	-	-	0.25	-	0.25
Loans	6	512.52	-	-	-	512.52
Trade receivables	11	12,639.63	-	-	-	12,639.63
Cash and cash equivalents	12	4,079.07	-	-	-	4,079.07
Bank balances other than cash and cash equivalents	13	1,097.08	-	-	-	1,097.08
Other financial assets	7	6,581.24	-	-	-	6,581.24
Liabilities:						
Borrowings (including current maturities of long-term debt)	16,20	29,641.58	-	-	484.07	30,125.65
Trade payables	19	6,111.38	-	-	-	6,111.38
Lease Liabilities	17	1,390.11	-	-	-	1,390.11
Other financial liabilities	20	1,447.15	-	-	-	1,447.15

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	₹ lakhs
						Total carrying value
Assets:						
Investments in equity shares	5	-	7.50	0.25	-	7.75
Loans	6	695.32	-	-	-	695.32
Trade receivables	11	15,436.12	-	-	-	15,436.12
Cash and cash equivalents	12	3,747.21	-	-	-	3,747.21
Bank balances other than cash and cash equivalents	13	280.21	-	-	-	280.21
Other financial assets	7	8,060.89	-	-	-	8,060.89
Liabilities:						
Borrowings (including current maturities of long-term debt)	16,20	36,824.28	-	-	-	36,824.28
Trade payables	19	8,530.43	-	-	-	8,530.43
Lease Liabilities	17	2,449.94	-	-	-	2,449.94
Other financial liabilities	20	1,732.81	-	-	-	1,732.81

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at:

Particulars	₹ lakhs					
	31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in mutual funds and equity shares	-	-	0.25	7.50	-	0.25

C Impact of hedging activities

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

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

Particulars	Nominal value in USD	Carrying amount (₹ in lakhs)		Maturity Date	Hedge ratio	Strike price/ rate	Change in fair value of hedging instrument (₹ in lakhs)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ in lakhs)
		Assets	Liabilities					
		As at 31 March 2021						
Cash flow hedge - Foreign currency forward contract								
USD/INR	6,50,000	-	484.07	February 2021 to May 2021	1:1	73.93	3.52	2.08
As at 31 March 2020								
Cash flow hedge	-	-	-	-	-	-	-	-

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

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit or loss
As at 31 March 2021		
Cash flow hedge	(2.08)	(1.44)

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021****Note 35 Disclosure in accordance with Ind AS 24 Related Party Disclosures****A. Names of related parties and nature of relationship****(a) Ultimate Parent Company (having control over the entity)**

Verlinvest Group SA

(b) Entities under common control (with whom transactions have taken place during the year or in the previous year)

Verlinvest Asia Pte Ltd.

Verlinvest S.A

Cofintra S.A.

Verlinvest France S.A

(c) Key management personnel (KMP)

Rajeev Samant

Chairman, Chief Executive Officer and Managing Director (resigned as Chairman w.e.f 31 January 2020)

Chetan Desai

Chairman and Director (appointed as Chairman w.e.f 31 January 2020)

Nicholas Peter Y Cator

Director (resigned w.e.f. 03 December 2020)

Deepak Shahdapuri

Director

Hank Uberoi

Director

J. A. Moos

Director (resigned w.e.f. 14 May 2020)

Kerry Damskey

Director

Alok Vajpeyi

Director (appointed on 02 December 2020)

Gayatri Yadav

Director (appointed w.e.f. 14 May 2020 and resigned w.e.f. 19 July 2020)

Shagun Tiwari

Director (appointed on 03 December 2020)

Arjun Anand

Director

(d) Relatives of Key Management Personnel:

Sulabha Samant

Mother of Rajeev Samant

Bharat Samant

Brother of Rajeev Samant

Daisy Damskey

Wife of Kerry Damskey

Suresh Samant

Father of Rajeev Samant

(f) Entity in which relative of Key Management Personnel have control:

Summerlab Private Limited

Margarita Andronova, Director (wife of Managing Director)

B. Nature of Transactions**Transactions with related parties:**

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Sales of products		
Rajeev Samant	1.41	-
Suresh Samant	1.93	-
Bharat Samant	0.43	-
	3.77	-
Purchase of raw materials / traded goods		
Rajeev Samant	67.40	43.54
Suresh Samant	55.77	53.42
Sulabha Samant	4.70	9.56
Bharat Samant	16.19	9.89
	144.06	116.41
Purchase of property, plant and equipment		
Rajeev Samant	550.00	120.00
Conversion of warrants into equity shares		
Rajeev Samant	173.85	165.33

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Director's sitting fees paid/payable		
Deepak Shahdadpuri	1.49	2.36
Kerry Damskey	1.49	3.35
J. A. Moos	0.38	4.00
Hank Uberoi	1.49	2.06
Nicholas Cator	0.75	3.00
Arjun Anand	2.96	5.00
Chetan Desai	10.38	6.00
Alok Vajpeyi	6.00	-
Ashit Lilani	2.75	-
Gayatri Yadav	0.38	-
Shagun Tiwari	2.00	-
	30.07	25.77
Lease rentals		
Suresh Samant	24.61	18.78
Rajeev Samant	21.63	17.50
	46.24	36.28
Legal and professional expenses		
Kerry Damskey	-	66.07 [^]
Summerlab Private Limited	11.00	-
	11.00	66.07
[^] includes Nil (31 March 2020: ₹ 25.59 lakhs) settled through issue of sweat equity shares		
Dividend paid		
Verlinvest Asia Pte Ltd.	-	211.71
Verlinvest S.A	-	86.30
Cofintra S.A.	-	86.30
Verlinvest France S.A	-	78.95
Rajeev Samant	-	213.90
Suresh Samant	-	8.13
Sulabha Samant	-	17.94
Bharat Samant	-	0.30
Daisy Damskey	-	4.58
J A Moos	-	0.06
Kerry Damskey	-	0.31
	-	708.48
Compensation to key managerial person (including share based payments)[^]		
Rajeev Samant	300.00	374.58
[^] Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.		
C) Outstanding balances:		
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Trade payable		
Kerry Damskey	-	14.62
Rajeev Samant	65.42	43.54
Suresh Samant	53.81	54.04
Sulabha Samant	4.70	9.56
Bharat Samant	15.76	9.88
	139.69	131.64
Money received against share warrants		
Rajeev Samant	64.86	82.25

Note 36 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a. Interest rate risk

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

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in lakhs)			
	As at 31 March 2021		As at 31 March 2020	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on profit / (loss) before tax	141.22	(141.22)	168.85	(168.85)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b. Foreign currency risk

The Group does not have significant outstanding balances in foreign currency and consequently the Group's exposure to foreign exchange risk is less. Although, the exchange rate between the rupee and foreign currencies has changed substantially in recent years, it has not affected the results of the Group. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table presents the foreign currency risk from financial instruments (excluding those covered through hedged instruments) as at 31 March 2021:

₹ equivalent in lakhs

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	298.01	36.18	8.35	-	-
Capital advances	-	5.37	-	-	-
Advance to suppliers	7.73	2.10	0.00	-	-
	305.74	43.65	8.35	-	-
Liabilities					
Borrowings	22.14	-	-	-	-
Trade payables	119.84	477.98	0.09	-	10.84
Liability for capital goods	-	80.76	-	-	-
	141.98	558.74	0.09	-	10.84
Net assets / (liabilities)	163.76	(515.09)	8.26	-	(10.84)

The following table analysis foreign currency risk from financial instruments as at 31 March 2020:

₹ equivalent in lakhs

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	1,340.19	95.93	16.52	-	-
Advance to suppliers	25.12	17.45	0.00	-	-
	1,365.31	113.38	16.52	-	-
Liabilities					
Borrowings	530.18	-	-	-	-
Advance from customers	2.61	-	-	-	-
Trade payables	463.93	106.46	53.81	37.05	1.02
	996.72	106.46	53.81	37.05	1.02
Net assets / (liabilities)	368.59	6.92	(37.29)	(37.05)	(1.02)

* Includes CAD and RUB

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021****Sensitivity analysis**

Of the above the Group is mainly exposed to USD, EUR and GBP. Hence the following table analyses the Group's sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR (₹), with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date

Particulars	Impact on profit / (loss) before tax for the year	
	31 March 2021	31 March 2020
Currencies		
USD	8.19	18.43
EURO	(25.75)	0.35
GBP	0.41	(1.86)

c. Equity price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

ii Credit risk

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

a Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private third parties. A substantial portion of the Group's trade receivables are from government corporation customers having strong credit worthiness. Further, Group's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2021		As at 31 March 2020	
	₹ lakhs	%	₹ lakhs	%
Trade receivables				
- from government corporation	7,635.84	60.41%	8,476.49	54.91%
- from private parties	5,003.79	39.59%	6,959.63	45.09%
Total trade receivables (Refer note 11)	12,639.63	100.00%	15,436.12	100.00%

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

	As at	As at
	31 March 2021	31 March 2020
	₹ lakhs	₹ lakhs
Balance at the beginning of the year	303.85	84.74
Impairment allowance on financial assets (Refer note 30)	29.36	219.11
Balance at the end of the year	333.21	303.85

b Financial assets other than trade receivables

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

iii Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars As at 31 March 2021					₹ lakhs
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Borrowings (including interest accrued and current maturities of long-term debt)	19,687.05	4,686.96	5,911.89	-	30,285.90
Trade payables (including interest accrued)	-	6,132.15	-	-	6,132.15
Lease liabilities	-	494.12	1,132.26	3.33	1,629.71
Other financial liabilities	-	1,266.14	-	-	1,266.14
	19,687.05	12,579.37	7,044.15	3.33	39,313.90
As at 31 March 2020					
Borrowings (including interest accrued and current maturities of long-term debt)	26,384.67	2,864.69	7,882.50	-	37,131.86
Trade payables (including interest accrued)	-	8,543.78	-	-	8,543.78
Lease liabilities	-	771.83	2,155.62	17.08	2,944.53
Other financial liabilities	-	1,411.88	-	-	1,411.88
	26,384.67	13,592.18	10,038.12	17.08	50,032.05

Note 37 Capital management

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

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Total debt	30,125.65	36,824.28
Total equity	30,473.84	30,015.40
Total debts to equity ratio (Gearing ratio)	0.99	1.23

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. In the long run, the Group's strategy is to maintain the gearing ratio of less than 0.75.

Note 38 Interest in other entities - Subsidiaries

The Group's subsidiaries as at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by non controlling interests		Principal activities
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	
		Artisan Spirits Private Limited	India	100.00%	100.00%	
Progressive Alcobev Distributors Private Limited [^] (w.e.f. 14 November 2018)	India	51.00%	51.00%	49.00%	49.00%	Business of Trading of wines and spirits
Sula International Limited (w.e.f. 03 August 2020)	United Kingdom	100.00%	-	-	-	Business of Trading of wines and spirits

[^] Management committed to plan to sell its investments in Progressive Alcobev Distributors Limited (PADPL) as at 31 March 2021. Accordingly, Holding Company's investment in PADPL has been classified as held for sale (Refer Note 14)

Note 39 Leases - Ind AS 116**1 Impact on transition to Ind AS 116**

Effective 1 April 2019, the Group had adopted Ind AS 116, *Leases*, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group had made use of the following practical expedients available in its transition to Ind AS 116 .

(a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before 1 April 2019.

(b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Group excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

(d) The Group's leasing arrangements are in respect of operating leases for premises (office, factory, godown, etc.), land and vehicles.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 8.52%

Right-of-use Assets:

(i) On transition, the Group had recognized right-of-use assets aggregating ₹ 1,231.65 lakhs and leased land of ₹ 9.24 lakhs had been reclassified from Property, Plant and Equipment to Right-of-use asset.

(ii) The net carrying value of right-of-use assets as at 31 March 2021 amounts to ₹ 1,252.55 lakhs (31 March 2020: ₹ 2,369.13 lakhs) have been disclosed on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

(i) On transition, the Group had recognised lease liabilities aggregating ₹ 1,231.65 lakhs.

