NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the members of **SULA VINEYARDS PVT. LTD.** (CIN: U15549MH2003PTC139352) will be held on **Tuesday, 29th September, 2020 at 1.00 p.m. (IST)** 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, 2020 together with the Report of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2020 together with the Report of the Auditors thereon.

SPECIAL BUSINESS:

2. **To consider and approve to Issue of Sweat Equity Shares**

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

   "**RESOLVED THAT** pursuant to provisions of Section 54 of the Companies Act 2013, read with Rule 8 of Companies (Share Capital and Debenture) Rules 2014 (including any statutory modification(s)or re-enactment thereof for the time being in force, if any, and as provided in master circular or guidelines issued by Reserve Bank of India / Central Government under the Foreign Exchange Management Act, 1999 or such other provisions of law as may be applicable from time to time, the consent of the Members be and is hereby accorded to Issue and Allot 2012 Sweat Equity Shares to Mr. Kerry Damskey without consideration for the services rendered by him for the Company for the period from 1st April, 2019 to 31st December, 2019.

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company in this regard.

RESOLVED FURTHER THAT Mr. Rajeev Samant-Managing Director, Mr. Chetan Desai-Director, Mr. Chaitanya Rathi, COO and Mr. Bittu Varghese, CFO, Mr. Prashant Marathe, General Counsel – Legal and Compliance and Ms. Sapna Karmokar, Company Secretary of the Company be and are hereby severally authorized to execute, sign and issue all / any such agreements, undertakings, writings or all/ any other papers / documents 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 variation in the terms of ESOS

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

"**RESOLVED THAT** pursuant to provisions of Section 62 and other applicable provisions, if any, of Companies Act, 2013 and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof, the consent of the Members be and is hereby accorded to vary the terms of Employee Stock Option Schemes - ESOS 2018, ESOS 2018(2) and ESOS for COO & CFO 2019 by extending their exercise period until IPO/ QIPO, trade sale or change of control.

RESOLVED FURTHER THAT consent and approval of the Memebrs be and is hereby accorded to reduce the exercise price of stock options under ESOS for COO & CFO 2019 Scheme from INR 950 to INR 850 per stock option.

RESOLVED FURTHER THAT the respective clauses of the Schemes be and is hereby amended to give effect to the above variations, as placed before the Members be and is hereby approved.

RESOLVED FURTHER THAT pursuant to Rule 12(5)(b) of Companies (Share Capital and Debenture) Rules, 2014, consent be and is hereby accorded to the following:

Sr. No.	Particulars	Remarks
1.	Details of Variation	1. Extend the exercise period until IPO/ QIPO, trade sale or change of control 2. Reduction in the exercise price of stock options under ESOS for COO & CFO 2019 Scheme from INR 950 to INR 850 per stock option
2.	Rationale	Due to unprecedented Covid- 19 pandemic, the current market situation is down graded. To incentivize our key employees, COO and CFO adequately, in ESOS for COO and CFO 2019- exercise price has been revised in order to match the market sentiment adequately and also extended the exercise period of ESOS 2018, ESOS 2018(2) and ESOS for COO and CFO 2019.

Sr. No.	Particulars	Remarks
3.	Details of the employees who are beneficiaries of such variation	As per the table given below

Details of Beneficiaries

Sr. No.	Name of the ESOS	Date of Grant	Number of Stock Options valid as on date	Beneficiaries
1.	ESOS 2018	14th February, 2018	30,000	Mr. Karan Vasani, Chief Wine Maker & SVP- Vineyard and Winery Operations
2.	ESOS 2018(2)	7th June, 2018	10,000	Mr. Sanjeev Paithankar, SVP- Public Relations
3.	ESOS for COO & CFO 2019 1st year	7th June, 2019	51,479	Mr. Chaitanya Rathi, COO
			10000	Mr. Bittu Varghese, CFO
	2nd year	14th May, 2020	51749	Mr. Chaitanya Rathi, COO
			10,000	Mr. Bittu Varghese, CFO

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director, Mr. Chetan Desai, Director, Mr. Prashant Marathe, General Counsel – Legal and Compliance and Ms. Sapna Karmokar, 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.”

4. **To consider and approve Employees 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 provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules made thereunder (including any statutory amendment, modification or re-enactment to the Act or the Guidelines, for the time being in force), the Articles of Association of the Company, the consent of the shareholders of the company be sand is hereby accorded to approve the "Employee Stock Option Scheme 2020" and to create, offer, issue and allot in one or more tranches under the said scheme at any time or for the benefit of selected employees of the Company for such number of stock options/equity shares of the Company, not exceeding 10,000 in aggregate, at INR 850/- per share and on such terms and conditions as may be fixed or determined by the Board of Directors from time to time.

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, desirable and expedient for the issue or allotment of the aforesaid options/equity shares, issue of certificates/clarifications, effecting any modifications or changes to the foregoing (including modification of the scheme), entering into contracts, arrangements, agreements, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the Members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the options and equity shares and utilization of proceeds of the options/equity shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive in all respects.

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director, Mr. Chetan Desai, Director, Mr. Chaitanya Rathi, COO, Mr. Bittu Varghese, CFO, Mr. Prashant Marathe, General Counsel – Legal and Compliance and Ms. Sapna Karmokar, Company Secretary be and are hereby severally authorized to execute, sign and issue all / any such agreements, undertakings, writings or all/ any other papers / documents as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by above resolutions to any executive(s) / officer(s) of the Company or any other person as the Board at its discretion deem appropriate, 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 revision in Board Meeting sitting fees and Alteration of Articles of Association and Shareholders' Agreement**

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

"**RESOLVED THAT** consent of the Shareholders be and is hereby given to revise the compensation to the Directors and Observers excluding Mr. Rajeev Samant, Managing Director (Promoter) as per details given below effective from the last Board Meeting and accordingly the relevant clauses 19.17 of the Articles of Association of the Company be altered:

Clause 19.17. be replaced as under :

19.17. The Shareholders hereby agree that the Company shall be liable to pay :

(i) a sitting fee of INR 100,000 (Indian Rupees One Hundred Thousand only) (per meeting) each to all those Directors and Observers, other than the Promoter, attending a meeting of the Board in person.

(ii) an amount of USD 500 (United States Dollars Five Hundred only) (per meeting) each to all those Directors and Observers, other than the Promoter, attending a meeting of the Board remotely over Video Conference / telecom, whether or not given a leave of absence.

Provided that a sitting fee of INR 100,000 (Indian Rupees One Hundred Thousand only) (per meeting) each to all those Directors and Observers, other than the Promoter, attending a meeting of the Board remotely over Video Conference / telecom from India,

RESOLVED FURTHER THAT the relevant clause 11.17 of the Shareholders' Agreement entered into between the Company and M/s. Verlinvest Asia Pte. Limited, M/s. Verlinvest S.A., M/s. Cofintra S.A., M/s. Verlinvest France S.A, M/s. Saama Capital III Ltd., M/s. Haystack Investments Limited, M/s. GIA (Sula) Holdings Limited, Mr. Sanjay Naraindas Kirpalani, Mr. Narain Girdhar Chanrai, Dr. Rabin Diwan Lai and Mrs. Dolly Lai, Ms. Shashi Vig, M/s. Mousserena LP, Swip Holdings Limited, Mr. Rajeev Samant, Mrs. Sulabha S. Samant, Mr. Suresh A Samant, Mr. Bharat S Samant and the other Principal Shareholders dated 28th September, 2018 be replaced to read the same clause of Articles of Association above."

RESOLVED FURTHER THAT Mr. Rajeev Samant, Managing Director, Mr. Chetan Desai, Director, Mr. Chaitanya Rathi, COO, Mr. Bittu Varghese, CFO be and are hereby authorized to do all such acts, deeds, matters and things and to alter the articles of associations clause 19.17 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."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as aproxy and such proxy shall not act as a proxy for any other person or Member.

3. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 17th Annual General Meeting.

4. 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.

5. 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.

6. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.

7. 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.

8. The route map for reaching at the venue with prominent landmark is provided at the end of the Notice.

Place: Mumbai
Date: 18th September, 2020

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

Karmokar

Sapna Karmokar
Company Secretary
Membership No. A25946

Registered Office:
901 Hubtown Solaris
N.S.Phadke Marg,
Andheri (E), Mumbai – 400 069
CIN: U15549MH2003PTC139352

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

Item no.2

As per the consultancy contract approved by the Board on 12th September, 2017 and in consideration of the services rendered by Mr. Kerry Damskey, Director of the Company for the period from 1st April, 2019 to 31st December, 2019, the Board of Directors recommends to issue and allot 2012 sweat equity shares of INR 10/- for the services rendered for 47 days. 50% of his fees have been paid by bank transfer and the balance 50% shall be paid by issuing and allotment of sweat equity shares. The price determined based on the approved pricing mechanism formula is INR 727/- per share.