(ii) As at 31 March 2021, the obligations under finance leases amounts to ₹ 1,390.11 lakhs (31 March 2020 : ₹ 2,449.94 lakhs) which have been classified to lease liabilities, under financial liabilities. (Also refer note 17)

Particulars	As at 31 March 2021	As at 31 March 2020
	₹ lakhs	₹ lakhs
Current Lease liabilities	389.51	581.29
Non-Current Lease liabilities	1,000.60	1,868.65
Total Lease liabilities	1,390.11	2,449.94

(ii) The following is the movement in lease liabilities for the year ended 31 March 2021:

	₹ lakhs
Balance as at 1 April 2019	-
Transition adjustment of Ind AS 116	1,231.65
Additions during the year	1,582.64
Finance cost accrued during the year	137.12
Payment of lease liabilities	501.47
Balance as at 1 April 2020	2,449.94
Additions during the year	19.01
Finance cost accrued during the year	146.93
Payment of lease liabilities	567.75
Termination during the year	658.02
Balance as at 31 March 2021	1,390.11

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

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2020	2,449.94	2,944.53	771.83	2,155.62	17.08
31 March 2021	1,390.11	1,629.71	494.12	1,132.26	3.33

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹ lakhs	₹ lakhs
Depreciation expenses on right-of-use assets (Refer Note 4)	498.54	452.93
Finance cost on lease liabilities (Refer Note 27)	146.93	137.12
Rent expense pertaining to leases of low-value assets	-	-
Rent expense pertaining to leases with less than twelve months of lease included under rent expenses (Refer Note 30)	271.83	480.54

Note 40 Unhedged foreign currency exposure

Particulars	Currencies	As at 31 March 2021		As at 31 March 2020	
		Foreign currency	₹ lakhs	Foreign currency	₹ lakhs
Trade receivables	USD	4,04,252	298.01	17,78,206	1,340.19
	EUR	42,102	36.18	1,15,460	95.93
	GBP	8,268	8.35	17,599	16.52
Trade payables	USD	1,59,360	119.84	6,15,558	463.93
	EUR	6,45,822	477.98	1,28,144	106.46
	GBP	89	0.09	57,327	53.81
	AUD	-	-	80,052	37.05
	Others *	82,956	10.84	1,04,979	1.02
Liability for capital Goods	EUR	93,994	80.76	-	-
Borrowings	USD	30,000	22.14	7,03,466	530.18
Advance to suppliers	USD	10,571	7.73	33,323	25.12
	EUR	2,449	2.10	21,002	17.45
	GBP	0.06	0.00	0.06	0.00
Capital advances	EUR	6,247	5.37	-	-
Advance from customers	USD	-	-	3,469	2.61

* Includes CAD and RUB

Note 41 Corporate social responsibility expenditure

As per the Section 135 of the Companies Act, 2013 every year the Group is required to spend at least 2% of its average net profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

a. Gross amount required to be spent by the Group during the year: ₹ 41.12 lakhs (31 March 2020: ₹ 57.30 lakhs)

b. Amount spent during the year on CSR activities: ₹ 41.52 lakhs (31 March 2020: ₹ 41.68 lakhs) the details of which is as given below:

	Year ended 31 March 2021			Year ended 31 March 2020			₹ lakhs
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total	
Construction/acquisition of any asset	-	-	-	-	-	-	-
On purposes other than above	41.52	-	41.52	41.68	-	41.68	

Note 42 Disclosures required pursuant to IND AS 102 - Share Based Payment

The Holding Company provides share-based payment scheme to its employees. During the year ended 31 March 2021, employee stock option scheme (ESOS 2018), employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS COO & CFO 2019) and Employee stock option scheme (ESOS 2020) were in existence. The relevant details of the scheme, grant and activity under ESOS scheme are summarized below:

A. The number and weighted average exercise prices of, and movements in, share option:

Particulars	No. of Options	Weighted Average Price
Outstanding as at 1 April 2019	60,000	740.50
Options granted during the year	61,479	950.00
Options forfeited/lapsed/expired during the year	(10,000)	740.50
Options exercised during the year	-	-
Options outstanding as at 31 March 2020	1,11,479	856.04
Exercisable at the end of the period	1,11,479	856.04
Outstanding as at 31 March 2020	1,11,479	856.04
Options granted during the year	64,812	944.86
Options forfeited/lapsed/expired during the year	(10,000)	850.00
Options exercised during the year *	-	-
Options outstanding as at 31 March 2021 #	1,66,291	891.02
Exercisable at the end of the period	1,66,291	891.02

* The weighted average share price at the date of exercise of option was Nil (31 March 2020 : Nil).

The options outstanding as at 31 March 2021 are with the weighted average exercise price of ₹ 891.02 (31 March 2020: ₹ 856.04). The weighted average of the remaining contractual life is 2 years (31 March 2020: 3.04 years).

B. Fair value of the options has been calculated using Binomial Pricing Model. The following inputs were used to determine the fair value for options granted during the year:

Particulars	ESOS 2018	ESOS 2018 (2)	ESOS 2019		ESOS 2019 (2)		ESOS 2020
	3 years Vesting Period	3 years Vesting Period	CFO - 24 months vesting period	COO - 15 months vesting period	CFO - 12 months vesting period	COO - 12 months vesting period	1 Year Vesting Period
Date of Grant	14 Feb 2018	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020	29 Sep 2020
Market Price (₹)	381.26	381.26	381.26	381.26	381.26	381.26	381.26
Expected life (in years)	3	3	3	3	3	3	3
Volatility	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%
Risk Free rate (%)	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%
Exercise Price	631	850	850	850	850	850	850
Dividend Yield (%)	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
Option Fair Value (₹)	56.71	36.23	36.60	59.35	38.44	38.44	35.28

Note 43 Segment reporting

The Group is engaged in the business of manufacture, purchase and sale of beverage alcohol (wines and spirits). The Executive Committee of the Group (being the Chief Operating Decision Maker) assesses performance and allocates resources for the business of the Group as a whole and hence the management considers Group's business activities as a single operating segment (viz. Beverage alcohol).

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

Particulars	₹ lakhs			
	Year ended 31 March 2021		Year ended 31 March 2020	
	India	Outside India	India	Outside India
Revenue	39,693.33	2,728.43	49,725.28	3,227.39
Non-current assets	32,109.03	-	36,650.87	-

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Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021
Note 44 Dividend on equity shares

	₹ lakhs	
	As at 31 March 2021	As at 31 March 2020
Dividend on equity shares declared and paid during the year		
Dividend of Nil per share for the year ended 31 March 2020 (Year ended 31 March 2019: ₹ 6 per share)	-	901.84
Dividend distribution tax on final dividend	-	185.38
	-	1,087.22
Proposed dividend on equity shares not recognised as liability*		
Dividend of Nil per share for year ended 31 March 2021 (Year ended 31 March 2020: Nil)	-	-
Dividend distribution tax on proposed final dividend	-	-
	-	-

Note 45: There is a disputed excise duty demand of ₹ 11,589.45 lakhs (31 March 2020: ₹ 11,589.45 lakhs), against which a stay has been granted. The outcome of the Holding Company's appeal is pending. The Holding Company has been legally advised with certainty that in all probabilities, the matter will be decided in favour of the Holding Company. Consequently, the possibility of any outflow of resources embodying economic benefits is remote.

Note 46: Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2021	Net assets i.e. total assets less total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
			Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated total Comprehensive income/ (loss)
Parent Company										
Sula Vineyards Private Limited	India	-	32,761.45	107.51%	(63.23)	-22.75%	(27.87)	98.70%	(91.10)	-36.49%
Subsidiaries										
Artisan Spirits Private Limited	India	100%	(19.55)	-0.06%	267.56	96.28%	(0.86)	3.05%	266.70	106.83%
Progressive Alcobev Distributors Private Limited	India	51%	496.16	1.63%	5.10	1.84%	0.96	-3.42%	6.06	2.43%
Sula International Limited	UK	100%	(23.25)	-0.08%	(22.94)	-8.26%	-	0.00%	(22.94)	-9.19%
Total			33,214.81	108.98%	186.49	67.11%	(27.77)	98.33%	158.72	63.57%
a) Adjustments arising out of consolidation			(2,740.97)	-8.98%	93.91	33.79%	-	0.00%	93.91	37.62%
b) Non-controlling interest in subsidiary classified with liabilities of disposal group held for sale (Refer Note 14)			-	0.00%	(2.50)	-0.90%	(0.47)	1.67%	(2.97)	-1.19%
			30,473.84	100.00%	277.90	100.00%	(28.24)	100.00%	249.65	100.00%

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financials statements as at and for the year ended 31 March 2021

₹ lakhs

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2020	Net assets i.e. total assets less total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
			Amount	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated total Comprehensive income
Parent Company										
Sula Vineyards Private Limited	India	-	32,642.49	108.76%	(815.73)	61.57%	(34.32)	100.07%	(850.05)	62.54%
Subsidiaries										
Artisan Spirits Private Limited	India	100%	(286.28)	-0.95%	-493.51	37.25%	(0.26)	0.76%	(493.77)	36.33%
Progressive Alcobev Distributors Private Limited	India	51%	490.09	1.63%	(52.74)	3.98%	0.54	-1.57%	(52.20)	3.84%
Total			32,846.30	109.44%	(1,361.98)	102.80%	(34.04)	99.26%	(1,396.02)	102.71%
a) Adjustments arising out of consolidation			(3,071.04)	-10.24%	11.25	-0.85%	-	0.00%	11.25	-0.83%
b) Non-controlling interest in subsidiary			240.14	0.80%	25.84	-1.95%	(0.26)	0.74%	25.58	-1.88%
			30,015.40	100.00%	(1,324.89)	100.00%	(34.30)	100.00%	(1,359.19)	100.00%

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

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

For Walker Chandok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2021.07.15 23:26:44 +05'30'

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 15 July 2021

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev Samant
Digitally signed by Rajeev Samant
Date: 2021.07.15 21:37:37 +05'30'

Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Nashik

BITTU VARGHESE NELLISSERY
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Date: 2021.07.15 20:18:41 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2021.07.15 22:12:16 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

RUCHI PRAMO D SATHE
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Date: 2021.07.15 20:06:51 +05'30'

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

ARJUN ANAND
Digitally signed by ARJUN ANAND
Date: 2021.07.15 20:59:01 +05'30'

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Walker Chandniok & Co LLP

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One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
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Independent Auditor's Report

To the Members of Sula Vineyards Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Sula Vineyards Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2021, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

4. We draw attention to:
 - (a) Note 2.1(iv)(a) to the accompanying standalone financial statements, which describes the uncertainties relating to COVID-19 pandemic and the management's evaluation of its impact on the Company's operations and on the accompanying standalone financial statements of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments.

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

- (b) Note 43 to the accompanying standalone financial statements regarding the Company's non-current investment in a subsidiary Artisan Spirits Private Limited, non-current loans and other non-current financial assets due from such subsidiary aggregating ₹ 2,098.64 lakhs, ₹ 2,343.90 lakhs, ₹ 220.89 lakhs, respectively, as at 31 March 2021. The net-worth of the aforesaid subsidiary is negative as at 31 March 2021, however, based on a valuation report from an independent valuer which is dependent on the achievement of the subsidiary's future business plans prepared using certain estimates, growth prospects and other factors, the management believes that the realizable amount is higher than the carrying value of the non-current investments, non-current loans and other non-current financial assets due to which these are considered as good and recoverable.

Our opinion is not modified in respect of these matters.

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

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of 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.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matters described in paragraph 4 under the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 15 July 2021 as per Annexure II expressed an unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in notes 32A(ii), (iii), (v) and (vi) and 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

RAKESH
RAMAWATAR
AGARWAL



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RAMAWATAR AGARWAL
Date: 2021.07.15 23:18:11
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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:21109632AAAAIX5056

Place: Mumbai
Date: 15 July 2021

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure I to the Independent Auditor's Report of even date to the members of Sula Vineyards Private Limited, on the standalone financial statements as at and for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
- (b) The fixed assets have been physically verified by the management during the year and material discrepancies were noticed on such verification. These have been properly dealt with in the books of account. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted unsecured loans to three (3) Companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the principal and interest amount are not due for repayment currently;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, entertainment tax, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Annexure I (Contd)

- (b) There are no dues in respect of provident fund, employees' state insurance, goods and service tax, sales tax, service tax, duty of customs and value added tax that have not been deposited with appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, duty of excise, entertainment tax and stamp duty are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Tax Deducted at Source	468.91	94.18	F.Y. 2011-12 to F.Y. 2017-18	Assistant Commissioner of Income Tax, TDS, Maharashtra
State Excise	Duty of Excise	2,032.85	-	F.Y. 2001-02 to F.Y. 2007-08	Collector of State Excise, Maharashtra
		11,589.45	-	F.Y. 2005-06 to F.Y. 2013-14	Commissioner of State Excise, Maharashtra
Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	397.13	100.63	F.Y. 2016-17	Revenue Minister, Maharashtra
Karnataka Stamp Act, 1957	Stamp duty	154.09	65.45	F.Y. 2017-18	High Court, Karnataka

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute an audit committee under Section 177 of the Act.

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure I (Contd)

- (xiv) During the year, the Company has made preferential allotment / private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment / private placement of fully / partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

RAKESH
RAMAWATAR
AGARWAL

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RAKESH RAMAWATAR
AGARWAL
Date: 2021.07.15
23:18:42 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:21109632AAAAIX5056

Place: Mumbai
Date: 15 July 2021

Sula Vineyards Private Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure II to the Independent Auditor's Report of even date to the members of Sula Vineyards Private Limited, on the Standalone Financial Statements for the year ended 31 March 2021

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

1. In conjunction with our audit of the standalone financial statements of **Sula Vineyards Private Limited** ('the Company') as at and for the year ended **31 March 2021**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure II (Contd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

RAKESH
RAMAWATAR
AGARWAL

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RAKESH RAMAWATAR
AGARWAL
Date: 2021.07.15
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Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:21109632AAAAIX5056

Place: Mumbai
Date: 15 July 2021

AUDITED
BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED
31 MARCH 2021

SULA VINEYARDS PRIVATE LIMITED

Sula Vineyards Private Limited
Standalone Balance Sheet as at 31 March 2021

	Note No.	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	30,377.03	32,329.44
Right-of-use assets	3A	1,252.55	2,369.13
Capital work-in-progress		10.71	12.31
Goodwill	4	-	-
Other intangible assets	4	119.98	201.53
Investments in subsidiaries	5	2,099.63	2,633.06
Financial assets			
Investments	5A	0.25	0.25
Loans	6	2,698.98	3,109.00
Other financial assets	7	2,123.60	2,076.14
Income tax assets (net)	8	-	787.85
Other non-current assets	9	224.61	140.96
Total non-current assets		38,907.34	43,659.67
Current assets			
Inventories	10	13,538.14	15,892.39
Financial assets			
Trade receivables	11	11,262.01	13,359.60
Cash and cash equivalents	12	4,041.89	3,509.23
Bank balances other than cash and cash equivalents	13	489.96	82.13
Loans	6	142.36	297.48
Other financial assets	7	4,662.03	6,448.96
Other current assets	9	691.07	1,061.26
		34,827.46	40,651.05
Assets classified as held for sale	14	1,263.94	-
Total current assets		36,091.40	40,651.05
TOTAL ASSETS		74,998.74	84,310.72
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,508.04	1,504.42
Other equity		31,253.43	31,138.07
Total equity		32,761.47	32,642.49
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	5,911.89	7,882.50
Lease liabilities	17	1,000.60	1,868.65
Provisions	19	1,044.82	906.24
Deferred tax liabilities (net)	8	1,597.49	1,797.51
Total non-current liabilities		9,554.80	12,454.90
Current liabilities			
Financial liabilities			
Borrowings	16	19,687.05	25,812.10
Trade payables	20	-	-
- Total outstanding dues of micro enterprises and small enterprises		91.95	107.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,361.49	8,094.94
Lease liabilities	17	389.51	581.29
Other financial liabilities	18	5,451.75	3,734.04
Other current liabilities	21	1,492.62	801.11
Provisions	19	81.06	82.09
Current tax liabilities (net)	8	127.04	-
Total current liabilities		32,682.47	39,213.33
TOTAL EQUITY AND LIABILITIES		74,998.74	84,310.72

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

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

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

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2021.07.15 23:19:26 +05'30'

Rakesh R. Agarwal
Partner
Membership No. 109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev Samant
Digitally signed by Rajeev Samant
Date: 2021.07.15 11:18:11 +05'30'

Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Moscow

BITTU VARGHESE NELLISSERY
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Date: 2021.07.15 20:07:48 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

CHETAN RAMESHCHANDRA DESAI NDRA DESAI
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Date: 2021.07.15 22:19:28 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

RUCHI PRAMOD SATHE
Digitally signed by RUCHI PRAMOD SATHE
Date: 2021.07.15 20:46:13 +05'30'

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

ARJUN ANAND
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Date: 2021.07.15 20:46:13 +05'30'

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Place: Mumbai
Date : 15 July 2021

Date : 15 July 2021

Sula Vineyards Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2021

	Note No.	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Income			
Revenue from operations	22	33,963.59	42,800.49
Other income	23	577.59	262.15
Total income		34,541.18	43,062.64
Expenses			
Cost of materials consumed	24	6,634.24	10,830.40
Purchase of stock-in-trade		814.75	4,954.19
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	1,855.49	(1,980.08)
Excise duty on sales		3,372.35	4,104.65
Employee benefits expense	26	5,388.35	6,375.98
Finance costs	27	3,226.08	3,143.42
Depreciation, amortisation and impairment expense	28	2,536.51	3,449.87
Selling and distribution expense	29	4,599.08	5,215.28
Other expenses	30	5,904.63	8,173.93
Total expenses		34,331.48	44,267.64
Profit/ (loss) before exceptional item and tax		209.70	(1,205.00)
Exceptional item	30.2	(237.52)	-
Loss before tax		(27.82)	(1,205.00)
Tax expense / (credit)	8		
Current tax		226.05	(242.82)
Deferred tax		(190.64)	(146.45)
		35.41	(389.27)
Loss for the year (A)		(63.23)	(815.73)
Other comprehensive income / (loss) (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss			
Loss on remeasurement of defined benefit plans	33	(37.25)	(45.86)
Income tax effect on above	8	9.38	11.54
Other comprehensive loss for the year, net of tax (B)		(27.87)	(34.32)
Total comprehensive loss for the year, net of tax (A+B)		(91.10)	(850.05)
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	31	(0.42)	(5.43)
Diluted (in ₹)	31	(0.42)	(5.43)

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

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
 Digitally signed by RAKESH RAMAWATAR AGARWAL
 Date: 2021.07.15 23:19:44 +05'30'

Rakesh R. Agarwal
 Partner
 Membership No.109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev Samant
 Digitally signed by Rajeev Samant
 Date: 2021.07.15 21:21:08 +05'30'

Rajeev Samant
 CEO and Managing Director
 DIN: 00020675
 Place: Moscow

CHETAN RAMESHCHANDRA DESAI
 Digitally signed by CHETAN RAMESHCHANDRA DESAI
 Date: 2021.07.15 22:20:47 +05'30'

Chetan Desai
 Chairman and Director
 DIN: 03595319
 Place: Mumbai

ARJUN ANAND
 Digitally signed by ARJUN ANAND
 Date: 2021.07.15 20:47:18 +05'30'

Arjun Anand
 Director
 DIN: 07639288
 Place: Singapore

BITTU VARGHESE NELLISSERY
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 Date: 2021.07.15 20:08:23 +05'30'

Bittu Varghese
 Chief Financial Officer
 ACA: 117278
 Place: Mumbai

RUCHI PRAMOD SATHE
 Digitally signed by RUCHI PRAMOD SATHE
 Date: 2021.07.15 20:08:23 +05'30'

Ruchi Sathe
 Company Secretary
 Membership No. A33566
 Place: Mumbai

Place: Mumbai
 Date : 15 July 2021

Date : 15 July 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(27.82)	(1,205.00)
Adjustments for		
Depreciation, amortisation and impairment expense	2,536.51	3,449.87
Interest Expense	3,076.85	2,956.59
Interest income	(469.83)	(200.30)
Dividend income	-	(0.04)
Sundry balances written back	(32.53)	(32.05)
Cancellation of employee stock options	(1.97)	(1.71)
Impairment allowance on financial assets	16.66	169.10
Exceptional item - loss on asset classified as held for sale (Refer notes 14.1 and 30.2)	237.52	-
Impairment allowance on asset classified as held for sale (Refer note 14.2)	118.00	-
Legal professional expenses settled by issue of equity shares for consideration other than cash (Refer note 30.1)	-	25.59
Share based payment to employees	40.97	23.35
Loss on property, plant and equipment sale/ disposal/ write-off (net)	294.06	228.08
Profit on disposal/ cancellation of lease agreement	(23.06)	-
Fair valuation of Long term security deposits	2.09	-
Unrealised exchange loss on foreign currency translations (net)	1.66	18.95
	5,796.93	6,637.43
Operating profit before working capital changes	5,769.11	5,432.43
Adjustments for changes in working capital:		
Decrease/ (Increase) in inventories	2,354.25	(2,082.19)
Decrease in trade receivables	2,081.66	2,105.25
Decrease/ (Increase) in current / non-current financial and other assets	2,264.84	(1,262.07)
(Decrease) /Increase in trade payables and other financial / other liabilities	(1,818.97)	376.02
	4,881.78	(862.99)
Cash generated from operations	10,650.89	4,569.44
Direct taxes - refund received/ (paid) [net]	677.13	(1,099.15)
Net cash generated from operating activities	11,328.02	3,470.29
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2 below)	(1,645.19)	(4,532.32)
Proceeds from sale of property, plant and equipment	44.12	135.83
Net proceeds from bank deposits with original maturity of more than three months	(343.99)	18.36
Investment in subsidiary	(0.99)	-
Interest received	718.41	68.90
Dividend received	-	0.04
Net cash used in investing activities	(1,227.64)	(4,309.19)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	156.45	148.80
Proceeds from long-term borrowings	2,175.20	3,950.00
Repayment of long-term borrowings	(2,139.31)	(1,253.26)
Proceeds/ (repayment) from short-term borrowings (net)	(6,125.05)	5,491.34
Repayment of lease liabilities	(567.75)	(501.47)
Interest paid	(3,067.26)	(2,684.64)
Dividend paid (including dividend distribution tax)	-	(1,087.22)
Net cash (used in)/ generated from financing activities	(9,567.72)	4,063.55
Net increase in cash and cash equivalents (A+B+C)	532.66	3,224.65
Cash and cash equivalents at the beginning of the year	3,509.23	284.58
Cash and cash equivalents at the end of the year (Refer note 12)	4,041.89	3,509.23

Note:-

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Additions include movements of capital work-in-progress, capital advances and liability for capital goods, including intangible assets
- Cash flow statement excludes shares allotted as fully paid up pursuant to contracts without payment being received in cash.

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

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

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2021.07.15 23:20:06 +05'30'

Rakesh R. Agarwal
Partner
Membership No.109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev Samant
Digitally signed by Rajeev Samant
Date: 2021.07.15 21:22:25 +05'30'

Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Moscow

BITTU VARGHESE NELLISSERY
Digitally signed by BITTU VARGHESE NELLISSERY
Date: 2021.07.15 20:08:56 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2021.07.15 22:21:57 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

RUCHI PRAMO D SATHE
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Date: 2021.07.15 20:48:17 +05'30'

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

ARJUN ANAND
Digitally signed by ARJUN ANAND
Date: 2021.07.15 20:48:17 +05'30'

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Sula Vineyards Private Limited
Standalone Statement of Changes in Equity as at and for the year ended 31 March 2021

a) Equity share capital

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 1 April 2019	1,50,08,942	1,500.89
Issued during the year [Refer notes 15(e) and 15(f)]	35,246	3.53
As at 31 March 2020	1,50,44,188	1,504.42
Issued during the year [Refer notes 15(e), 15(f)]	36,186	3.62
As at 31 March 2021	1,50,80,374	1,508.04

b) Other equity

Particulars	Reserves and surplus (A)				Money received against share warrants (B) [Refer Note 15(f)]	Total (A+B)
	Securities premium	Share option outstanding reserve	General reserve	Retained earnings		
As at 1 April 2019	16,060.41	5.69	359.52	16,358.43	98.78	32,882.83
Loss for the year	-	-	-	(815.73)	-	(815.73)
Conversion of warrants into equity shares [Refer notes 15(f) and 35]	162.08	-	-	-	(16.53)	145.55
Issue of equity shares [Refer notes 15(e)]	25.32	-	-	-	-	25.32
Share based payment expense	-	23.35	-	-	-	23.35
Cancellation of employee stock options	-	(1.71)	-	-	-	(1.71)
Other comprehensive loss for the year	-	-	-	(34.32)	-	(34.32)
Payment of dividend (including dividend distribution tax) (Refer note 39)	-	-	-	(1,087.22)	-	(1,087.22)
As at 31 March 2020	16,247.81	27.33	359.52	14,421.16	82.25	31,138.07
Loss for the year	-	-	-	(63.23)	-	(63.23)
Conversion of warrants into equity shares [Refer notes 15(f) and 35]	170.43	-	-	-	(17.39)	153.04
Issue of equity shares [Refer note 15(e)]	14.42	-	-	-	-	14.42
Share based payment expense	-	40.97	-	-	-	40.97
Cancellation of employee stock options	-	(1.97)	-	-	-	(1.97)
Other comprehensive loss for the year	-	-	-	(27.87)	-	(27.87)
As at 31 March 2021	16,432.66	66.33	359.52	14,330.06	64.86	31,253.43

Nature and purpose of reserves

i. Securities premium

Securities premium is used to record the premium on issue of shares. The account is utilised in accordance with the provisions of the Companies Act, 2013 (the 'Act').

ii. Share option outstanding reserve

The Employee stock outstanding reserve represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

iii. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

iv. Retained earnings

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

v. Money received against share warrants

Money received against share warrants represents the subscription amount received at the time of issue of share warrants less utilised for conversion of warrants into equity shares.

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

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

For Walker Chandio & Co LLP

Chartered Accountants
 Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
 Digitally signed by RAKESH RAMAWATAR AGARWAL
 Date: 2021.07.15 23:20:26 +05'30'

Rakesh R. Agarwal
 Partner
 Membership No.109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

Rajeev Samant
 Digitally signed by Rajeev Samant
 Date: 2021.07.15 21:23:48 +05'30'

Rajeev Samant
 CEO and Managing Director
 DIN: 00020675
 Place: Moscow

BITTU VARGHESE NELLISSERY
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 Date: 2021.07.15 20:09:29 +05'30'

Bittu Varghese
 Chief Financial Officer
 ACA: 117278
 Place: Mumbai

CHETAN RAMESHCHANDRA DESAI
 Digitally signed by CHETAN RAMESHCHANDRA DESAI
 Date: 2021.07.15 22:23:08 +05'30'

Chetan Desai
 Chairman and Director
 DIN: 03595319
 Place: Mumbai

RUCHI PRAMOD SATHE
 Digitally signed by RUCHI PRAMOD SATHE
 Date: 2021.07.15 20:09:29 +05'30'

Ruchi Sathe
 Company Secretary
 Membership No. A33566
 Place: Mumbai

ARJUN ANAND
 Digitally signed by ARJUN ANAND
 Date: 2021.07.15 20:49:17 +05'30'

Arjun Anand
 Director
 DIN: 07639288
 Place: Singapore

Note 1 Corporate Information

Sula Vineyards Private Limited (the "Company") is a private company domiciled and headquartered in Mumbai, India and was incorporated under the provisions of the erstwhile Companies Act, 1956. The Company having CIN U15549MH2003PTC139352 is engaged in the business of manufacture, purchase and sale of premium wine and other alcoholic beverages. The registered office of the Company is located at 901 Hubtown Solaris N.S. Phadke Marg, Andheri East, Mumbai-400069.