Particulars in respect of Rule 8(2) of Companies (Share Capital and Debenture) Rules, 2014 are as follows:

Sr. No.	**Particulars**	**Relevant Disclosures**
1	the date of the Board meeting at which the proposal for issue of Sweat Equity Shares was approved	18th September, 2020
2	the reasons or justification for the issue	In lieu of services rendered by Mr. Kerry Damskey for 47 days for the period from 1st April, 2019 to 31st December, 2019
3	the class of shares under which Sweat Equity Shares are intended to be issued	Equity
4	the total number of shares to be issued as Sweat Equity	2012
5	the principal terms and conditions on which Sweat Equity Shares are to be issued, including basis of valuation	The Sweat Equity Shares shall be Lock-in for a period of 3 years from the date of allotment Turnover and EBIDTA Multiple Approach as per formula given in SHA
6	the time period of association of such person with the Company	Mr. Kerry Damskey is associated as Master wine maker since 2005 and as a Director from 2017

Sr. No.	Particulars	Relevant Disclosures
7	the names of the directors or employees to whom the Sweat Equity Shares will be issued and their relationship with the promoter or/and Key Managerial Personnel	Mr. Kerry Damskey, Director and he has no relationship with the promoter or/and Key Managerial Personnel
8	the price at which the Sweat Equity Shares are proposed to be issued	Without consideration
9	the consideration including consideration other than cash, if any to be received for the sweat equity	In lieu of services rendered for the period from 1st April, 2019 to 31st December, 2019
10	the ceiling on managerial remuneration, if any, be breached by issuance of such Sweat Equity and how it is proposed to be dealt with.	NA
11	a statement to the effect that the Company shall conform to the applicable accounting standards	Yes
12	diluted Earnings Per Share pursuant to the issue of sweat equity shares, calculated in accordance with the applicable accounting standards	INR (4.58) as at March 2020

You Directors recommend this special resolution for your approval.

None of the Directors, except Mr. Kerry Damskey, are in any way concerned or interested in this resolution

<u>Item No. 3</u>

Due to the Covid-19 situation, the Company would like to vary the terms of of Employee Stock Option Schemes - ESOS 2018, ESOS 2018(2) and ESOS for COO & CFO 2019 offered to selected employees of the Company.

Particulars in respect of Rule 12(5)(b) of Companies (Share Capital and Debenture) Rules, 2014 are as follows:

Sr. No.	Particulars	Remarks
1.	Details of Variation	1. Extend the exercise period until IPO/ QIPO, trade sale or change of control 2. Reduction in the exercise price of stock options under ESOS for COO & CFO 2019 Scheme from INR 950 to INR 850 per stock option

Sr. No.	Particulars	Remarks
2.	Rationale	Due to unprecedented Covid- 19 pandemic, the current market situation is down graded. To incentivize our key employees, COO and CFO adequately, in ESOS for COO and CFO 2019- exercise price has been revised in order to match the market sentiment adequately and also extended the exercise period of ESOS 2018, ESOS 2018(2) and ESOS for COO and CFO 2019.
3.	Details of the employees who are beneficiaries of such variation	As per the table given below

Details of Beneficiaries

Sr. No.	Name of the ESOS	Date of Grant	Number of Stock Options valid as on date	Beneficiaries
1.	ESOS 2018	14th February, 2018	30,000	Mr. Karan Vasani, Chief Wine Maker & SVP- Vineyard and Winery Operations
2.	ESOS 2018(2)	7th June, 2018	10,000	Mr. Sanjeev Paithankar, SVP- Public Relations
3.	ESOS for COO & CFO 2019 1st year	7th June, 2019	51,479	Mr. Chaitanya Rathi, COO
			10000	Mr. Bittu Varghese, CFO
	2nd year	14th May, 2020	51749	Mr. Chaitanya Rathi, COO
			10,000	Mr. Bittu Varghese, CFO

You Directors recommend this special resolution for your approval.

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

Item no. 4

Equity based compensation is considered to be integral part of employee compensation which enables alignment of personal goals of the employee with organizational objectives by participating in the ownership of the Company through shares based compensation scheme. The Company believes in rewarding its employees for their hard work, dedication and support which led the Company on the growth path. The Company would like to grant stock options to selected employees of the Company under "Employee Stock Option Scheme 2020".

Particulars in respect of Rule 12(2) of Companies (Share Capital and Debenture) Rules, 2014 are as follows:

The summary of the ESOS scheme 2020 is as follows:

1. The total number of stock options to be granted – A total of 10,000 (FY21 – 3,333, FY22 – 3,333, FY23 – 3,334) options shall be available for being granted to the Eligible Employee(s) of the Company

2. Identification classes of employees entitled to participates in ESOS –

Sr.No.	**of Employees**	**Options Granted**	
1.	Mr. Neeraj Sharma, SVP- Sales	FY21	3,333
		FY22	3,333
		FY23	3,334
	TOTAL	**10,000**	

3. The appraisal process for determining the eligibility of employees to the ESOS – None

4. The requirement of vesting and period of vesting –
   ESOS for year 1 FY21, year 2 FY22 and year 3 FY23 shall vest on 1st October, 2021, 1st October, 2022 and 1st October, 2023 respectively.

5. The maximum period within which the options shall be vested – such grants shall vest over a period of next 3 (three) years as per details given above or IPO / QIPO of the Company, whichever is earlier.

6. The exercise price or the formula for arriving at the same – INR 850/- per share

7. The exercise period and process of exercise - stock options granted shall be exercisable as soon as they are vested and upon a stock option becoming exercisable, the same shall be exercised from the date of vesting until IPO/QIPO, trade sale or change of control, whichever is earlier ("Exercise Schedule").

8. The lock in period, if any – Nil

9. Maximum no. of options to be granted per employee and in aggregate –

Sr. No.	Name of Employee	Designation	No of options granted	
1.	**Mr**. Neeraj Sharma	**SVP- Sales**	FY21	3,333
			FY22	3,333
			FY23	3,334
	Total		**10,000**	

10. The method which the Company shall use to value its options – fair value share price determined by lead investor using DCF (Discounted Cash Flow) & Market Multiples Method or a combination of both.

11. The condition under which options vested in employees may lapse - The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for gross misconduct. On account of termination or resignation of employment, all vested options shall be exercisable in accordance with the exercise schedule and all unvested stock options shall stand cancelled on the last working day with the Company.

    You Directors recommend this special resolution for your approval.

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

<u>Item no.5</u>

The Company appreciates the efforts and dedication of all the Directors during the Board Meetings. The Directors of the Company always ensure to participate in Board Meetings either personally or over a call. Given the Covid-19 situation social distancing and attending meetings via video conferencing is highly encouraged. In the said situation, while a Director is physically available in India and can attend the meeting in person, the requirement to physically attend the meeting is dispensed off. In light of the same, it is proposed to revise the existing sitting fees paid to the Directors and Observers, excluding Mr. Rajeev Samant, Managing Director
Accordingly the relevant clauses 19.17 of the Articles of Association of the Company and clause 11.17 of the Shareholders Agreement dated 28th September, 2018 need to be altered:

Hence, the proposed special resolution is recommended for approval by the members.
All Directors other than Mr. Rajeev Samant, Managing Director are concerned or interested in said resolution.

Form No. MGT-11
Proxy form

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

CIN:	U15549MH2003PTC139352
Name of the company:	Sula Vineyards Private Limited
Registered office:	901 Hubtown Solaris, N.S.Phadke Marg, Andheri (E), Mumbai – 400 069

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ______________ shares of the above named Company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature: , or failing him

2. Name:
Address:
E-mail Id:
Signature: , or failing him

3. Name:
Address:
E-mail Id:
Signature: , or failing him

as my/our proxy to attend and vote for me/us and on my/our behalf at the **Seventeenth Annual General Meeting** of the Company, to be held on the **Tuesday, 29th September, 2020** at **1:00 p.m.** at 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 400 069 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors and the Auditors thereon.

2. Adoption of Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

3. To consider and approve to Issue of Sweat Equity Shares
4. To consider and approve variation in the terms of ESOS
5. To consider and approve Employees Stock Option Scheme 2020
6. To consider and approve revision in Board Meeting sitting fees and Alteration of Articles of Association And Shareholders' agreement

Affix Revenue Stamp

Signed this ____ day of _________________ 2020.
Signature of shareholder
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Attendance Slip

(To be presented at the entrance)

17th ANNUAL GENERAL MEETING on TUESDAY, 29TH SEPTEMBER, 2020 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. ___________________________

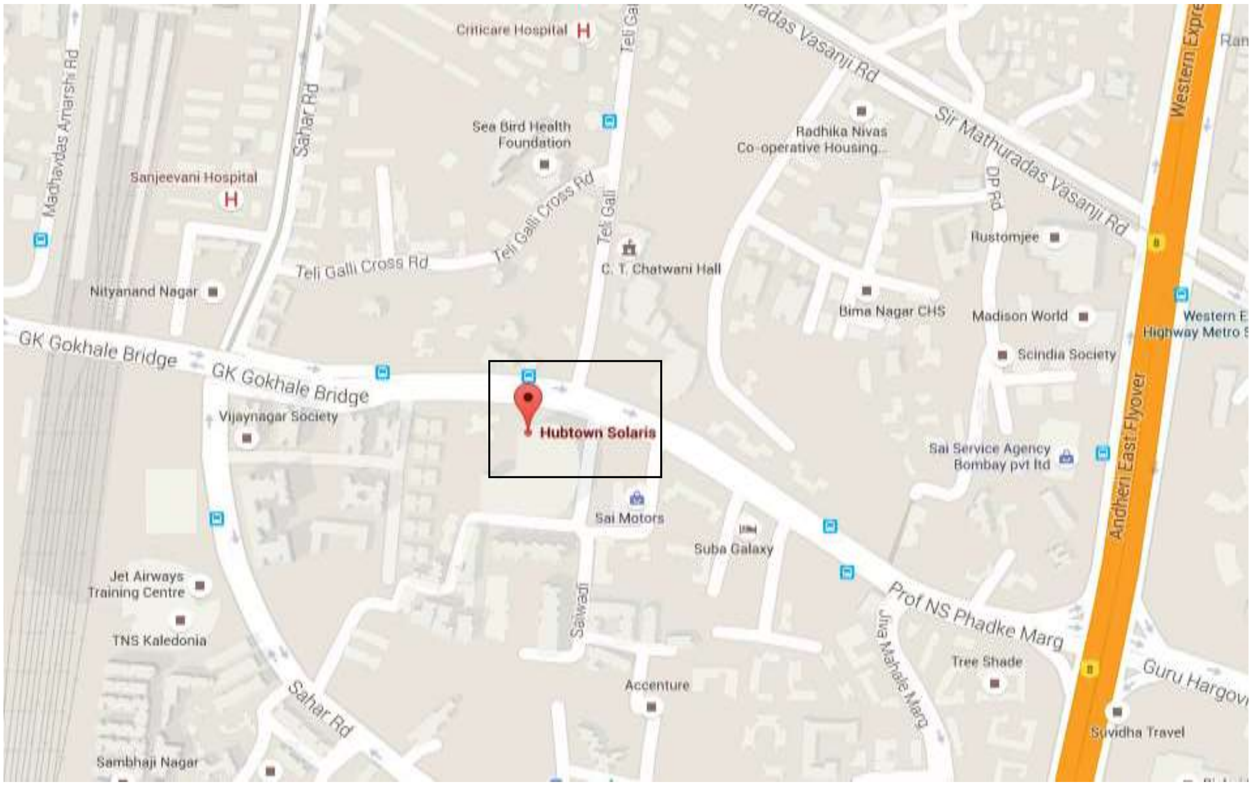
Name of the Member _____________________________ Signature _______________________