The standalone financial statements of the Company for the year ended 31 March 2021 ("financial statements") were authorised for issue in accordance with resolution of Board of Directors on 15 July 2021.

Note 2.1 Significant Accounting Policies

i. Basis of Preparation

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

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

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii. Operating cycle and current, non-current classification

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities. The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An Asset is Current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current.

A Liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

iii. Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

iv. Key accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgements

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies.

Estimates

(a) Estimation uncertainty related to the global health pandemic on COVID-19

The impact of pandemic started in March 2020 with Central Government announcing nationwide lockdown to control the spread of the virus. The spread of the virus brought economic activity to a near-standstill in the first quarter of FY 2021, this was followed by gradual easing of restrictions across different states and as a result Company's operations across all manufacturing locations and offices started scaling up. The accelerating rollout of COVID-19 vaccines from January 2021 in India has set the stage for rapid recovery. Although second wave of infections led to localized lockdowns in some part of the country, there hasn't been any major disruptions to Company's operations.

The Company considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effect of pandemic relating to COVID-19 on the standalone financial statements and in particular in respect of impairment assessment of its assets. The Company has used the principle of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company believes it has taken into account all the possible impact of known events arising out of COVID-19 in the preparation of these standalone financial statements. The eventual outcome of impact of global health pandemic may be different from those presently estimated and the Company will continue to closely monitor any material changes to future economic conditions.

(b) Useful lives of various assets

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

(c) Current Income Taxes

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

(d) Investment in / advances to Subsidiary

The Company has performed valuation for its investments in equity of its subsidiary for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

(e) Contingencies

Contingent Liability may arise from the ordinary course of business in relation to claims against the Company, refer note 32 and 44. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

(f) Accounting for defined benefit plans

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

(g) Impairment of financial/ non-financial assets

An impairment loss is recognised for the amount by which an assets or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

v. Fair Value Measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer note 34).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

vi. Property, Plant and Equipment (Tangible Assets)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Bearer plants comprising of grapevines are stated at cost less accumulated depreciation and accumulated impairment losses. Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants.

vii. Capital work-in-progress

Capital work-in-progress representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

viii. Goodwill and Other Intangible Assets

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

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

Other Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any. Other Intangible assets mainly comprise of implementation cost for software and other application software acquired.

ix. Non-current assets classified as held for sale

Non-current assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Non-current assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

x. Depreciation and Amortisation

Depreciation on Property, plant and equipment ('PPE'), except for PPE acquired under business combination, is calculated using the straight line method as per the estimated useful lives of assets as below:

Asset category	Useful life (in years)	Basis of determination of useful lives
Building	30 – 60	Assessed to be in line with Schedule II to the Act
Plant and equipment	10 – 25	Assessed to be in line with Schedule II to the Act
Furniture and fixtures	5 – 10	Management estimate [^]
Vehicles	8 – 10	Assessed to be in line with Schedule II to the Act
Office equipment	3 – 10	Management estimate [^]
Computers	3 – 6	Assessed to be in line with Schedule II to the Act
Oak barrels	4	Management estimate [^]
Bearer plants	20	Management estimate [^]

[^] Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of the useful lives.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation on additions is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Statement of profit and loss within Other income/ Other expenses

Amortisation on Intangible Assets

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

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

xi. Financial Instruments

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

a. Financial Assets

(i) Initial Recognition

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

(ii) Subsequent Measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

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

(iii) Impairment of Financial Assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

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

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

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

(iv) De-recognition of Financial Assets

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

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

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b. Equity Instruments and Financial Liabilities

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

Equity Instruments

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

Financial Liabilities

• Initial Recognition

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

• Subsequent Measurement

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

Financial liabilities at FVPL:

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

Financial liabilities at amortised cost

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

- **De-recognition of Financial Liabilities**

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

b) Offsetting Financial Instruments

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

xii. Employee Benefits

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

xiii. Inventories

Inventories which comprise of raw materials, work-in-progress / semi-finished goods, finished goods, stock-in-trade, packing materials and consumables, chemicals, stores and spares are carried at the lower of cost or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. The cost is determined as follows:

- Raw Materials, Stock-in-trade, Packing Materials and Consumables, chemicals, stores and spares are valued using the weighted average method.

- Finished goods and work-in-progress / semi-finished goods are valued at the cost of raw materials along with fixed production overheads being allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

xiv. Cash and Cash Equivalents

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

xv. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Manufacture, purchase and sale of beverage alcohol (wines and spirits)". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xvi. Foreign currency transactions and balances

(a) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

xvii. Revenue Recognition

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

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

(a) Revenue from sale of products

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

(b) Revenue from services

Revenue from services represents revenue from hospitality services mainly comprising of sale of room nights, food and beverages and allied services relating to the resort and winery operations. Revenue is recognized at a point in time when the services are rendered and is disclosed net of allowances.

(c) Interest Income

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

(d) Dividend Income

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(e) Other Income

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

xviii. Income Tax

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

a) Current Income Tax

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

b) Deferred Income Tax

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

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

xix. Leases

Effective 1 April 2019, the Company has adopted Ind AS 116, "Leases" using the modified retrospective approach, as a result of which the comparative information is not required to be restated.

The Company's lease asset classes primarily consist of leases for land, building and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the period of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

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

xx. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xxi. Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xxii. Trade payables

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

xxiii. Earnings per share

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

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

xxiv. Business Combinations

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

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

xxv. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

xxvi. Share Based Payments

Share based compensated benefits are provided to certain grades of employees in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the instrument given to employees is recognised as 'employee benefits expenses' with a corresponding increase in equity over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

xxvii. Exceptional Items

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

xxviii. Government Grants

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

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company effective 1 April 2021.

Note 3: Property, plant and equipment

Particulars	₹ lakhs										
	Freehold land	Leasehold land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Oak Barrels	Bearer Plant	Total
Gross carrying value (at deemed cost)											
As at 1 April 2019	6,524.63	9.48	12,349.78	11,774.91	1,282.97	651.71	711.70	308.29	485.54	38.50	34,137.51
Additions	34.80	-	2,422.47	1,070.64	252.34	99.39	130.69	71.96	76.26	-	4,158.55
Transition impact of Ind AS 116 (refer note 3A)	-	(9.48)	-	-	-	-	-	-	-	-	(9.48)
Disposals/ write-off	(292.50)	-	(32.68)	(11.10)	(0.52)	(59.69)	(4.87)	(7.36)	-	-	(408.72)
As at 31 March 2020	6,266.93	-	14,739.57	12,834.45	1,534.79	691.41	837.52	372.89	561.80	38.50	37,877.86
Additions	572.30	-	164.12	306.41	74.15	69.38	75.29	47.39	106.50	-	1,415.54
Transfer to assets classified as held for sale (refer note 14)	-	-	(1,118.56)	(33.42)	(65.81)	-	-	-	-	-	(1,217.79)
Disposals/ write-off	-	-	(1.32)	(408.31)	(212.07)	(99.81)	(139.74)	(130.00)	(4.90)	-	(996.15)
As at 31 March 2021	6,839.23	-	13,783.81	12,699.13	1,331.06	660.98	773.07	290.28	663.40	38.50	37,079.46
Accumulated depreciation											
As at 1 April 2019	-	0.24	1,034.79	1,517.94	340.39	224.09	305.18	168.64	180.24	14.64	3,786.15
Depreciation charge	-	-	508.06	763.97	145.48	90.74	130.20	66.19	101.05	1.63	1,807.32
Transition impact of Ind AS 116 (refer note 3A)	-	(0.24)	-	-	-	-	-	-	-	-	(0.24)
Accumulated depreciation on disposals/ write-off	-	-	(2.11)	(3.26)	(0.14)	(29.77)	(3.35)	(6.18)	-	-	(44.81)
As at 31 March 2020	-	-	1,540.74	2,278.65	485.73	285.06	432.03	228.65	281.29	16.27	5,548.42
Depreciation charge	-	-	578.42	801.56	163.39	86.65	131.34	64.71	119.13	1.63	1,946.83
Accumulated depreciation on assets classified as held for sale (Refer Note 14)	-	-	(89.95)	(16.54)	(26.26)	-	-	-	-	-	(132.75)
Accumulated depreciation on disposals/ write-off	-	-	(0.24)	(214.23)	(148.74)	(59.29)	(118.19)	(114.48)	(4.90)	-	(660.07)
As at 31 March 2021	-	-	2,028.97	2,849.44	474.12	312.42	445.18	178.88	395.52	17.90	6,702.43
Net carrying value											
As at 31 March 2020	6,266.93	-	13,198.83	10,555.80	1,049.06	406.35	405.49	144.24	280.51	22.23	32,329.44
As at 31 March 2021	6,839.23	-	11,754.84	9,849.69	856.94	348.56	327.89	111.40	267.88	20.60	30,377.03

Notes:

(i) Refer note 16 for information on property, plant and equipment pledged as security against borrowings of the Company.

(ii) Refer note 32(B) for disclosure of contractual commitment for acquisition of PPE.

(iii) includes PPE aggregating ₹ 559.13 lakhs (31 March 2020: ₹ 129.83 lakhs) purchased from related parties [Refer Note 35(B)].

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

Note 3A: Right-of-use assets

Particulars	Land	Building	Vehicles	Total
Gross carrying value				
Impact of adoption of Ind AS 116 as at 1 April 2019 (Refer note 38)	425.69	799.91	6.05	1,231.65
Transfer from Property, plant and equipment on implementation of Ind AS 116	9.24	-	-	9.24
Additions	184.55	1,374.49	28.21	1,587.25
Disposals	-	(6.08)	-	(6.08)
As at 31 March 2020	619.48	2,168.32	34.26	2,822.06
Additions	9.53	9.48	-	19.01
Disposals (refer note (ii) below)	(92.38)	(779.64)	(18.06)	(890.08)
As at 31 March 2021	536.63	1,398.16	16.20	1,950.99
Accumulated depreciation				
As at 1 April 2019	-	-	-	-
Depreciation charge	127.88	309.77	15.28	452.93
Accumulated depreciation on disposals	-	-	-	-
As at 31 March 2020	127.88	309.77	15.28	452.93
Depreciation charge	138.84	348.34	11.36	498.54
Accumulated depreciation on disposals	(33.87)	(205.05)	(14.11)	(253.03)
As at 31 March 2021	232.85	453.06	12.53	698.44
Net carrying value				
As at 31 March 2020	491.60	1,858.55	18.98	2,369.13
As at 31 March 2021	303.78	945.10	3.67	1,252.55

Note:

(i) Also refer note 38 for Ind AS 116 Leases and the related disclosures.

(ii) During the year ended 31 March 2021, certain leases have been cancelled/ discontinued resulting in an adjustment to the carrying amount of the related Right-of-use assets and lease liabilities which have been reduced by ₹ 634.96 lakhs and ₹ 658.02 lakhs respectively. A resultant profit of ₹ 23.06 lakhs has been recognised in the statement of profit and loss during the year under Other Income. (Refer note 23)

Note 4: Intangible assets

Particulars	₹ lakhs				
	Brand (A)	Computer software (B)	Other intangible assets	Goodwill (D)	Total intangible assets
Gross carrying value (at deemed cost)					
As at 1 April 2019	1,616.32	456.36	2,072.68	50.00	2,122.68
Additions	-	74.32	74.32	-	74.32
Disposals	-	-	-	-	-
As at 31 March 2020	1,616.32	530.68	2,147.00	50.00	2,197.00
Additions	-	11.70	11.70	-	11.70
Disposals	-	(31.07)	(31.07)	-	(31.07)
As at 31 March 2021	1,616.32	511.31	2,127.63	50.00	2,177.63
Accumulated amortisation					
As at 1 April 2019	563.05	242.80	805.85	-	805.85
Amortisation charge	371.75	86.35	458.10	-	458.10
Impairment charge (Refer note below)	681.52	-	681.52	50.00	731.52
As at 31 March 2020	1,616.32	329.15	1,945.47	50.00	1,995.47
Amortisation charge	-	91.14	91.14	-	91.14
Reversal on disposal of assets	-	(28.96)	(28.96)	-	(28.96)
As at 31 March 2021	1,616.32	391.33	2,007.65	50.00	2,057.65
Net carrying value					
As at 31 March 2020	-	201.53	201.53	-	201.53
As at 31 March 2021	-	119.98	119.98	-	119.98