Name of the Proxyholder __________________________ Signature ______________________

1. Only Member/Proxyholder can attend the Meeting.

2. Member/Proxyholder should bring his/her copy of the Annual report for reference at the Meeting.

Route Map



Prominent Landmark – Near East West flyover

SULA VINEYARDS PRIVATE LIMITED

Directors' Report

To,
The Members,
The Directors present the 17th Annual Report of Sula Vineyards Private Limited and the standalone and consolidated Audited Accounts for the Financial Year ended March 31, 2020.

1. Key Financial highlights (Standalone)

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

(INR in Lakhs)

Particulars	2019-20	2018-19
Gross Income	43,062.64	50,417.82
Other Comprehensive Income/(Loss)	(45.86)	(92.72)
Profit Before Interest and Depreciation (EBITDA)	5,342.43	8,052.41
Finance Charges	3,143.42	2,375.55
Provision for Depreciation	3,449.87	1,932.82
Net Profit Before Tax	(1,250.86)	3,744.04
Provision for Tax	(400.81)	1,842.31
Total Comprehensive Income/(Loss)	(850.05)	1,901.73
Balance of Profit brought forward	16,358.43	15,351.39
Balance available for appropriation	15,508.38	17,253.12
Dividend paid on Equity Shares	901.84	742.15
Tax on Dividend paid	185.38	152.55
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	14,421.16	16,358.43

2. Business Performance

For the past 10 years, Sula has consistently shown positive Y-o-Y revenue growth with a 22.7% 10-year revenue CAGR. We continue to lead the Indian wine industry with over 60% market share in the domestic wine business, and a leader in quality, both in terms of its products and its people. Our EBITDA margin was 9.4% in FY20, achieved by focusing our energies on streamlining our internal operations and creating sustainable and long term strategies around sales, pricing, schemes, and margins.

In FY20, Sula became the first Indian company to enter the canned wine segment with the launch of "Dia Sparkler" in Q4 FY20 in Maharashtra and Goa. Keeping up with the modern era of social media, we have given our Dia wine a bubbly, casual and youthful image with a distinct look and feel. In FY20, we have further bolstered our hospitality offering by launching a grander, and more luxurious wing for The Source in February 2020 by introducing 20 new rooms.

Production and Harvest
We had planted over 265 acres of new vineyards in FY20, with 95% being for red grapes. This is in-line with the consumer trends observed in the past few years. We crushed -38% less grapes in Harvest'20 vis-à-vis Harvest '19, and the best quality grapes of the harvest were procured from the estate vineyards. The lower harvest has been beneficial considering the slow demand in FY21 stemming from the ongoing pandemic.
We have rebranded our Kadu Winery in Karnataka to Domaine Sula. This has been further upgraded in capacity, and we have produced Dindori Reserve Shiraz, Red Zinfandel, Zinfandel Rose and Riesling for the Karnataka market from Domaine Sula.

Imports and Exports
In Imports, we have expanded our portfolio in late FY20 by partnering with Torres Group, the largest wine company in Spain. We have further taken a decision to prune our portfolio, by discontinuing slow-moving and non-performing BIO brands.
In Exports, we have gained entry into Australia and Singapore. We are currently available in 30+ countries across 4 continents.

Hospitality
Our hospitality business continued its impressive growth with 9.4% revenue growth over FY19. We wrapped up a successful 13th edition of SulaFest with a paid footfall of approximately 9,000 fest-goers.

Marketing
With a strong print, social media and digital presence, we continue to be one of the most keenly followed wineries in Asia and by-far the most popular and loved wine brand in India. We bagged the highest ever monetary sponsorship of ₹1.1 cr. in SulaFest's history, and achieved a media valuation of ₹4.7 cr. Our total digital and social impressions for SulaFest 2020 was 3.4 cr. Our long term brand strategy is based on a comprehensive 360 degree marketing plan with continuous research to understand our consumer better.

Financial Overview
In the financial year 2019-2020, owing to the pandemic, our consolidated revenue de-grew by -4.8% from ₹557.6 cr. in FY19 to ₹531.1 cr. in FY20, while the EBITDA de-grew by -27.8% from ₹69.3 cr. in FY19 to ₹50.0 cr. in FY20. The standalone revenue de-grew by -14.6% from ₹504.2 cr. in FY19 to ₹430.6 cr. in FY20, while the standalone EBITDA de-grew by -33.7% from ₹80.5 cr. to ₹53.4 cr. Our EBITDA margin for FY20 is 9.4%, down from 12.4% for FY19.

The company's weighted cost of borrowing at March 31st, 2020 is at an extremely competitive 8.52% for working capital and 9.15% for term loans. As of March 31st, 2020 the total outstanding loan amount was ₹357.1 cr. for SVPL and ₹11.17 cr. for PADPL.

Acquisitions and Subsidiaries
Our acquired company, Progressive Alcobev Distributors, achieved a top line of ₹103.5 cr. for the year FY20. This acquisition has provided us with a deeper control of sales and distribution in our largest city, Mumbai. We have been able to rationalize costs by reducing rent, improve efficiencies, and increase control of our supply chain.
We have wound up spirit production from our subsidiary Artisan Spirits Pvt. Ltd. (ASPL), and taking into account the poor market response, we have discontinued J, Janus, and Eclipse brands. In FY20 we have sold all the spirit, brands, tanks and packaging material. However, ASPL will now focus on the Sula Selections business and we expect to turn

around the company with the new business model.

Sustainability
Sustainability remains a strong focus for the Company as we continuously reduce our power and water consumption for every case produced. Water recycling and rain water harvesting continue to be a strong focus. 54% of our energy is now through solar power and our target is to reach 75% by the end of FY23.
Furthermore, we reuse 100% of wastewater generated at our wineries, 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 as a means to control the growth of weeds in the vineyards

Our vision is to make Sula the most sustainable wine company in Asia and contribute positively towards the society and community.
As we celebrate our 20th year, we look back on an amazing journey and look forward to many more milestones to come!

3. Dividend

The Board of Directors at their meeting held on 31st January, 2020 declared Interim Dividend of INR 3/- per equity share of face value INR 10/- each for FY 2019-2020. The Interim Dividend was paid to the shareholders holding shares as on Friday, 17th January, 2020. The total dividend payout for FY 2019-20 stands at INR 4,51,32,564 Crores (Indian Rupees Four Crore Fifty One Lakh Thirty Two Thousand Five Hundred and Sixty Four Only) excluding Dividend Distribution Tax.

The Board of Directors do not recommend final dividend in view of the uncertainties due to impact of Covid-19.

4. Material changes and commitments

The outbreak of Covid-19 has significantly 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.

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 also 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. Arjun Anand was appointed as an Additional Director with effect from 3rd

October, 2018. At the EGM held on 7th June, 2019, Mr. Arjun Anand has been appointed as Nominee Director for Verlinvest.

2) Ms. Shivani Chopra resigned as the Company Secretary with effect from 28th May, 2019 and Ms. Sapna Karmokar has been appointed as the Company Secretary of the Company with effect from 18th September, 2019.

Following are the changes between the end of the financial year 2019-20 and the date of signing of this report.

1) Mr. Jehangir A. Moos resigned as Director and Ms. Gayatri Yadav was appointed as Additional Director with effect from 14th May, 2020.
2) Ms. Gayatri Yadav resigned from the Board with effect from 19th July, 2020

7. Meetings

a) Board Meeting:

The Board of Directors duly met 5 times during the financial year from 1st April, 2019 to 31st March, 2020. The dates on which the meetings were held are 16th April, 2019, 28th May, 2019, 18th September, 2019, 4th December, 2019 and 31st January, 2020.

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

Sr. No	Name of the Director	Date of Board Meeting				
		16.04.2019	28.05.2019	18.09.2019	04.12.2019	31.01.2020
1.	Mr. Arjun Anand	✓	✓	✓	✓	✓
2.	Mr. Chetan Desai	✓	✓	✓	✓	✓
3.	Mr. Deepak I Shahdadpuri	-	✓	✓	✓	-
4.	Mr. Hank Uberoi	-	✓	✓	✓	✓
5.	Mr. Jehangir A. Moos	-	✓	✓	✓	✓
6.	Mr. Kerry Damskey	-	✓	✓	✓	✓
7.	Mr. Nicholas Peter Y Cator	-	✓	✓	✓	-
8.	Mr. Rajeev Samant	✓	✓	✓	✓	✓

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

b) CSR Committee Meeting:

The meeting of CSR committee was held on 28th May, 2019.

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

Sr. No.	Name of the Directors	No. of meetings attended
1.	Mr. J A Moos	1
2.	Mr. Kerry Damskey	1
3.	Mr. Rajeev Samant	1

c) Audit Committee Meeting:

The meeting of the Audit committee were held on 28th May, 2019, 18th September, 2019, 4th December, 2019 and 30th January, 2020.

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			
		28.05.2019	18.08.2019	04.12.2019	30.01.2020
1.	Mr. Arjun Anand	✓	✓	✓	✓
2.	Mr. Deepak Shahdadpuri	N.A.	N.A.	N.A.	N.A.
3.	Mr. Chetan Desai	✓	✓	✓	✓
4.	Mr. Jehangir A. Moos	✓	✓	✓	✓
5.	*Mr. Rajeev Samant	✓	✓	✓	✓

* Mr. Rajeev Samant attended the Audit Committee Meetings as an Invitee

The Audit committee was reconstituted with effect from 28th May, 2019 as under:

Sr. No.	Name of the Directors
1.	Mr. Arjun Anand
2.	Mr. Chetan Desai
3.	Mr. Jehangir A. Moos

8. Auditors

M/s Walker Chandiok & 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 Chandiok & 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).

9. 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 with regard to 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.

10. Directors' Responsibility Statement

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

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

(b) 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 has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis; and

(e) 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.

11. Details of Subsidiary

The Company has 3 (three) subsidiaries as on March 31, 2020. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

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**".

12. 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 2018 (3)	ESOS COO & CFO 2019
Options granted	Nil	Nil	Nil	61,479
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	`631	`850	`850	`950
Variations of terms of options	Nil	NIl	NIl	NIl
Money realized by exercise of options	Nil	Nil	Nil	Nil
Total number of options in force	30,000	10,000	10,000	61,479

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
(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

13. 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	2,746
Number of such shares issued to them: Directors Key Managerial Personnel Other employees	 2,746 Nil 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 FY19
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	2,746
Percentage of the sweat equity shares of the total post issued and paid up share capital	0.02%
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 FY19
Diluted Earnings Per Share (EPS) pursuant to issuance of sweat equity shares	INR 13.16

14. 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://sulawines.com/aboutdata.aspx?datapage_id=Our%20Governance - Vigil Mechanism Policy.

15. 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.

16. 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.

17. 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).

18. 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.

19. 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"**

20. 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. Jehangir A. Moos
3.	Mr. Rajeev Samant

The CSR committee was reconstituted with effect from 28th May, 2019 as under:

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://sulawines.com/aboutdata.aspx?datapage_id=Our%20Governance- CSR Policy

21. 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). 65.33% of the Company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2020. 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.

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 1.73 Crore in FY 2020

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 3.0 million electrical units from Solar roof top system and saved approximately 2850 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 31.03.2020 (INR in lakhs)	Year ended 31.03.2019 (INR in lakhs)
(i) Earnings	2585.43	3,470.99
(ii) Outgo	3494.95	5,902.62

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 take this opportunity to thank all our farmers, shareholders, suppliers, customers, employees, bankers, regulatory authorities, Government of Maharashtra, local bodies and all other business associates for the continuous support given by them to the Company.

For and on behalf of the Board

Rajeev Samant
Digitally signed by Rajeev Samant
Date: 2020.09.18 16:10:50 +05'30'

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 16:14:45 +05'30'

Place: Mumbai
Date: 18th September, 2020

Rajeev Samant
Managing Director
DIN:00020675

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

ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2020

[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	73.37%
2	Traded goods	46308	12.65%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl 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)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4881893	0	4881893	32.53%	4914393	0	4914393	32.67%	0.14%
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)	4881893	0	4881893	32.53%	4914393	0	4914393	32.67%	0.14%
(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)	**4881893**	**0**	**4881893**	**32.53%**	**4914393**	**0**	**4914393**	**32.67%**	**0.14%**
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	59.21%	4201619	4685199	8886818	59.07%	-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	3.21%	40000	441559	481559	3.20%	-0.01%
c) Others (specify) Foreign Individual	657731	86473	744204	4.96%	657731	89219	746950	4.97%	0.01%
SUB TOTAL (B)(2):	**4913818**	**5213231**	**10127049**	**67%**	**4913818**	**5215977**	**10129795**	**67%**	**0%**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**4913818**	**5213231**	**10127049**	**67%**	**4913818**	**5215977**	**10129795**	**67%**	**0%**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**9795711**	**5213231**	**15008942**	**100%**	**9828211**	**5215977**	**15044188**	**100%**	

(ii) SHARE HOLDING OF PROMOTERS

Sl 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	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Rajeev Samant	3545947	23.63%	0%	3578447	23.79%	0%	0.16%
2	Mrs Sulabha Samant	299000	1.99%	0%	299000	1.99%	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	2.72%	0%	407724	2.71%	0%	-0.01%
7	Ms. Ruta Samant	487724	3.25%	0%	487724	3.24%	0%	-0.01%
	Total	**4881893**	**32.53%**	**0%**	**4914393**	**32.67%**	**0%**	**0.14%**

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

Sl. 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	4881893	32.53%		
	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	4914393	32.67%		

*** Details of increase or decrease of share**

Sl 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	3545947	23.63%		01.04.2019			
				5500	28-05-2019	Conversion		
				12000	10-10-2019	Conversion	3578447	23.79%
				15000	14-11-2019	Conversion		
	At the end of the year	3578447	23.79%		31.03.2020			
2	**Mrs. Sulabha Samant**					Nil movement during the year		
	At the beginning of the year	299000	1.99%		01.04.2019		299000	1.99%
	At the end of the year	299000	1.99%		31.03.2020			
3	**Mr. Suresh Samant JT Mrs. Sulabha Samant**					Nil movement during the year		
	At the beginning of the year	135498	0.90%		01.04.2019		135498	0.90%
	At the end of the year	135498	0.90%		31.03.2020			
4	**Mr. Bharat Samant**					Nil movement during the year		
	At the beginning of the year	5000	0.03%		01.04.2019		5000	0.03%
	At the end of the year	5000	0.03%		31.03.2020			
5	**Mr. J.A Moos**					Nil movement during the year		
	At the beginning of the year	1000	0.01%		01.04.2019		1000	0.01%
	At the end of the year	1000	0.01%		31.03.2020			
6	**Mr. Ashwin Samant**					Nil movement during the year		
	At the beginning of the year	407724	2.72%		01.04.2019		407724	2.71%
	At the end of the year	407724	2.71%		31.03.2020			
7	**Ms. Ruta Samant**							
	At the beginning of the year	487724	3.25%		01.04.2019	Nil movement during the year	487724	3.24%
	At the end of the year	487724	3.24%		31.03.2020			

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl No.	Shareholders Name	Shareholding		Increase/Decrease in Share holding	Date	Reason	Cumulative Share holding during the	
		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	**Verlinvest Asia Pte. Ltd.**					Nil movement during the year		
	At the beginning of the year	3528455	23.51%		01.04.2019		3528455	23.45%
	At the end of the year	3528455	23.45%		31.03.2020			
2	**M/s. Verlinvest S.A**					Nil movement during the year		
	At the beginning of the year	1438367	9.58%		01.04.2019		1438367	9.56%
	At the end of the year	1438367	9.56%		31.03.2020			
3	**M/s. Cofintra S.A**					Nil movement during the year		
	At the beginning of the year	1438367	9.58%		01.04.2019		1438367	9.56%
	At the end of the year	1438367	9.56%		31.03.2020			
4	**M/s. Verlinvest France S.A.**					Nil movement during the year		
	At the beginning of the year	1315913	8.77%		01.04.2019		1315913	8.75%
	At the end of the year	1315913	8.75%		31.03.2020			
5	**M/s. Mousserena LLP**					Nil movement during the year		
	At the beginning of the year	618350	4.12%		01.04.2019		618350	4.11%
	At the end of the year	618350	4.11%		31.03.2020			
6	**Mr. Narain Girdhar Chanrai**					Nil movement during the year		
	At the beginning of the year	447695	2.98%		01.04.2019		447695	2.98%
	At the end of the year	447695	2.98%		31.03.2020			
7	**Ms. Ursula Sumal**					Nil movement during the year		
	At the beginning of the year	425834	2.84%		01.04.2019		425834	2.83%
	At the end of the year	425834	2.83%		31.03.2020			
8	**M/s. Saama Capital III Ltd**					Nil movement during the year		
	At the beginning of the year	305506	2.04%		01.04.2019		305506	2.03%
	At the end of the year	305506	2.03%		31.03.2020			
9	**Mr. Sanjay Naraindas Kirpalani**					Nil movement during the year		
	At the beginning of the year	190941	1.27%		01.04.2019		190941	1.27%
	At the end of the year	190941	1.27%		31.03.2020			
10	**M/s. Haystack Investment Ltd**					Nil movement during the year		
	At the beginning of the year	132215	0.88%		01.04.2019		132215	0.88%
	At the end of the year	132215	0.88%		31.03.2020			