Note: Impairment testing for Brand / Goodwill

Brand / Goodwill are tested for impairment annually in accordance with the Company's procedure for determining the recoverable amount of such assets. The recoverable amount of the assets/CGU is based on value in use. The value in use is determined based on discounted cash flow projections. Based on the above, during the year ended 31 March 2020, an impairment change in respect of Brand and goodwill aggregating ₹ 731.52 lakhs was recognised as the recoverable value was less than the carrying value.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 5 Non-current investments		
Investments in subsidiaries		
Investments in equity instruments at deemed cost, unquoted fully paid up		
a) In subsidiary companies in India		
Artisan Spirits Private Limited (Refer note 43) 29,350,000 (31 March 2020: 29,350,000) equity shares of ₹ 10 each	2,098.64	2,098.64
Progressive Alcobev Distributors Private Limited 593,800 (31 March 2020: 593,800) equity shares of ₹ 10 each Less: Asset classified as held for sale (Refer Note 14)	534.42 <u>(534.42)</u>	534.42 -
	2,098.64	2,633.06
b) In a subsidiary company outside India		
Sula International Limited ^ 1000 equity shares of GBP 1 each	0.99	-
	0.99	-
	<u>2,099.63</u>	<u>2,633.06</u>
^ The Subsidiary was incorporated on 17 June 2019, however equity shares have been issued by the subsidiary to the Company on 3 August 2020.		
Note 5A. Investments		
Investments in equity shares at fair value through other comprehensive income		
The Saraswat Co-operative Bank 2,500 (31 March 2020: 2,500) equity shares of ₹ 10 each	0.25	0.25
Total non-current investments (5 + 5A)	<u>2,099.88</u>	<u>2,633.31</u>
Details:		
Aggregate of non-current investments:		
(i) Aggregate value of quoted investments and market value thereof	-	-
(ii) Aggregate value of unquoted investments	2,099.88	2,633.06
(iii) Aggregate value of Impairment of investments	-	-
(i) Investments carried at deemed cost	2,099.63	2,633.06
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through other comprehensive income	0.25	0.25
	<u>2,099.88</u>	<u>2,633.31</u>
Note 6 Loans		
Non-current		
Security deposits	248.09	240.49
Loans		
- to subsidiary (Refer notes 35 and 43)	2,343.90	2,757.29
- to employees	106.99	111.22
Total non-current loans	<u>2,698.98</u>	<u>3,109.00</u>
Current		
Security deposits	4.81	57.47
Loans		
- to subsidiary (Refer note 35)	24.71	2.50
- to others	112.84	237.51
Total current loans	<u>142.36</u>	<u>297.48</u>
Total loans	<u>2,841.34</u>	<u>3,406.48</u>
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable considered good - unsecured	2,841.34	3,406.48
Loans receivable which have significant increase in credit risk	-	-
Loans receivable - credit impaired	-	-
Total	<u>2,841.34</u>	<u>3,406.48</u>

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 6.1 Disclosure under Section 186(4) of the Companies Act, 2013		
Loan given to subsidiaries during the year:		
Artisan Spirits Private Limited	4,694.33	3,982.41
Sula International Limited	21.69	-
Progressive Alcobeve Distributors Private Limited	-	97.50
Guarantee given for subsidiaries during the year:		
Artisan Spirits Private Limited	750.36	-
Progressive Alcobeve Distributors Private Limited	-	1,250.00
The above loan and guarantee are for the purpose of meeting the working capital requirement		

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 7 Other financial assets		
Non-current		
Government grants receivable	1,897.53	1,528.86
Bank deposits with maturity of more than 12 months [Includes ₹ 5.18 lakhs (31 March 2020: ₹ 69.02 lakhs) pledged with excise authorities or earmarked against bank guarantees]	5.18	69.02
Interest accrued from subsidiary (Refer notes 35 and 43)	220.89	478.26
Total non-current financial assets	2,123.60	2,076.14
Current		
Government grants receivable	4,641.95	6,437.67
Interest accrued	20.08	11.29
Total current financial assets	4,662.03	6,448.96
Total other financial assets	6,785.63	8,525.10

Note 8 Income tax assets/ (liabilities) (net)**i. The following table provide the details of income tax assets and income tax liabilities:**

a) Income tax assets	1,325.57	1,988.38
b) Income tax liabilities	(1,452.61)	(1,200.53)
Net Income tax assets / (liabilities)	(127.04)	787.85

ii. The gross movement in the current income tax assets/ (liabilities) for the years ended 31 March 2021 and 31 March 2020 is as follows:

Net current income tax liability/ (assets) at the beginning	787.85	(554.12)
Income tax paid/ (refund received) [net]	(677.13)	1,099.15
Current tax expense (including interest on tax payable of ₹ 11.71 lakhs)	(174.78)	-
Earlier year tax adjustments	(62.98)	242.82
Net current income tax asset/ (liability) at the end	(127.04)	787.85

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
iii. Income tax expense in the Statement of Profit and Loss comprises:		
Current tax expenses	226.05	(242.82)
Deferred tax credit	(190.64)	(146.45)
Income tax expenses/ (credit) [net] in Statement of Profit and Loss	35.41	(389.27)
Deferred tax credit in other comprehensive Income	(9.38)	(11.54)
Income tax expenses/ (credit) [net]	26.03	(400.81)

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:

Loss before income tax	(27.82)	(1,205.00)
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense/ (credit)	(7.00)	(303.30)
Effect of expenses that are not deductible for determining taxable profits	21.50	25.61
Impact of change in tax rate (Refer note 8.1 below)	-	131.24
	14.50	(146.45)
Earlier year tax adjustments (current tax and deferred tax)	20.91	(242.82)
Income tax expense charged/ (credited) to the Statement of Profit and Loss	35.41	(389.27)

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(a) Deferred tax liabilities		
- Timing difference on tangible and intangible assets depreciation and amortisation	2,757.54	3,051.07
	<u>2,757.54</u>	<u>3,051.07</u>
(b) Deferred tax assets		
- Expenses allowable on payment basis	822.02	972.72
- Impairment allowable on financials assets	120.99	62.45
- Others	217.04	218.39
	<u>1,160.05</u>	<u>1,253.56</u>
Total deferred tax liabilities (net)	<u>1,597.49</u>	<u>1,797.51</u>

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

	Timing difference on tangible and intangible assets' depreciation and amortisation	Expenses allowable on payment basis	Impairment allowable on financials assets	Others	Total
	(A)	(B)	(C)	(D)	(E)=(A)-(B)-(C)-(D)
As at 1 April 2019	2,439.01	454.01	27.62	1.88	1,955.50
(Charged) / credited					
- to profit or loss	612.06	507.17	34.83	216.51	(146.45)
- to other comprehensive income	-	11.54	-	-	(11.54)
At 31 March 2020	<u>3,051.07</u>	<u>972.72</u>	<u>62.45</u>	<u>218.39</u>	<u>1,797.51</u>
(Charged) / credited					
- to profit or loss	(293.53)	(202.15)	58.54	(1.35)	(148.57)
- to profit or loss (earlier year adjustment)	-	42.07	-	-	(42.07)
- to other comprehensive income	-	9.38	-	-	(9.38)
At 31 March 2021	<u>2,757.54</u>	<u>822.02</u>	<u>120.99</u>	<u>217.04</u>	<u>1,597.49</u>

Note 8.1: During the previous year ended 31 March 2020, the Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax basis the rate prescribed in the said section. The Company also remeasured their deferred tax assets basis the revised rate and the impact of this change was recognised in the statement of profit and loss during the previous year.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 9 Other assets		
Non-current		
Capital advances	7.80	21.69
Balances with government authorities	194.81	100.63
Prepaid expenses	22.00	18.64
Total other non-current assets	<u>224.61</u>	<u>140.96</u>
Current		
Advance to suppliers	271.26	152.75
Balances with government authorities	162.53	662.15
Prepaid expenses	257.28	246.36
Total other current assets	<u>691.07</u>	<u>1,061.26</u>
Total other assets	<u>915.68</u>	<u>1,202.22</u>
Note 10 Inventories		
Work-in-progress / Semi-finished goods	10,459.86	10,885.57
Finished goods	1,508.66	2,062.19
Stock-in-trade [including goods-in-transit: ₹ 17.06 lakhs (31 March 2020: ₹ 557.86 lakhs)]	717.89	1,814.38
Consumables, chemicals, stores and spares [including goods-in-transit: ₹ 9.98 lakhs (31 March 2020: Nil)]	272.31	461.31
Packing materials [including goods-in-transit: ₹ 9.90 lakhs (31 March 2020: Nil)]	579.42	668.94
Total inventories	<u>13,538.14</u>	<u>15,892.39</u>

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 11 Trade receivables		
Trade receivables (Refer notes 11.1 and 11.2)	11,262.01	13,359.60
Total trade receivables	11,262.01	13,359.60
Note 11.1 Break-up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,262.01	13,359.60
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	270.49	253.83
Total	11,532.50	13,613.43
Loss allowance	(270.49)	(253.83)
Total Trade receivable	11,262.01	13,359.60

Note 11.2: Includes receivables from a related party of ₹ 566.86 lakhs (31 March 2020: ₹ 269.67 lakhs) (Refer note 35)

Note 11.3: There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 11.4: Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Note 12 Cash and cash equivalents

Balances with banks in current accounts	4,038.68	3,502.67
Cash on hand	3.21	6.56
Total cash and cash equivalents	4,041.89	3,509.23

Note 12.1: There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 13 Bank balances other than cash and cash equivalents

Bank deposits with maturity of more than 3 months but less than 12 months [Includes ₹ 489.96 lakhs (31 March 2020: ₹ 79.13 lakhs) pledged with excise authorities or earmarked against bank guarantees taken by the Company]	489.96	82.13
Total bank balances other than cash and cash equivalents	489.96	82.13

Note 14 Assets classified as held for sale

Investment in equity shares of Progressive Alcobev Distributors Private Limited, unquoted (Refer note 14.1 below)	296.90	-
Office premises along with plant and equipment and furniture/ fixtures (Refer note 14.2 below)	967.04	-
	1,263.94	-

Note 14.1: The Company in March 2021 has entered into a Memorandum of Understanding ('MOU') pursuant to which the Company is committed to sell its investments in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 296.90 lakhs. Accordingly, the investment has been classified as held for sale and a resultant impairment loss of ₹ 237.52 lakhs has been recognised as at 31 March 2021. Subsequent to 31 March 2021, the sale has been concluded and sale consideration has been received. Also refer note 30.2

Note 14.2: The Company intends to dispose off an office premises along with certain plant and equipment and furniture/ fixtures with an aggregate carrying value ₹ 1,085.04 lakhs, as it no longer intends to utilise the same in near future and accordingly classified the asset as held for sale. Search for a suitable buyer is underway. Based on valuation of the aforesaid assets by an independent valuer, the fair value less cost to sell is determined as ₹ 967.04 lakhs. Accordingly, an impairment loss of ₹ 118 lakhs has been recognized on reclassification of the said premises as held for sale.

Building	1,028.61	-
Plant and equipment	16.88	-
Furniture and fixtures	39.55	-
Carrying value (WDV) of assets held for sale	1,085.04	-
Impairment loss on classification of assets classified as held for sale (Refer note 30)	(118.00)	-
Fair value (less cost to sell)	967.04	-

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 15 Equity share capital		
Authorised share capital		
2,02,06,000 Equity shares of ₹ 10 each (31 March 2020: 20,206,000 equity shares of ₹ 10 each)	2,020.60	2,020.60
Total authorised share capital	2,020.60	2,020.60
Issued, subscribed and paid-up equity share capital:		
1,50,80,374 Equity shares of ₹ 10 each fully paid up (31 March 2020: 15,044,188 equity shares of ₹ 10 each)	1,508.04	1,504.42
Total issued, subscribed and paid-up equity share capital	1,508.04	1,504.42

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

	Number	₹ lakhs
As at 1 April 2019	1,50,08,942	1,500.89
Issued during the year [Refer note 15(e)]	2,746	0.28
Shares warrants converted during the year [Refer note 15(f)]	32,500	3.25
As at 31 March 2020	1,50,44,188	1,504.42
Issued during the year [Refer note 15(e)]	2,012	0.20
Shares warrants converted during the year [Refer note 15(f)]	34,174	3.42
As at 31 March 2021	1,50,80,374	1,508.04

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Rajeev Samant	36,12,621	23.96%	35,78,447	23.79%
Verlinvest Asia Pte Ltd.	35,28,455	23.40%	35,28,455	23.45%
Verlinvest S.A	14,38,367	9.54%	14,38,367	9.56%
Cofintra S.A.	14,38,367	9.54%	14,38,367	9.56%
Verlinvest France S.A	13,15,913	8.73%	13,15,913	8.75%

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

d. Shares reserved for issue under Employee Stock Options Scheme:

As at 31 March 2021, the Company has issued 166,291 (31 March 2020: 111,479) employee stock options under the Employee stock option scheme of the Company to its senior executives subject to achievement of targets as defined in ongoing vision of the Company. (Refer note 42)

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

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - 2,012 equity shares at a premium of ₹ 716.93 per share (31 March 2020: 2,746 equity shares at a premium of ₹ 921.76 per share)

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

f. Share warrants issued and converted

(i) The Company has issued share warrants to Rajeev Samant (CEO and Managing Director), as a part of the remuneration package. The details of the same are as under:

Financial year in which warrants have been issued	Number of warrants	Number of warrants converted	Exercise price	Date of conversion
2014-15	1,00,000	76,674	508.71	Various*
2016-17	75,200	-	584	-
2017-18	1,50,400	-	631	-
2018-19	75,200	-	760	-
2018-19	2,29,070	-	850	-

*5,500, 12,000 and 15,000 on 28 May 2019, 10 October 2019 and 14 November 2019, respectively.

*6700, 10,921, 6,553 and 10,000 on 28 August 2020, 02 November 2020, 09 January 2021 and 18 March 2021, respectively.

(ii) The warrants for financial year 2014-15 have been issued on payment of 10% amount at the time of subscription and the balance to be paid on conversion, with a right to convert them into equivalent number of equity shares any time before the Initial Public Offering / Qualified Institutional Placement.

(iii) The warrants from financial year 2016-17 onwards have been issued at ₹ 10 each fully paid up at the time of subscription and the balance to be paid on conversion, with a right to convert them into equivalent number of equity shares any time before the Initial Public Offering / Qualified Institutional Placement.