(v) **Shareholding of Directors**

Sl No.	Shareholders Name	Shareholding		Increase/Decrease in Share holding	Date	Reason	Cumulative Share holding during the	
		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	3545947	23.63%		01.04.2019			
				5500	28-05-2019	Conversion		
				12000	10-10-2019	Conversion	3578447	23.79%
				15000	14-11-2019	Conversion		
	At the end of the year	3578447	23.79%		31.03.2020			
2	**Mr. J.A Moos**					Nil movement during the year		
	At the beginning of the year	1000	0.01%		01.04.2019		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	2441	0.02%		01.04.2014			
				2746	07-06-2019	Allotment of sweat equity shares	5187	0.03%
	At the end of the year	5187	0.03%		31.03.2019			

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(INR in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	24,918.21	2,602.32	-	27,520.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	142.32	14.00	-	156.32
Total (i+ii+iii)	**25,060.53**	**2616.32**	**-**	**27,676.85**
Change in Indebtedness during the financial year				
Additions	1,14,997.73	3,137.27	-	1,18,135.00
Reduction	1,07,242.12	2,562.05	-	1,09,804.17
Net Change	**7,755.61**	**575.22**	**-**	**8,330.83**
Indebtedness at the end of the financial year				
i) Principal Amount	32,654.34	3,054.27	-	35,708.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	161.80	137.27	-	299.07
Total (i+ii+iii)	**32,816.14**	**3,191.54**	**-**	**36,007.68**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(INR in lakhs)

Sl.No	Particulars of Remuneration	Rajeev S Samant Managing Director	Total Amount
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	280.0008	280.0008
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	94.58	94.58
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	0	0
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 (A)	**374.58**	**374.58**
	Ceiling as per the Act	**N.A.**	**N.A.**

B. Remuneration to other directors:

(INR in lakhs)

Sl.No	Particulars of Remuneration	Name of Directors							Total Amount
1	Independent Directors								
	(a) Fee for attending board committee meetings	0	0	0	0	0	0	0	0
	(b) Commission	0	0	0	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0	0	0	0
	Total (1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
2	Other Non Executive Directors	**Jehangir Moos**	**Deepak Shahdadpuri**	**Kerry Damskey**	**Hank Uberoi**	**Nicholas Cator**	**Chetan Desai**	**Arjun Anand**	**Total Amount**
	(a) Fee for attending board committee meetings	4.00	2.36	3.35	2.06	3.00	5.00	5.00	**24.77**
	(b) Commission	-	-	-	-	-	-	-	**0**
	(c) Others, please specify	-	-	-	-	-	-	-	**0**
	Total (2)	**4.00**	**2.36**	**3.35**	**2.06**	**3.00**	**5.00**	**5.00**	**24.77**
	Total (B)=(1+2)	**4.00**	**2.36**	**3.35**	**2.06**	**3.00**	**5.00**	**5.00**	**24.77**
	Total Managerial Remuneration	**4.00**	**2.36**	**3.35**	**2.06**	**3.00**	**5.00**	**5.00**	**24.77**
	Overall Ceiling as per the Act.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	**N.A.**

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

(INR in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO	TOTAL
1	**Gross Salary**	-	***Shivani Chopra**	****Sapna Karmokar**	*****Bittu Varghese Nellissery**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	8.97	12.41	64.74	86.12
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0	0	0	0
2	Stock Option	-	0	0	0	0.00
3	Sweat Equity	-	0	0	0	0
4	Commission	-	0	0	0	0
	as % of profit	-	0	0	0	0
	others, specify	-	0	0	0	0
5	Others, please specify	-	0	0	0	0
	Total	-	**8.97**	**12.41**	**64.74**	**86.12**

* Ms. Shivani Chopra resigned from the Company with effect from 28.05.2019

** Ms. Sapna Karmokar was appointed as Company Secretary with effect from 18.09.2019

*** Mr. Bittu Varghese Nellissery was appointed as CFO with effect from 25.04.2019

VII PENALTIES/PUNISHMENT/COMPPOUNDING 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 details)
	NIL				
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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 Pvt. Ltd.	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
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
4.	Share capital (INR)	Authorised- 3000.00 Paid-up - 2935.00	Authorised- 150.00 Paid-up - 116.43
5.	Reserves & surplus	(3,221.26)	373.66
6.	Total assets	3,068.01	2,208.38
7.	Total Liabilities	3,354.27	1,718.28
8.	Investments	NIL	7.60
9.	Turnover	2,158.51	10,356.24
10.	Profit before taxation	(493.77)	(51.39)
11.	Provision for taxation	NIL	0.80
12.	Profit after taxation	(493.77)	(52.19)
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	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
Digitally signed by Rajeev Samant
Date: 2020.09.18 16:11:42 +05'30'

Rajeev Samant
Managing Director
DIN: 00020675

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 16:15:36 +05'30'

Chetan Desai
Director
DIN: 03595319

18 September 2020

Arjun Anand
Director
DIN: 07639288

BITTU VARGHESE NELLISSERY
Digitally signed by BITTU VARGHESE NELLISSERY
DN: c=IN, o=Personal, 2.5.4.20=cf9e7bc93493bffb85951a014f83d4650214ef237b31b2a914388d78a2768084, postalCode=400076, st=MAHARASHTRA, serialNumber=5051c40ee78a5860094ddc9e54d73e7624d1c947bcc3323065b5972c849f003a, cn=BITTU VARGHESE NELLISSERY
Date: 2020.09.18 21:21:01 +05'30'

Bittu Varghese
CFO
ACA: 117278

SAPNA K KARMOKAR
Digitally signed by SAPNA K KARMOKAR
DN: c=IN, o=Personal, cn=SAPNA K KARMOKAR, serialNumber=7abe0bf2bcada01ed48bc1d14cd2c46334518ce24f477eba013871ab2bbdda26, postalCode=400072, 2.5.4.20=3760cf6de677bf24505ad282b30a92a816bb9b0a80aca4dac267f406d35f40a0, st=Maharashtra
Date: 2020.09.18 21:12:24 +05'30'

Sapna Karmokar
Company Secretary
Membership No. A25946

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	07.06.17 23.05.18 28.05.19 18.09.19	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
2	Progressive Alcobev Distributors Private Limited (Subsidiary Company)	By Agreement	Ongoing/ Periodical	Loan Given/Interest Income/Purchase of Traded goods/Sale of Products	01.02.19 28.05.19	Nil
3	Sula International Limited (Subsidiary Company)		Ongoing/ Periodical	Loan Given	28.05.19	Nil
3	Rajeev Samant (Managing Director	By Agreement	Long Term arrangements/ Periodical	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
4	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
5	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
6	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
7	Kerry Damskey (Director)	By Agreement	Ongoing	Legal and Professional expenses	12.09.17 11.09.18 31.01.20	Nil

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

For and on behalf of the Board

Rajeev Samant Digitally signed by Rajeev Samant Date: 2020.09.18 16:12:32 +05'30'

CHETAN RAMESHCHANDRA DESAI Digitally signed by CHETAN RAMESHCHANDRA DESAI Date: 2020.09.18 16:16:03 +05'30'

Rajeev Samant
Managing Director
DIN: 00020675

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 Programmes.

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.

Web Link:
https://sulawines.com/aboutdata.aspx?datapage_id=Our%20Governance – **CSR Policy**

(2) The Composition of the CSR Committee.

Name of the Member
Mr. Rajeev Samant
Mr. Kerry Damskey

(3) Average net profit of the Company for last three financial years:

Average net profit: INR 2865 Lakhs

(4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

The Company is required to spend INR 57.30 Lakhs

(5) Details of CSR spent during the financial year:

(a) Total amount spent for the financial year INR 41.68 Lakhs

(b) Amount unspent, if any: INR 15.68 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below

Sr. No.	Particulars	(1)	(2)	(3)	(4)	(5)	Total
(1)	CSR project or activity identified	Geographic reach road Development for Villages, School Infrastructure, Drinking Water facilities, Development of Park	Plantation Afforestation & Maintenance of Existing Plantation Project	Promotion of Sports activities, cultural & Social Empowerment	Prime Minister Relief Fund &State Disaster Management	Administrative overheads	
(2)	Sector in which the project is covered	Infrastructure Support & Water Supply	Environment & Afforestation	Sports, Culture& Social Empowerment	CSR expenditure under item no (xii) of Schedule VII of the 2013	Financial year as per rule 4(6) of CSR Policy, Rules 2014	
(3)	Projects or Programme 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	1)Nasik , Savargoan Govarhdan , Jaulke Wani & Chekkre 2) Maharashtra & Karnataka	1)Nasik, Tisgaon Dam, and Chekkre 2) Maharashtra & Karnataka	Nasik, Maharashtra	PM Funds & Maharashtra	Administrative overheads 5% of the total CSR expenditure	
(4)	Amount outlay (budget) project or Programs wise	15,00,000	17,10,000	5,39,960	17,00,000	2,86,000	**57,35,960**
(5)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects on programs. 2) Overheads	15,75,000 Direct	17,50,000 Direct & Overheads	5,57,000 Direct	-	2,86,000 Overheads	**41,68,000**

(6)	Cumulative expenditure up to the reporting period (INR In lakhs)	-	-	-	17,00,000	-	17,00,000
(7)	Amount Spent direct or through implementing agency	Direct	Direct	Direct	Direct	Direct	-

*Give details of implementing agency: Not Applicable

(6) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report –

Due to the Covid-19 situations, certain projects were kept on hold and we decided to donate an amount of INR 17 Lakhs towards the PM relief funds and state disaster as our contribution towards the society. The said amount of INR 17 Lakhs was released on 15th April 2020.

(7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

Rajeev Samant Digitally signed by Rajeev Samant Date: 2020.09.18 16:13:00 +05'30'

CHETAN RAMESHCHANDRA DESAI Digitally signed by CHETAN RAMESHCHANDRA DESAI Date: 2020.09.18 16:16:40 +05'30'

Rajeev Samant
Managing Director
DIN: 00020675

Chetan Desai
Director
DIN: 03595319

Walker Chandiok & Co LLP
11th floor, Tower II,
One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
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 2020, 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 2020, 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.

(b) Note 40 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 to ` 2,098.64 lakhs, ` 2,757.29 lakhs, ` 478.26 lakhs, respectively, as at 31 March 2020. The net-worth of the aforesaid subsidiary has been fully eroded as at 31 March 2020, however, based on a valuation report from an independent valuer which is dependent on the achievement of 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.

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;

   d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

   e) the matter described in paragraph 4 (a) under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;

   f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 18 September 2020 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 29A(ii), (iii), (v) and (vi) and 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020.

      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 2020;

      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 2020; 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 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

Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 22:59:06 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKF6873

Place: Mumbai
Date: 18 September 2020

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 2020

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 Company has a regular program of physical verification of its property, plant and equipment (fixed assets) under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment (fixed assets) were verified during the year and no material discrepancies were noticed on such verification.

(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 two (2) 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, 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	-	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 audit committee under Section 177 of the Act.

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
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 22:59:42 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKF6873

Place: Mumbai
Date: 18 September 2020

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 2020

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 2020, 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 2020, 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:00:10 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKF6873

Place: Mumbai
Date: 18 September 2020

AUDITED

BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 MARCH 2020

SULA VINEYARDS PRIVATE LIMITED

Sula Vineyards Private Limited
Standalone Balance Sheet as at 31 March 2020

	Note No.	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**32,329.44**	30,351.36
Right-of-use assets	3A	**2,369.13**	-
Capital work-in-progress		**12.31**	176.11
Goodwill	4	**-**	50.00
Other intangible assets	4	**201.53**	1,266.83
Investments in subsidiaries	5	**2,633.06**	2,633.06
Financial assets			
Investments	5A	**0.25**	0.25
Loans	6	**3,109.00**	2,451.33
Other financial assets	7	**2,076.14**	1,972.61
Income tax assets (net)	8	**830.77**	-
Other non-current assets	9	**140.96**	254.84
Total non-current assets		**43,702.59**	39,156.39
Current assets			
Inventories	10	**15,892.39**	13,810.20
Financial assets			
Trade receivables	11	**13,359.60**	15,633.95
Cash and cash equivalents	12	**3,509.23**	284.58
Bank balances other than cash and cash equivalents	13	**82.13**	97.19
Loans	6	**297.48**	277.94
Other financial assets	7	**6,448.96**	5,980.08
Other current assets	9	**1,061.26**	892.08
Total current assets		**40,651.05**	36,976.02
TOTAL ASSETS		**84,353.64**	76,132.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**1,504.42**	1,500.89
Other equity		**31,138.07**	32,882.83
Total equity		**32,642.49**	34,383.72
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**7,882.50**	5,945.04
Other financial liabilities	16	**1,868.65**	-
Provisions	17	**906.24**	869.89
Deferred tax liabilities (net)	8	**1,797.51**	1,955.50
Total non-current liabilities		**12,454.90**	8,770.43
Current liabilities			
Financial liabilities			
Borrowings	15	**25,812.10**	20,320.76
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		**107.76**	112.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**8,137.86**	6,803.51
Other financial liabilities	16	**4,315.33**	3,497.11
Other current liabilities	19	**801.11**	1,678.62
Provisions	17	**82.09**	54.35
Current tax liabilities (net)	8	**-**	511.20
Total current liabilities		**39,256.25**	32,978.26
TOTAL EQUITY AND LIABILITIES		**84,353.64**	76,132.41

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:00:42 +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: 2020.09.18 14:54:59 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 15:04:44 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Sula Vineyards Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2020

	Note No.	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Income			
Revenue from operations	20	**42,768.44**	50,107.67
Other income	21	**294.20**	310.15
Total income		**43,062.64**	50,417.82
Expenses			
Cost of materials consumed	22	**10,830.40**	12,516.89
Purchase of stock-in-trade		**4,954.19**	4,769.50
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**(1,980.08)**	(685.45)
Excise duty on sales		**4,104.65**	5,222.79
Employee benefits expense	24	**6,375.98**	6,316.04
Finance costs	25	**3,143.42**	2,375.55
Depreciation, impairment and amortisation expense	26	**3,449.87**	1,932.82
Other expenses	27	**13,389.21**	14,132.92
Total expenses		**44,267.64**	46,581.06
Profit / (loss) before tax		**(1,205.00)**	3,836.76
Tax expense / (credit)	8		
Current tax (including earlier year tax adjustments)		**(242.82)**	1,537.25
Deferred tax		**(146.45)**	337.46
		(389.27)	1,874.71
Profit / (loss) for the year (A)		**(815.73)**	1,962.05
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	30	**(45.86)**	(92.72)
- Income tax effect on above		**11.54**	32.40
Other comprehensive loss for the year, net of tax (B)		**(34.32)**	(60.32)
Total comprehensive income/ (loss) for the year, net of tax (A+B)		**(850.05)**	1,901.73
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	28	**(5.43)**	13.16
Diluted (in ₹)	28	**(5.43)**	13.16

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:02:09 +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: 2020.09.18 14:56:40 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 15:05:34 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
Digitally signed by BITTU VARGHESE NELLISSERY
DN: c=IN, o=Personal, 2.5.4.20=cf9e7bc93493bffb85951a014f83d4650214ef237b31b2a914388d78a2768084, postalCode=400076, st=MAHARASHTRA, serialNumber=5051c40ee78a5860094ddc9e54d73e7624d1c947bcc3323065b5972c849f003a, cn=BITTU VARGHESE NELLISSERY
Date: 2020.09.18 14:16:53 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
Digitally signed by SAPNA K KARMOKAR
DN: c=IN, o=Personal, cn=SAPNA K KARMOKAR, serialNumber=7abe0bf2bcada01ed48bc1d14cd2c46334518ce24f477eba013871ab2bbdda26, postalCode=400072, 2.5.4.20=3760cf6de677bf24505ad282b30a92a816bb9b0a80aca4dac267f406d35f40a0, st=Maharashtra
Date: 2020.09.18 22:01:27 +05'30'

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Sula Vineyards Private Limited
Standalone Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**(1,205.00)**	3,836.76
Adjustments for		
Depreciation, impairment and amortisation expense	**3,449.87**	1,932.82
Finance costs	**3,143.42**	2,375.55
Interest income	**(200.30)**	(207.31)
Dividend income	**(0.04)**	(0.04)
Sundry balances (written back) / written off	**(32.05)**	44.78
Cancellation of employee stock options	**(1.71)**	(7.98)
Impairment allowance on financial assets	**169.10**	84.74
Legal professional expenses settled by issue of equity shares for consideration other than cash (Refer note 27.1)	**25.59**	36.55
Share based payment to employees	**23.35**	12.75
Loss on sale of property, plant and equipment (net)	**228.08**	4.92
Unrealised exchange loss on foreign currency translations (net)	**18.95**	4.17
	6,824.26	4,280.95
Operating profit before working capital changes	**5,619.26**	8,117.71
Adjustments for changes in working capital:		
Decrease/ (Increase) in trade receivables	**2,105.25**	(1,277.79)
Increase in current / non-current financial and other assets	**(1,262.07)**	(3,191.03)
Increase in inventories	**(2,082.19)**	(929.97)
Increase in trade payables and other financial / other liabilities	**371.09**	633.02
	(867.92)	(4,765.77)
Cash generated from operations	**4,751.34**	3,351.94
Direct taxes paid (net of refunds received)	**(1,099.16)**	(1,523.48)
Net cash generated from operating activities	**3,652.18**	1,828.46
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2 below)	**(4,532.33)**	(5,739.20)
Proceeds from sale of property, plant and equipment	**135.83**	8.45
Net proceeds from bank deposits with original maturity of more than three months	**18.36**	247.36
Investment in subsidiary	**-**	(534.42)
Interest received	**68.90**	90.03
Dividend received	**0.04**	0.04
Net cash used in investing activities	**(4,309.20)**	(5,927.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	**148.80**	739.56
Money received against share warrants	**-**	30.43
Proceeds from long-term borrowings	**3,950.00**	5,800.00
Repayment of long-term borrowings	**(1,253.26)**	(1,961.18)
Proceeds from short-term borrowings (net)	**5,491.34**	1,639.69
Repayment of lease liabilities	**(501.47)**	-
Finance costs	**(2,866.52)**	(2,362.33)
Dividend paid (including dividend distribution tax)	**(1,087.22)**	(894.70)
Net cash generated from financing activities	**3,881.67**	2,991.47
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**3,224.65**	(1,107.81)
Cash and cash equivalents at the beginning of the year	**284.58**	1,392.39
Cash and cash equivalents at the end of the year (Refer note 12)	**3,509.23**	284.58

Note:-
1 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.
2 Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and liability for capital goods.
3 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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
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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
CEO and Managing Director
DIN: 00020675
Place: Nashik

CHETAN RAMESHCHANDRA DESAI
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Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
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Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
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Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Sula Vineyards Private Limited
Standalone Statement of Changes in Equity as at and for the year ended 31 March 2020

a) Equity share capital

Particulars	**Number**	**₹ lakhs**
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 1 April 2018	14,725,733	1,472.57
Issued during the year [Refer notes 14(e), 14(f) and 39]	283,209	28.32
As at 31 March 2019	15,008,942	1,500.89
Issued during the year [Refer notes 14(e), 14(f)]	35,246	3.53
As at 31 March 2020	**15,044,188**	**1,504.42**

b) Other equity

₹ lakhs

Particulars	**Reserves and surplus (A)**				**Money received against share warrants (B) [Refer Note 14(f)]**	**Total (A+B)**
	Securities premium	**Share option outstanding reserve**	**General reserve**	**Retained earnings**		
As at 1 April 2018	**15,240.26**	**18.61**	**359.52**	**15,351.39**	**123.03**	**31,092.81**
Profit for the year	-	-	-	1,962.05	-	1,962.05
Money received against share warrants (Refer note 32)	-	-	-	-	30.43	30.43
Conversion of warrants into equity shares [Refer notes 14(f) and 32]	523.76	-	-	-	(54.68)	469.08
Issue of equity shares	278.70	-	-	-	-	278.70
Share based payment expense	-	12.75	-	-	-	12.75
Cancellation of employee stock options	-	(7.98)	-	-	-	(7.98)
Exercise of employee stock options	17.69	(17.69)	-	-	-	-
Other comprehensive loss for the year	-	-	-	(60.32)	-	(60.32)
Payment of dividend (including dividend distribution tax) (Refer note 36)	-	-	-	(894.70)	-	(894.70)
As at 31 March 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 14(f) and 32]	162.08	-	-	-	(16.53)	145.55
Issue of equity shares [Refer note 14(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 36)	-	-	-	(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**

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.