(iv) The above warrants on conversion shall rank pari passu in all respects with the existing fully paid up equity shares of the Company except for dividend which shall be pro-rata from the date of conversion.

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 16 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 16.1 below)	9,909.11	9,842.24
Unsecured		
Deferred sales tax liabilities (Refer note 16.2 below)	23.29	54.27
Less: Current maturities of long term borrowings (Refer note 18)	(4,020.51)	(2,014.01)
Total non-current borrowings	5,911.89	7,882.50
II Current borrowings		
Secured		
Loans from banks		
- Working capital demand loans (repayable on demand) [Refer note 16.3 below]	16,715.00	20,298.00
- Cash credit facilities (repayable on demand) [Refer note 16.3 below]	14.41	1,971.64
- Buyer's credit (Refer note 16.4 below)	-	542.46
	16,729.41	22,812.10
Unsecured		
Working capital demand loans from banks (repayable on demand) [Refer note 16.5 below]	1,857.64	3,000.00
Other bank loans (Refer note 16.6 below)	1,100.00	-
	2,957.64	3,000.00
Total current borrowings	19,687.05	25,812.10
Total borrowings (I+II)	25,598.94	33,694.60

Details of security and terms of repayment of non-current borrowings

Note 16.1: The term loans from banks are repayable in 5-18 balance quarterly instalments ranging from ₹ 52.15 lakhs to ₹ 144.37 lakhs. These loans carry interest ranging from 6.80% to 9.35% and are secured by first pari passu on all the existing and future movable property, plant and equipment and charge on immovable assets. Also refer note 36(iii) for the contractual maturity details of the aforesaid non-current borrowings.

Note 16.2: Deferred sales tax loan of ₹ 23.29 lakhs (31 March 2020: ₹ 54.27 lakhs) is interest free and repayable in remaining 2 years.

Details of security and terms of repayment of current borrowings

Note 16.3: Working capital demand loans and cash credit facilities are repayable on demand. They carry interest rate ranging from 7.50% to 11% p.a and (31 March 2020: 8.05% to 10% p.a.) are secured by all existing and future current assets, movable and immovable property, plant and equipment.

Note 16.4: Buyers credit carrying interest ranging from 6% to 7% p.a. (31 March 2020: 6% to 7% p.a.) has been repaid during the year. These loans were secured by the existing and future current assets, movable and immovable property, plant and equipment.

Note 16.5: Unsecured working capital demand loans carry interest ranging from 7.20% to 7.30% p.a. (31 March 2020: 7.60% p.a.) and are repayable on demand.

Note 16.6: Other bank loans carry an interest rate of 9.25% p.a. (31 March 2020: Nil) and is repayable within 180 days.

Note 16.7 Net debt reconciliation

An analysis of net debts and the movement in net debts for the years ended 31 March 2021 and 31 March 2020 is as follows:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(A) Cash and cash equivalents	(4,041.89)	(3,509.23)
(B) Non-current borrowings (including current maturities of long term debts)	9,932.40	9,896.51
(C) Current borrowings	19,687.05	25,812.10
(D) Interest payable	156.63	305.69
Net debts (E) = (A-B-C-D)	25,734.19	32,505.07

	₹ lakhs				
	Other assets	Liabilities from financing activities		Total	
	Cash and cash equivalents (A)	Non-current borrowings (B)	Current borrowings (C)	Interest payable (D)	
				(E)=(A-B-C-D)	
Net debts as at 1 April 2019	(284.58)	7,199.77	20,320.76	170.85	27,406.80
Cash flows (net)	(3,224.65)	2,696.74	5,491.34	-	4,963.43
Interest expense	-	-	-	2,776.81	2,776.81
Interest paid	-	-	-	(2,641.97)	(2,641.97)
Net debts as at 31 March 2020	(3,509.23)	9,896.51	25,812.10	305.69	32,505.07
Cash flows (net)	(532.66)	35.89	(6,125.05)	-	(6,621.82)
Interest expense	-	-	-	2,868.63	2,868.63
Interest paid	-	-	-	(3,017.69)	(3,017.69)
Net debts as at 31 March 2021	(4,041.89)	9,932.40	19,687.05	156.63	25,734.19

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Note 17 Lease liabilities		
Non Current		
Lease liabilities (Refer note 38)	1,000.60	1,868.65
Current		
Lease liabilities (Refer note 38)	389.51	581.29
Total Lease liabilities	1,390.11	2,449.94
Note 18 Other current financial liabilities		
Current maturities of long-term debt (Refer note 16)	4,020.51	2,014.01
Interest accrued and due	19.77	13.07
Interest accrued but not due	156.63	305.69
Others		
- Liability for capital goods	350.00	583.44
- Security deposits	293.75	320.75
- Due to employees	611.09	497.08
Total other current financial liabilities	5,451.75	3,734.04
Other financial liabilities carried at amortised cost	5,451.75	3,734.04
Other financial liabilities carried at FVTPL	-	-
Note 19 Provisions		
Non-current		
Provision for employee benefits (Refer note 33)		
- Gratuity	1,004.95	799.32
- Compensated absences	39.87	106.92
Total non-current provisions	1,044.82	906.24
Current		
Provision for employee benefits (Refer note 33)		
- Gratuity	51.18	60.00
- Compensated absences	29.88	22.09
Total current provisions	81.06	82.09
Total provisions	1,125.88	988.33
Note 20 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 20.2)	91.95	107.76
Total outstanding dues of creditors other than micro, small and medium enterprises		
- to related parties (Refer note 35)	139.69	131.64
- to others	5,221.80	7,963.30
Total trade payables	5,453.44	8,202.70
Note 20.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.		
Note 20.2 : Dues to micro, small and medium enterprises to the extent information available with the Company is given below:		
(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
- Principal amount due to micro and small enterprises	91.95	107.76
- Interest due	0.15	0.69
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		
	6.55	4.26
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.		
	6.70	4.95
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006		
	19.77	13.07
Note 21 Other current liabilities		
Advance from customers (Refer note 21.1)	103.62	40.64
Statutory dues payable	1,389.00	760.47
Total other liabilities	1,492.62	801.11
Note 21.1:		
Management has settled the advance from customers at the beginning of the year, by providing hospitality services against such advances. It expects to similarly settle the closing advance payable as at 31 March 2021.		

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 22 Revenue from operations		
(a) Sale of products (including excise duty)	29,364.88	37,043.54
(b) Sale of services	1,813.81	2,816.74
(c) Other operating revenues	2,784.90	2,940.21
Total revenue from operations	33,963.59	42,800.49

Note 22.1: Includes sale of products to related parties ₹ 2,182.81 lakhs (31 March 2020: ₹ 1,997.90 lakhs) (Refer note 35)

Note 22.2: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service:

(a) Sale of products		
- Manufactured goods	27,168.07	31,597.12
- Traded goods	2,196.81	5,446.42
	29,364.88	37,043.54
(b) Sale of services	1,813.81	2,816.74
(c) Other operating revenues		
- Government grant	2,734.20	2,902.13
- Provisions/ balances no longer required written back	32.53	32.05
- Others	18.17	6.03
	2,784.90	2,940.21
Total revenue from operations	33,963.59	42,800.49

(B) Based on timing of revenue recognition:

Products transferred at a point of time	29,364.88	37,043.54
Services transferred at a point of time	1,813.81	2,816.74

The amounts receivable from customers become due after expiry of credit period which on an average ranges between 30-90 days. There is no significant financing component in any transaction with the customers. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. All contracts entered by the Company are fixed-price contracts. Further, the Company's entire business falls under one operational segment of 'manufacture, purchase and sale of alcoholic beverages (Refer note 45).

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

Contract price	38,770.15	44,315.77
Less: Items offset against revenue from customers	(7,591.46)	(4,455.49)
	31,178.69	39,860.28

Note 22.3: The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

Revenue from top customer	5,399.43	5,385.84
Revenue from top five customers	12,808.87	15,242.89

For the year ended 31 March 2021 one (1) [31 March 2020: one (1)] customer individually accounted for more than 10% of the total revenue.

Note 23 Other income

(a) Interest income

- on financial assets carried at amortised cost	373.61	151.61
- on bank deposits	25.34	12.18
- income tax refund	42.81	-
- on others	28.07	36.51
	469.83	200.30

(b) Dividend income

- 0.04

(c) Other non-operating income:

- Cancellation of employee stock options	1.97	1.71
- Insurance claim	10.47	9.37
- Exchange gain (net)	18.62	-
- Rent income	26.40	1.29
- Profit on disposal/ cancellation of lease agreement	23.06	-
- Miscellaneous income	27.24	49.44
	107.76	61.81
Total other income	577.59	262.15

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 24 Cost of materials consumed		
(a) Stock at beginning of the year		
- Raw materials	-	-
- Packing materials	668.94	768.75
	<u>668.94</u>	<u>768.75</u>
(b) Add: Purchases		
- Raw materials	3,901.05	6,854.57
- Packing materials	2,643.67	3,876.02
	<u>6,544.72</u>	<u>10,730.59</u>
(c) Less: Stock at the end of the year		
- Raw materials	-	-
- Packing materials	579.42	668.94
	<u>579.42</u>	<u>668.94</u>
(d) Total cost of materials consumed (a+b-c)		
- Raw materials	3,901.05	6,854.57
- Packing materials	2,733.19	3,975.83
	<u>6,634.24</u>	<u>10,830.40</u>
Total cost of materials consumed	6,634.24	10,830.40
Note 24.1: Includes purchase of raw materials from related parties ₹ 144.06 lakhs (31 March 2020: ₹ 116.41 lakhs) (Refer note 35)		
Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	2,062.19	671.53
- Work-in-progress	10,885.57	11,019.02
- Stock-in-trade	1,814.38	837.42
	<u>14,762.14</u>	<u>12,527.97</u>
(b) Closing stock		
- Finished goods	1,508.66	2,062.19
- Work-in-progress	10,459.86	10,885.57
- Stock-in-trade	717.89	1,814.38
	<u>12,686.41</u>	<u>14,762.14</u>
(c) Increase / (Decrease) in excise duty on finished goods	(220.24)	254.09
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	1,855.49	(1,980.08)
Note 26 Employee benefits expense		
Salaries, wages and bonus	4,958.05	5,834.81
Contribution to provident and other fund (Refer note 33)	118.04	202.74
Gratuity (Refer note 33)	175.75	158.01
Share based payment expenses (Refer note 42)	40.97	23.35
Staff welfare	95.54	157.07
Total employee benefits expense	5,388.35	6,375.98
Note 27 Finance costs		
Interest on:		
- loan from banks	2,739.30	2,619.64
- lease liabilities (Refer note 38)	146.93	137.12
- cash credit facilities	129.33	157.17
- income tax	11.71	-
- others	49.58	42.66
	<u>3,076.85</u>	<u>2,956.59</u>
Other borrowing costs	149.23	186.83
Total finance costs	3,226.08	3,143.42
Note 28 Depreciation, amortisation and impairment expense		
Depreciation on tangible assets (Refer note 3)	1,946.83	1,807.32
Depreciation on right-of-use assets (Refer note 3A)	498.54	452.93
Amortisation of intangible assets (Refer note 4)	91.14	458.10
Impairment of intangible assets (Refer note 4)	-	731.52
Total depreciation, amortisation and impairment expense	2,536.51	3,449.87

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Note 29 Selling and distribution expenses		
Sales promotion expenses	3,351.17	3,290.45
Commission expenses	828.55	1,059.92
Marketing	419.36	864.91
Total Selling and distribution expenses	4,599.08	5,215.28
Note 30 Other expenses		
Consumables, chemicals, stores and spares consumed	643.05	1,015.47
Power and fuel	516.30	487.61
Repairs and maintenance		
- Building	85.88	63.52
- Others	537.34	587.00
Rates and taxes	661.24	752.06
Insurance	86.26	53.88
Royalty	-	4.76
Security charges	132.14	167.89
Travelling and conveyance	269.98	809.96
Rent (Refer notes 35 and 38)	193.96	296.41
Auditor remuneration:		
- statutory audit fees	27.14	31.86
- limited review and tax audit fees	10.62	10.62
- other services	1.59	1.59
- reimbursement of expenses	0.42	1.36
Legal and professional fees (Refer notes 30.1 and 35)	514.14	553.83
Director sitting fees (Refer note 35)	27.07	24.77
Restaurant expenses	274.61	464.51
Resort maintenance expenses	287.37	395.67
Sulafest expenses	-	363.48
Freight and handling inward	670.57	964.78
Impairment allowance on financial assets (Refer note 11)	16.66	169.10
Impairment allowance on assets classified as held for sale (Refer notes 14.2)	118.00	-
Exchange loss (net)	-	66.36
Loss on property, plant and equipment sale/ disposal/ write-off (net)	294.06	228.08
Corporate social responsibility expenses (Refer note 41)	41.52	41.68
Printing, stationary, postage and telephone expenses	99.36	138.19
Miscellaneous expenses	395.35	479.49
Total other expenses	5,904.63	8,173.93

Note 30.1: Includes Nil (31 March 2020: ₹ 25.59 lakhs) settled through issue of equity shares for consideration other than cash.

Note 30.2 Exceptional item

Impairment loss on asset classified as held for sale	237.52	-
	237.52	-

During the year, the Company entered into a Memorandum of Understanding ('MOU') pursuant to which the Company is committed to sell its investments in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 296.90 lakhs. Accordingly, the investment has been classified as held for sale and a resultant impairment loss of ₹ 237.52 lakhs has been recognised as at 31 March 2021. Subsequent to 31 March 2021, the sale has been concluded and sale consideration has been received.