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
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Date: 2020.09.18 23:03:52 +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
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Rajeev Samant
CEO and Managing Director
DIN: 00020675
Place: Nashik

CHETAN RAMESHCHANDRA DESAI
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Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
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Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
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Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

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 (“financial statements”) of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of Board of Directors on 18 September 2020.

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

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Company's operations at all of its manufacturing and office locations were temporarily stopped from 24 March 2020. Operations have since resumed with adequate precautions being taken in accordance with Government guidelines and management is taking appropriate action, as necessary, to scale up manufacturing operations in due compliance with the applicable laws. As at the date of approval of these standalone financial statements, sales have also resumed in a staggered manner across the country.

The Company has considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effects of pandemic relating to COVID-19 on the 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 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.

(d) Contingencies

Contingent Liability may arise from the ordinary course of business in relation to claims against the Company, refer note 29 and 40. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

(e) Accounting for Defined Benefit Plans

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

(f) Impairment

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

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

v. Fair Value Measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer note 31).

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. 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

x. 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

  <u>Financial liabilities at FVPL:</u>

  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.

  <u>Financial liabilities at amortised cost</u>

  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) 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. 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.

xv. 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.

xvi. 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.

xvii. 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.

xviii. 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. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

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 have been separately presented in the Balance Sheet and the Lease liability is presented under Other financial liabilities. Further, lease payments have been classified as financing cash flows.

xix. 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.

xx. 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.

xxi. 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.

xxii. 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).

xxiii. 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.

xxiv. 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.

xxv. 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.

xxvi. 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.

xxvii. 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, it is recognised as income on a systematic basis over the expected useful life of the related asset.

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 2020.

Note 3 Property, plant and equipment

₹ lakhs

Particulars	Freehold land *(refer note (i) below)*	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 2018	6,216.27	7.49	10,194.12	8,957.08	975.65	613.94	559.37	229.71	354.80	38.50	28,146.93
Additions	308.36	1.99	2,155.66	2,818.12	307.54	57.85	153.03	82.01	130.74	-	6,015.30
Disposals	-	-	-	0.29	0.22	20.08	0.70	3.43	-	-	24.72
As at 31 March 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	-	4,158.56
Transition impact of Ind AS 116 (refer note 3A)	-	9.48	-	-	-	-	-	-	-	-	9.48
Disposals	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**	**37,877.87**
Accumulated depreciation											
As at 1 April 2018	-	0.16	632.82	912.24	221.47	145.59	190.79	110.71	98.55	9.76	2,322.09
Depreciation charge		0.08	401.97	605.83	119.03	86.39	114.87	60.67	81.69	4.88	1,475.41
Accumulated depreciation on disposals	-	-	-	0.13	0.11	7.89	0.48	2.74	-	-	11.35
As at 31 March 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	-	-	2.10	3.26	0.14	29.77	3.35	6.18	-	-	44.81
As at 31 March 2020	**-**	**-**	**1,540.75**	**2,278.65**	**485.73**	**285.06**	**432.03**	**228.65**	**281.29**	**16.27**	**5,548.43**
Net carrying value											
As at 31 March 2019	6,524.63	9.24	11,314.99	10,256.97	942.58	427.62	406.52	139.66	305.30	23.86	30,351.36
As at 31 March 2020	**6,266.93**	**-**	**13,198.82**	**10,555.80**	**1,049.06**	**406.35**	**405.49**	**144.24**	**280.51**	**22.23**	**32,329.44**

Note:
(i) Freehold land as at 31 March 2020 does not include any parcel of land (31 March 2019: 1 parcel: ₹ 570 lakhs) in respect of which title deed is yet to be registered in the name of the Company.
(ii) Refer notes 15.1 and 15.3 for information of Property, plant and equipment pledged as security against borrowings of the Company.
(iii) Refer note 29(B)(ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

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 35)	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**	**2,168.33**	**34.26**	**2,822.07**
Accumulated depreciation				
As at 1 April 2019	-	-	-	-
Depreciation charge	309.77	127.88	15.28	452.93
Accumulated depreciation on disposals	-	-	-	-
As at 31 March 2020	**309.77**	**127.88**	**15.28**	**452.93**
Net carrying value				
As at 31 March 2020	**309.70**	**2,040.45**	**18.98**	**2,369.13**

Note: Also refer note 35 for the impact of transition to Ind AS 116 Leases and the related disclosures

Note 4 Intangible assets

₹ lakhs

Particulars	Brand (A)	Computer software (B)	Other intangible assets (C = A + B)	Goodwill (D)	Total intangible assets (E = C + D)
Gross carrying value (at deemed cost)					
As at 1 April 2018	1,616.32	424.55	2,040.87	50.00	2,090.87
Additions	-	31.81	31.81	-	31.81
Disposals	-	-	-	-	-
As at 31 March 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**
Accumulated amortisation					
As at 1 April 2018	191.30	157.14	348.44	-	348.44
Amortisation charge	371.75	85.66	457.41	-	457.41
As at 31 March 2019	563.05	242.80	805.85	-	805.85
Amortisation charge	371.75	86.35	458.10	-	458.10
Impairment change (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**
Net carrying value					
As at 31 March 2019	1,053.27	213.56	1,266.83	50.00	1,316.83
As at 31 March 2020	**-**	**201.54**	**201.53**	**-**	**201.53**

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 current year, impairment change in respect of Brand and goodwill aggregating ₹ 731.52 lakhs has been recognised as the recoverable value is less than the carrying value.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 5 Investments in subsidiaries		
Investments in equity instruments at deemed cost, unquoted fully paid up		
Artisan Spirits Private Limited (Refer note 40) 29,350,000 (31 March 2019: 29,350,000) equity shares of ₹ 10 each	**2,098.64**	2,098.64
Progressive Alcobev Distributors Private Limited 593,800 (31 March 2019: 593,800) equity shares of ₹ 10 each	**534.42**	534.42
	2,633.06	**2,633.06**
Note 5A. Non-current investments		
Investments at fair value through other comprehensive income		
Investment in equity shares		
The Saraswat Co-operative Bank 2,500 (31 March 2019: 2,500) equity shares of ₹ 10 each	**0.25**	0.25
	0.25	0.25
Total non-current investments (5 + 5A)	**2,633.31**	2,633.31
Details:		
Aggregate of non-current investments:		
(i) Aggregate value of quoted investments and market value thereof	**-**	-
(ii) Aggregate value of unquoted investments	**2,633.31**	2,633.31
(iii) Aggregate value of Impairment of investments	**-**	-
(i) Investments carried at deemed cost	**2,633.06**	2,633.06
(ii) Investments carried at amortised cost	**-**	-
(iii) Investments carried at fair value through other comprehensive income	**0.25**	0.25
	2,633.31	2,633.31

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 6 Loans		
Non-current		
Security deposits	**240.49**	257.14
Loans		
- to subsidiary (Refer notes 32 and 40)	**2,757.29**	2,040.33
- to employees	**111.22**	153.86
Total non-current loans	**3,109.00**	2,451.33
Current		
Security deposits	**57.47**	57.47
Loans		
- to subsidiary (Refer note 32)	**2.50**	-
- to others^	**237.51**	220.47
Total current loans	**297.48**	277.94
Total loans	**3,406.48**	2,729.27

^ includes ₹ 5.79 lakhs given for incorporation of a foreign subsidiary namely 'Sula International Limited'. While the entity has been incorporated as at 31 March 2020, the equity shares are yet to be issued.