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021**

	Year Ended 31 March 2021	Year Ended 31 March 2020
Note 31 Earnings/ (loss) per share (EPS)		
Basic and diluted EPS		
A. Loss computation for basic earnings per share of ₹ 10 each		
Net loss as per the Statement of Profit and Loss available for equity shareholders (₹ lakhs)	(63.23)	(815.73)
B. Weighted average number of equity shares for EPS computation (Nos)	1,50,55,153	1,50,27,305
C. EPS - Basic EPS (₹)	(0.42)	(5.43)
- Diluted EPS (₹)	(0.42)	(5.43)

Note 31.1: The options granted to employees under employee stock options and the share warrants issued have an anti dilutive effect on earnings per share, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

Note 32 Contingent liabilities and commitments

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
A. Contingent liabilities		
i) Bank guarantees issued by banks to excise and various other authorities	1,356.27	1,360.35
ii) Income tax liability that may arise in respect of which the Company is in appeal	468.91	468.91
iii) Stamp duty liability that may arise in respect of matter for which the Company is in appeal	154.09	154.09
iv) Corporate guarantee given on behalf of subsidiary	750.36	1,250.00
v) Others	10.05	10.05

vi) Provident Fund:

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

Note:

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

B. Commitments

i) Capital commitment (net of advances)	46.56	138.49
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Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

Note 33: Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

I Defined benefit obligations - Gratuity (funded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	1,080.09	935.90
Current service cost	121.84	109.85
Past service cost	-	-
Interest cost	63.87	65.53
Remeasurements - Net actuarial losses	37.81	42.42
Benefits paid	(101.57)	(73.61)
Liability assumed on account of group transfer	(4.27)	-
Present value of the obligation as at the end of the year	1,197.77	1,080.09
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the period	220.77	263.72
Interest income	9.96	17.37
Contribution by employer	11.92	16.73
Benefit paid	(101.57)	(73.61)
Remeasurements - Net actuarial gain/ (loss)	0.56	(3.44)
Fair value of the plan assets at the end of the year	141.64	220.77
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost (net)	53.91	48.16
Current service cost	121.84	109.85
	175.75	158.01
d) Remeasurement losses recognised in OCI		
Remeasurement - Net actuarial losses on defined benefit obligations	37.81	42.42
Remeasurement - Net actuarial (return)/ loss on planned assets	(0.56)	3.44
Total	37.25	45.86
e) Actuarial assumptions	31 March 2021	31 March 2020
Discount rate	6.25%	6.50%
Salary escalation rate	Staff: 11%, Director: 0.00% until year 2 inclusive, then 11%	Staff: 9.50%, Director: 0.00% until year 4 inclusive, then 9.50%
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate
Attrition rate :		
- For ages 21-30 years	24.00% p.a.	21.00% p.a.
- For ages 31-40 years	12.00% p.a.	11.00% p.a.
- For ages 41-50 years	14.00% p.a.	14.00% p.a.
- For ages 51-57 years	24.00% p.a.	22.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) Investment details of plan assets

Major Categories of Plan Assets:	31 March 2021	31 March 2020
Insurer managed funds	100%	100%

The Gratuity Scheme is invested in a New Group Gratuity Cash Accumulation Plan Policy offered by Life Insurance Corporation (LIC) and Aditya Birla Sun Life Insurance Company Limited. The information on the allocation of the fund into major asset classes and expected return on each major asset are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

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

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

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
	0.50% increase	
i. Discount rate	(34.28)	(30.44)
ii. Salary escalation rate	32.82	31.47
	0.50% decrease	
i. Discount rate	36.24	32.24
ii. Salary escalation rate	(31.73)	(26.82)

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
h) Maturity analysis of defined benefit obligation		
Within the next 12 months	192.81	194.90
Between 2 and 5 years	656.78	583.04
Beyond 5 years	1,009.91	923.32
Total expected payments	1,859.50	1,701.26

II Defined contribution plans

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

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	105.68	186.24
(ii) Contribution to ESIC	12.36	16.50
	118.04	202.74

b) The expenses for compensated absences is recognized in the same manner as gratuity and provision of ₹ 69.75 lakhs has been made as at 31 March 2021 (31 March 2020: ₹ 129.01 lakhs)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
III Current/ non-current classification		
a) Gratuity		
Current	51.18	60.00
Non-current	1,004.95	799.32
	1,056.13	859.32
b) Compensated absences		
Current	29.88	22.09
Non-current	39.87	106.92
	69.75	129.01

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

Note 34 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 are as follows:

Particulars	Refer note	Amortised cost	₹ lakhs		
			Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Assets:					
Investments in equity shares	5A	-	-	0.25	0.25
Loans	6	2,841.34	-	-	2,841.34
Other financial assets	7	6,785.63	-	-	6,785.63
Trade receivables	11	11,262.01	-	-	11,262.01
Cash and cash equivalents	12	4,041.89	-	-	4,041.89
Bank balances other than cash and cash equivalents	13	489.96	-	-	489.96
Liabilities:					
Borrowings (including current maturities of long-term debt)	16,18	29,619.45	-	-	29,619.45
Lease liabilities	17	1,390.11	-	-	1,390.11
Other financial liabilities	18	1,431.24	-	-	1,431.24
Trade payables	20	5,453.44	-	-	5,453.44

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Refer note	Amortised cost	₹ lakhs		
			Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Assets:					
Investments in equity shares	5A	-	-	0.25	0.25
Loans	6	3,406.48	-	-	3,406.48
Other financial assets	7	8,525.10	-	-	8,525.10
Trade receivables	11	13,359.60	-	-	13,359.60
Cash and cash equivalents	12	3,509.23	-	-	3,509.23
Bank balances other than cash and cash equivalents	13	82.13	-	-	82.13
Liabilities:					
Borrowings (including current maturities of long term debt)	16,18	35,708.61	-	-	35,708.61
Lease liabilities	17	2,449.94	-	-	2,449.94
Other financial liabilities	18	1,720.03	-	-	1,720.03
Trade payables	20	8,202.70	-	-	8,202.70

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at:

Particulars	₹ lakhs					
	31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares	-	-	0.25	-	-	0.25

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

Note 35 Disclosure in accordance with Ind AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

Name of the entity	Company's holding as at (%)	
	31 March 2021	31 March 2020
(a) Holding Company (having control over the entity)		
Verlinvest Group SA		
(b) Subsidiary company		
Artisan Spirits Private Limited	100.00	100.00
Progressive Alcobeve Distributors Private Limited	51.00	51.00
Sula International Limited	100.00	-
(c) Entities under common control (with whom transactions have taken place during the year or in the previous year)		
Verlinvest Asia Pte Ltd.		
Verlinvest S.A		
Cofintra S.A.		
Verlinvest France S.A		
(d) Key management personnel (KMP)		
Rajeev Samant	Chairman, Chief Executive Officer and Managing Director (resigned as Chairman w.e.f. 31 January 2020)	
Chetan Desai	Chairman and Director (appointed as Chairman w.e.f 31 January 2020)	
Nicholas Peter Y Cator	Director (resigned w.e.f. 03 December 2020)	
Deepak Shahdapuri	Director	
Hank Uberoi	Director	
J. A. Moos	Director (resigned w.e.f. 14 May 2020)	
Kerry Damskey	Director	
Alok Vajpeyi	Director (appointed w.e.f. 02 December 2020)	
Gayatri Yadav	Director (appointed w.e.f. 14 May 2020 and resigned w.e.f. 19 July 2020)	
Shagun Tiwari	Director (appointed w.e.f. 03 December 2020)	
Arjun Anand	Director	
(e) Relatives of Key Management Personnel:		
Sulabha Samant	Mother of Rajeev Samant	
Bharat Samant	Brother of Rajeev Samant	
Daisy Damskey	Wife of Kerry Damskey	
Suresh Samant	Father of Rajeev Samant	
(f) Entity in which relative of Key Management Personnel have control:		
Summerlab Private Limited	Margarita Andronova, Director (wife of Managing Director)	

B. Nature of Transactions

Transactions with related parties:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Sale of products		
Progressive Alcobeve Distributors Private Limited	1,536.25	1,682.71
Artisan Spirits Private Limited	642.79	315.19
Rajeev Samant	1.41	-
Suresh Samant	1.93	-
Bharat Samant	0.43	-
	2,182.81	1,997.90
Interest income		
Artisan Spirits Private Limited	238.80	138.73
Progressive Alcobeve Distributors Private Limited	-	7.32
	238.80	146.05
Rent income		
Artisan Spirits Private Limited	2.40	1.29
Purchase of raw materials		
Rajeev Samant	67.40	43.54
Suresh Samant	55.77	53.42
Sulabha Samant	4.70	9.56
Bharat Samant	16.19	9.89
	144.06	116.41
Purchase of traded goods		
Artisan Spirits Private Limited	97.33	188.79
Progressive Alcobeve Distributors Private Limited	2.20	17.20
	99.53	205.99

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Purchase of property, plant and equipment		
Rajeev Samant	550.00	120.00
Artisan Spirits Private Limited	9.13	9.83
	<u>559.13</u>	<u>129.83</u>
Conversion of warrants into equity shares		
Rajeev Samant	173.85	165.33
Director's sitting fees paid/payable		
Deepak Shahdadpuri	1.49	2.36
Kerry Damskey	1.49	3.35
J. A. Moos	0.38	4.00
Hank Uberoi	1.49	2.06
Nicholas Cator	0.75	3.00
Arjun Anand	2.96	5.00
Chetan Desai	7.38	5.00
Alok Vajpeyi	6.00	-
Ashit Lilani	2.75	-
Gayatri Yadav	0.38	-
Shagun Tiwari	2.00	-
	<u>27.07</u>	<u>24.77</u>
Lease rentals		
Suresh Samant	24.61	18.78
Rajeev Samant	21.63	17.50
	<u>46.24</u>	<u>36.28</u>
Legal and professional expenses		
Kerry Damskey	-	66.07 [^]
Summerlab Private Limited	11.00	-
[^] includes Nil (31 March 2020: ₹ 25.59 lakhs) settled through issue of sweat equity shares		
	<u>11.00</u>	<u>66.07</u>
Dividend paid		
Verlinvest Asia Pte Ltd.	-	211.71
Verlinvest S.A	-	86.30
Cofintra S.A.	-	86.30
Verlinvest France S.A	-	78.95
Rajeev Samant	-	213.90
Suresh Samant	-	8.13
Sulabha Samant	-	17.94
Bharat Samant	-	0.30
Daisy Damskey	-	4.58
J. A. Moos	-	0.06
Kerry Damskey	-	0.31
	<u>-</u>	<u>708.48</u>
Loan given		
Artisan Spirits Private Limited	4,694.33	3,982.41
Progressive Alcobeve Distributors Private Limited	-	97.50
Sula International Limited	21.69	-
	<u>4,716.02</u>	<u>4,079.91</u>
Repayment of loan		
Artisan Spirits Private Limited	5,107.73	3,265.45
Progressive Alcobeve Distributors Private Limited	-	95.00
Sula International Limited	5.26	-
	<u>5,112.99</u>	<u>3,360.45</u>
Repayment of interest on loan		
Artisan Spirits Private Limited	478.26	-
Compensation to key managerial person (including share based payments)[^]		
Remuneration	300.00	374.58
[^] Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.		
Corporate gurantee given on behalf of subsidiary		
Artisan Spirits Private Limited	750.36	-
Progressive Alcobeve Distributors Private Limited	-	1,250.00

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021****C) Outstanding balances:**

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Trade payable		
Kerry Damskey	-	14.62
Rajeev Samant	65.42	43.54
Suresh Samant	53.81	54.04
Sulabha Samant	4.70	9.56
Bharat Samant	15.76	9.88
	139.69	131.64
Trade receivable		
Progressive Alcobev Distributors Private Limited	566.86	269.67
Money received against share warrants		
Rajeev Samant	64.86	82.25
Loan Outstanding		
Artisan Spirits Private Limited	2,343.90	2,757.29
Progressive Alcobev Distributors Private Limited	2.50	2.50
Sula International Limited	22.21	-
	2,368.61	2,759.79
Interest accrued		
Artisan Spirits Private Limited	220.89	478.26
Corporate gurantee given on behalf of subsidiary		
Artisan Spirits Private Limited	750.36	-
Progressive Alcobev Distributors Private Limited	-	1,250.00

Note 36 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a. Interest rate risk

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

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit/(Loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at 31 March 2021		As at 31 March 2020	
	0.50%	0.50%	0.50%	0.50%
	increase	decrease	increase	decrease
Impact on loss before tax	138.69	(138.69)	163.27	(163.27)

(₹ in lakhs)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b. Foreign currency risk

The Company does not have significant outstanding balances in foreign currency and consequently the Company's exposure to foreign exchange risk is less. Although, the exchange rate between the rupee and foreign currencies has changed substantially in recent years, it has not affected the results of the Company. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

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

₹ equivalent in lakhs

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	55.89	36.18	8.35	-	-
Capital advances	-	5.37	-	-	-
Loan to subsidiary	-	-	22.21	-	-
Investment in subsidiary	-	-	1.01	-	-
Advance to suppliers	7.73	2.10	-	-	-
	63.62	43.65	31.57	-	-
Liabilities					
Trade payables	98.01	26.92	0.09	-	10.84
Liability for capital goods	-	80.76	-	-	-
	98.01	107.68	0.09	-	10.84
Net assets / (liabilities)	(34.39)	(64.03)	31.48	-	(10.84)

The following table analysis foreign currency risk from financial instruments as at 31 March 2020:

₹ equivalent in lakhs

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	480.92	95.93	16.52	-	-
Capital advances	-	-	-	-	-
Loan to subsidiary	-	-	5.79	-	-
Investment in subsidiary	-	-	-	-	-
Advance to suppliers	25.12	17.45	0.00	-	-
	506.04	113.38	22.31	-	-
Liabilities					
Borrowings	530.18	-	-	-	-
Advance from customers	2.61	-	-	-	-
Trade payables	463.93	106.46	53.81	37.05	1.02
	996.72	106.46	53.81	37.05	1.02
Net assets / (liabilities)	(490.68)	6.92	(31.50)	(37.05)	(1.02)

* Includes CAD and RUB

Sensitivity analysis

Of the above, the Company is mainly exposed to USD, EUR and GBP. Hence the following table analyses the sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR (₹), with all variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date.

Particulars	Impact on profit / (loss) before tax for the year (₹ in lakhs)	
	31 March 2021	31 March 2020
Currencies		
USD	1.72	24.53
EUR	3.20	0.35
GBP	1.57	1.58

c. Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

ii Credit risk

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

a Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private parties. A substantial portion of the Company's trade receivables are from government corporation customers having strong credit worthiness. Further, Company's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2021		As at 31 March 2020	
	₹ lakhs	%	₹ lakhs	%
Trade receivables				
- from government corporation	7,068.95	62.77%	7,973.24	59.68%
- from private parties	4,193.06	37.23%	5,386.36	40.32%
Total trade receivables (Refer note 11)	11,262.01	100.00%	13,359.60	100.00%

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

	As at	As at
	31 March 2021	31 March 2020
	₹ lakhs	₹ lakhs
Balance at the beginning of the year	253.83	84.73
Impairment allowance on financial assets	16.66	169.10
Balance at the end of the year	270.49	253.83

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents, government grant receivables and loan to subsidiaries / employees. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Based on the Company's historical experience, the credit risk on the above mentioned financial assets is also assessed to be extremely low.

Sula Vineyards Private Limited**Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021****iii Liquidity risk**

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars					₹ lakhs
As at 31 March 2021	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Borrowings (including interest accrued and current maturities of long-term debt)	19,687.05	4,177.15	5,911.89	-	29,776.09
Trade payables (including interest accrued)	-	5,473.21	-	-	5,473.21
Lease liabilities	-	494.12	1,132.26	3.33	1,629.71
Other financial liabilities	-	1,254.85	-	-	1,254.85
	19,687.05	11,399.33	7,044.15	3.33	38,133.86
As at 31 March 2020					
Borrowings (including interest accrued and current maturities of long-term debt)	25,269.64	2,862.16	7,882.50	-	36,014.30
Trade payables (including interest accrued)	-	8,215.77	-	-	8,215.77
Lease liabilities	-	771.83	2,155.62	17.08	2,944.53
Other financial liabilities	-	1,401.27	-	-	1,401.27
	25,269.64	13,251.03	10,038.12	17.08	48,575.87

Note 37 Capital management

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

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Total debt	29,619.45	35,708.61
Total equity	32,761.47	32,642.49
Total debts to equity ratio (Gearing ratio)	0.90	1.09

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. In the long run, the Company's strategy is to maintain the gearing ratio of less than 0.75.

Note 38 Leases - Ind AS 116

1. Impact on transition to Ind AS 116

Effective 1 April 2019, the Company had adopted Ind AS 116, *Leases*, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company had made use of the following practical expedients available in its transition to Ind AS 116 .

(a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before 1 April 2019.

(b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Company excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

(d) The Company's leasing arrangements are in respect of operating leases for premises (office, factory, godown, etc.), land and vehicles.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 8.52%

Right-of-use Assets:

(i) On transition, the Company had recognised right-of-use assets aggregating ₹ 1,231.65 lakhs and leased land of ₹ 9.24 lakhs has been reclassified from Property, Plant and Equipment to Right-of-use asset.

(ii) The net carrying value of right-of-use assets as at 31 March 2021 amounts to ₹ 1,252.55 lakhs (31 March 2020: ₹ 2,369.13 lakhs) have been disclosed on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

(i) On transition, the Company had recognised lease liabilities aggregating ₹ 1,231.65 lakhs.

(ii) As at 31 March 2021, the obligations under finance leases amounts to ₹ 1,390.11 lakhs (31 March 2020: ₹ 2,449.94 lakhs) which have been classified to lease liabilities, under financial liabilities. (Also refer note 17)

Particulars	As at 31 March 2021	As at 31 March 2020
	₹ lakhs	₹ lakhs
Current Lease liabilities	389.51	581.29
Non-Current Lease liabilities	1,000.60	1,868.65
Total Lease liabilities	1,390.11	2,449.94

(iii) The following is the movement in lease liabilities for the year ended 31 March 2021:

	₹ lakhs
Balance as at 1 April 2019	-
Transition adjustment of Ind AS 116	1,231.65
Additions during the year	1,582.64
Finance cost accrued during the year	137.12
Payment of lease liabilities	501.47
Balance as at 1 April 2020	2,449.94
Additions during the year	19.01
Finance cost accrued during the year	146.93
Payment of lease liabilities	567.75
Termination during the year	658.02
Balance as at 31 March 2021	1,390.11

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

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2020	2,449.94	2,944.53	771.83	2,155.62	17.08
31 March 2021	1,390.11	1,629.71	494.12	1,132.26	3.33

(₹ lakhs)

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹ lakhs	₹ lakhs
Depreciation expenses on right-of-use assets (Refer note 4)	498.54	452.93
Finance cost on lease liabilities (Refer note 27)	146.93	137.12
Rent expense pertaining to leases of low-value assets	-	-
Rent expense pertaining to leases with less than twelve months of lease included under rent expenses (Refer Note 30)	193.96	296.41

Note 39 Dividend on equity shares

	As at 31 March 2021	As at 31 March 2020
	₹ lakhs	₹ lakhs
Dividend on equity shares declared and paid during the year		
No dividend paid for the year ended 31 March 2020 (Year ended 31 March 2019: ₹ 6 per share)	-	901.84
Dividend distribution tax on final dividend	-	185.38
	-	1,087.22

Proposed dividend on equity shares not recognised as liability

No dividend for the year ended 31 March 2021 (Year ended 31 March 2020: Nil)

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Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financials statements as at and for the year ended 31 March 2021

Note 40 Unhedged foreign currency exposure

Particulars	Currencies	As at 31 March 2021		As at 31 March 2020	
		Foreign currency	₹ lakhs	Foreign currency	₹ lakhs
Trade receivables	USD	76,386	55.89	6,38,098	480.92
	EUR	42,102	36.18	1,15,460	95.93
	GBP	8,268	8.35	17,599	16.52
Trade payables	USD	1,33,954	98.01	6,15,558	463.93
	EUR	29,330	26.92	1,28,144	106.46
	GBP	89	0.09	57,327	53.81
	AUD	-	-	80,052	37.05
	Others *	82,956	10.84	1,04,979	1.02
Liability for capital goods	EUR	93,994	80.76		
Borrowings	USD	-	-	7,03,466	530.18
Advance to suppliers	USD	10,571	7.73	33,323	25.12
	EUR	2,449	2.10	21,002	17.45
	GBP	0.06	0.00	0.06	0.00
Capital advances	EUR	6,247	5.37	-	-
Loan to subsidiary	GBP	22,000	22.21	6,262	5.79
Investment in subsidiary	GBP	1,000	1.01	-	-
Advance from customers	USD	-	-	3,469	2.61

* Includes RUB, AED and CNY

Note 41 Corporate social responsibility expenditure

As per the Section 135 of the Companies Act, 2013 every year the Company is required to spend at least 2% of its average net profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

a. Gross amount required to be spent by the Company during the year: ₹ 41.12 lakhs (31 March 2020: ₹ 57.30 lakhs)

b. Amount spent during the year on CSR activities: ₹ 41.52 lakhs (31 March 2020: ₹ 41.68 lakhs) the details of which is as given below:

	Year ended 31 March 2021			Year ended 31 March 2020			₹ lakhs
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total	
Construction / acquisition of any asset	-	-	-	-	-	-	-
On purposes other than above	41.52	-	41.52	41.68	-	41.68	

Note 42 Disclosures required pursuant to Ind AS 102 - Share Based Payment

The Company provides share-based payment scheme to its employees. During the year ended 31 March 2021, employee stock option scheme (ESOS 2018), employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS COO & CFO 2019) and Employee stock option scheme (ESOS 2020) were in existence. The relevant details of the scheme, grant and activity under ESOS scheme are summarized below:

A. The number and weighted average exercise prices of, and movements in, share option:

Particulars	No. of Options	Weighted Average Price
Outstanding as at 1 April 2019	60,000	740.50
Options granted during the year	61,479	950.00
Options forfeited/lapsed/expired during the year	(10,000)	740.50
Options exercised during the year	-	-
Options outstanding as at 31 March 2020	1,11,479	856.04
Exercisable at the end of the period	1,11,479	856.04
Outstanding as at 31 March 2020	1,11,479	856.04
Options granted during the year	64,812	944.86
Options forfeited / lapsed / expired during the year	(10,000)	850.00
Options exercised during the year *	-	-
Options outstanding as at 31 March 2021 #	1,66,291	891.02
Exercisable at the end of the period	1,66,291	891.02

* The weighted average share price at the date of exercise of option was Nil (31 March 2020 : Nil)

The options outstanding as at 31 March 2021 are with the weighted average exercise price of ₹ 891.02 (31 March 2020: ₹ 856.04) The weighted average of the remaining contractual life is 2 years (31 March 2020: 3.04 years)

B. Fair value of the options has been calculated using Binomial Pricing Model. The following inputs were used to determine the fair value for options granted during the year:

Particulars	ESOS 2018	ESOS 2018 (2)	ESOS 2019		ESOS 2019 (2)		ESOS 2020
	3 years Vesting Period	3 years Vesting Period	CFO - 24 months vesting period	COO - 15 months vesting period	CFO - 12 months vesting period	COO - 12 months vesting period	1 Year Vesting Period
Date of Grant	14 Feb 2018	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020	29 Sep 2020
Market Price (₹)	381.26	381.26	381.26	381.26	381.26	381.26	381.26
Expected life (in years)	3	3	3	3	3	3	3
Volatility	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%
Risk Free rate (%)	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%
Exercise Price	631	850	850	850	850	850	850
Dividend Yield (%)	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
Option Fair Value (₹)	56.71	36.23	36.60	59.35	38.44	38.44	35.28

Note 43: The Company, as at 31 March 2021, has non-current investments amounting to ₹ 2,098.64 lakhs (31 March 2020: ₹ 2098.64 lakhs), non-current loans of ₹ 2,343.90 lakhs (31 March 2020: ₹ 2,757.29 lakhs) and non-current financial assets of ₹ 220.89 lakhs (31 March 2020: ₹ 478.26 lakhs) in its subsidiary, Artisan Spirits Private Limited (ASPL). ASPL has incurred losses in earlier years and consolidated net-worth as at 31 March 2021 is fully eroded. However, during the current year, the revenue from operations of ASPL have significantly increased and ASPL has also earned a net profit of ₹ 267.56 lakhs. Further, the net-worth of this subsidiary does not represent its true market value as the value of the entity on a going concern basis, based on valuation report of an independent valuer, is higher. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the valuation report from an independent valuer, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

Note 44: There is a disputed Excise duty demand of ₹ 11,589.45 lakhs (31 March 2020: ₹ 11,589.45 lakhs) against which a stay has been granted. The outcome of the Company's appeal is pending. The Company has been legally advised with certainty that in all probabilities, the matter will be decided in favor of the Company. Consequently, the possibility of any outflow of resources embodying economic benefits is remote.

Sula Vineyards Private Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Note 45 Segment reporting

The Company is engaged in the business of manufacture, purchase and sale of beverage alcohol (wines and spirits). The Executive Committee of the Company (being the Chief Operating Decision Maker) assesses performance and allocates resources for the business of the Company as a whole and hence the management considers Company's business activities as a single operating segment (viz. Beverage alcohol).

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

Particulars	₹ lakhs			
	Year ended 31 March 2021		Year ended 31 March 2020	
	India	Outside India	India	Outside India
Revenue from operations	32,938.41	1,025.18	40,395.58	2,404.91
Non-current assets	34,084.50	-	38,474.28	-

Note 46 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

**RAKESH
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AGARWAL**
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RAKESH RAMAWATAR
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Date: 2021.07.15
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Rakesh R. Agarwal
Partner
Membership No.109632

For and on behalf of the Board of Directors of Sula Vineyards Private Limited

**Rajeev
Samant**
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by Rajeev Samant
Date: 2021.07.15
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Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Moscow

**CHETAN
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Date: 2021.07.15
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Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

**ARJUN
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Date: 2021.07.15
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Arjun Anand
Director
DIN: 07639288
Place: Singapore

**BITTU
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Date: 2021.07.15
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Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

**RUCHI
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SATHE
Date: 2021.07.15 20:17:59 +05'30'

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Place: Mumbai
Date : 15 July 2021

Date : 15 July 2021