Break-up of security details

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Loans receivable considered good - secured	**-**	**-**
Loans receivable considered good - unsecured	**3,406.48**	2,729.27
Loans receivable which have significant increase in credit risk	**-**	**-**
Loans receivable - credit impaired	**-**	**-**
Total	**3,406.48**	**2,729.27**

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ 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	**3,982.41**	3,239.57
Progressive Alcobev Distributors Private Limited	**97.50**	-
The above loan are for the purpose of meeting the working capital requirement		

Note 7 Other financial assets	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Non-current		
Government grants receivable	**1,528.86**	1,546.86
Bank deposits with maturity of more than 12 months [Includes ₹ 69.02 (31 March 2019: ₹ 72.34 lakhs) pledged with excise authorities or earmarked against bank guarantees taken by the Company]	**69.02**	72.34
Interest accrued from subsidiary (Refer notes 32 and 40)	**478.26**	353.41
Total non-current financial assets	**2,076.14**	1,972.61
Current		
Government grants receivable	**6,437.67**	5,975.36
Interest accrued :		
- on bank deposit	**7.69**	4.72
- from others	**3.60**	-
Total current financial assets	**6,448.96**	5,980.08
Total other financial assets	**8,525.10**	7,952.69

Note 8 Income tax assets (net)

i. The following table provide the details of income tax assets and income tax liabilities as at 31 March 2020 and 31 March 2019:

a) Income tax assets	**1,988.38**	3,957.69
b) Income tax liabilities	**(1,157.61)**	(4,468.89)
Net Income tax assets / (liabilities)	**830.77**	(511.20)

ii. The gross movement in the current income tax assets/ (liabilities) for the years ended 31 March 2020 and 31 March 2019 is as follows:

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Net current income tax liability at the beginning	**(511.20)**	(497.43)
Income tax paid	**1,099.15**	1,523.48
Current tax expense	**-**	(1,157.88)
Earlier year tax adjustments (Refer note 8.2)	**242.82**	(379.37)
Net current income tax asset/ (liability) at the end	**830.77**	(511.20)

iii. Income tax expense in the Statement of Profit and Loss comprises:	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Current tax expenses	**-**	1,157.88
Deferred tax expense/ (credit)	**(146.45)**	337.46
Earlier years tax adjustments (Refer note 8.2)	**(242.82)**	379.37
Income tax expenses/ (credit) (net) in Statement of Profit and Loss	**(389.27)**	1,874.71
Deferred tax charge/ (credit) in Other Comprehensive Income	**(11.54)**	(32.40)
Income tax expenses/ (credit) (net)	**(400.81)**	1,842.31

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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Profit/ (loss) before income tax	**(1,205.00)**	3,836.76
Applicable income tax rate	**25.17%**	34.944%
Computed expected tax expense/ (credit)	**(303.30)**	1,340.72
Effect of expenses that are not deductible for determining taxable profits	**25.63**	111.50
Effect of income that is exempt for determining taxable profits	**(0.01)**	(0.04)
Impact of change in tax rate	**131.24**	43.16
	(146.45)	1,495.34
Earlier year tax adjustments (Refer note 8.2)	**(242.82)**	379.37
Income tax expense charged / (credited) to the Statement of Profit and Loss	**(389.27)**	1,874.71

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

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(a) Deferred tax liabilities		
- Timing difference on tangible and intangible assets depreciation and amortisation	**3,051.07**	2,439.01
	3,051.07	2,439.01
(b) Deferred tax assets		
- Expenses allowable on payment basis	**1,252.21**	481.63
- Others	**1.35**	1.88
	1,253.56	483.51
Total deferred tax liabilities (net)	**1,797.51**	**1,955.50**

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**	**Others**	**Total**
	(A)	(B)	(C)	D= (A)-(B)-(C)
As at 1 April 2018	**2,070.19**	**417.89**	**1.86**	**1,650.44**
(Charged) / credited				
- to profit or loss	368.82	31.34	0.02	337.46
- to other comprehensive income	-	32.40	-	(32.40)
At 31 March 2019	**2,439.01**	**481.63**	**1.88**	**1,955.50**
(Charged) / credited				
- to profit or loss	612.06	759.04	(0.53)	(146.45)
- to other comprehensive income	-	11.54	-	(11.54)
At 31 March 2020	**3,051.07**	**1,252.21**	**1.35**	**1,797.51**

Note 8.1: The Company 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 Company has recognised provision for income tax for the year ended 31 March 2020 basis the rate prescribed in the said section. The Company has also remeasured their deferred tax liabilities basis the revised rate and the impact of this change has been recognised in the statement of profit and loss.

Note 8.2: : A search was conducted by the competent authority under section 132(1) of the Income Tax Act, 1961 ('the Act') at premises of the Company in the year ended 31 March 2019. Pursuant to the search, the Assessing Officer had issued notices under relevant sections of the Act to the Company for AY 2011-12 to AY 2018-19 ('earlier years'). Consequently, in order to avoid prolonged tax litigation, the Company had filed application under Section 245C (1) of the Act before the Hon'ble Income Tax Settlement Commission ('ITSC') on 26 December 2018 and had disclosed additional income of ₹ 1,261.24 lakhs and accordingly deposited ₹ 379.37 lakhs as tax and ₹ 161.47 lakhs as interest towards the proposed settlement which was expensed off in the books of accounts during the year ended 31 March 2019. The ITSC vide its order dated 27 September 2019 has accepted Company's application and the final order under Sec 245D(4) with no further additions.

Further, consequent to the acceptance of Company's application by ITSC, the tax assessments for earlier years also stand completed. Accordingly outstanding tax provision in the books of accounts in respect of the earlier years aggregating ₹ 242.82 lakhs have been reversed during the current year by the Company.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 9 Other assets		
Non-current		
Capital advances	**21.69**	106.95
Balances with government authorities	**100.63**	123.38
Prepaid expenses	**18.64**	24.51
Total other non-current assets	**140.96**	254.84
Current		
Advance to suppliers	**152.75**	497.87
Balances with government authorities	**662.15**	173.75
Prepaid expenses	**246.36**	204.46
Others	**-**	16.00
Total other current assets	**1,061.26**	892.08
Total other assets	**1,202.22**	1,146.92

Note 10 Inventories

Work-in-progress / Semi-finished goods	**10,885.57**	11,019.02
Finished goods	**2,062.19**	671.53
Stock-in-trade [including goods in transit ₹ 557.86 lakhs (31 March 2019: ₹ 46.93 lakhs)]	**1,814.38**	837.42
Consumables, stores and spares	**461.31**	513.48
Packing materials	**668.94**	768.75
Total inventories	**15,892.39**	13,810.20

Note 10.1: Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the management was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out subsequent to the year end. Management has also performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date.

Note 11 Trade receivables

Trade receivables (Refer notes 11.1 and 11.2)	**13,359.60**	15,633.95
Total trade receivables	**13,359.60**	15,633.95
Trade receivables considered good - secured	**-**	-
Trade receivables considered good - unsecured	**13,359.60**	15,633.95
Trade receivables which have significant increase in credit risk	**-**	-
Trade receivables - credit impaired	**253.83**	84.74
Total	**13,613.43**	15,718.69
Loss allowance	**(253.83)**	(84.74)
Total Trade receivable	**13,359.60**	15,633.95

Note 11.1: Includes receivables from a related party of ₹ 269.67 lakhs (31 March 2019: ₹ 768.70 lakhs).

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

Note 11.3: 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	**3,502.67**	227.30
Cash on hand	**6.56**	57.28
Total cash and cash equivalents	**3,509.23**	284.58

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 ₹ 79.13 lakhs (31 March 2019: ₹ 97.19 lakhs) pledged with excise authorities or earmarked against bank guarantees taken by the Company]	**82.13**	97.19
Total bank balances other than cash and cash equivalents	**82.13**	97.19

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 14 Equity share capital		
Authorised share capital		
20,206,000 Equity shares of ₹ 10 each (31 March 2019: 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:		
15,044,188 Equity shares of ₹ 10 each fully paid up (31 March 2019: 15,008,942 equity shares of ₹ 10 each)	**1,504.42**	1,500.89
Total issued, subscribed and paid-up equity share capital	**1,504.42**	1,500.89

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

	Number	₹ lakhs
As at 1 April 2018	14,725,733	1,472.57
Issued during the year [Refer note 14(e)]	4,559	0.45
Shares warrants converted during the year [Refer note 14(f)]	230,000	23.00
Employee stock options exercised during the year (Refer note 39)	48,650	4.87
As at 31 March 2019	**15,008,942**	**1,500.89**
Issued during the year [Refer note 14(e)]	2,746	0.28
Shares warrants converted during the year [Refer note 14(f)]	32,500	3.25
As at 31 March 2020	**15,044,188**	**1,504.42**

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%:

	As at 31 March 2020		As at 31 March 2019	
Name of the Shareholder	**No. of shares**	**% held**	No. of shares	% held
Rajeev Samant	**3,578,447**	**23.79%**	3,545,947	23.63%
Verlinvest Asia Pte Ltd.	**3,528,455**	**23.45%**	3,528,455	23.51%
Verlinvest S.A	**1,438,367**	**9.56%**	1,438,367	9.58%
Cofintra S.A.	**1,438,367**	**9.56%**	1,438,367	9.58%
Verlinvest France S.A	**1,315,913**	**8.75%**	1,315,913	8.77%

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 2020, the Company has issued 111,479 (31 March 2019: 60,000) 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 39)

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 - 2,746 equity shares (31 March 2019: 4,559)

(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, Chairman, CEO and Managing Director, as a part of remuneration package. The details of the same are as under:

Financial year	Number of warrants	Share warrants converted (Nos.)	Exercise price	Date of conversion
2008-09	40,000	40,000	165	17-Apr-18
2009-10	40,000	40,000	155	Various*
2010-11	40,000	40,000	200^	20-Jun-18
2010-11	23,500	23,500	200^^	6-Jul-18
2010-11	116,500	116,500	260^^	Various**
2014-15	100,000	42,500	508.71	Various^^^
2016-17	75,200	-	584	-
2017-18	150,400	-	631	-
2018-19	75,200	-	760	-
2018-19	229,070	-	850	-

* 20,000 each on 07 June 2017 and 27 February 2018.

** 40,000, 30,000 and 46,500 on 08 August 2018, 16 October 2018 and 31 October 2018 respectively.

^ Repriced to ₹ 200 on 23 May 2018

^^ Split and repriced into 23,500 at ₹ 200 and 116,500 at ₹ 260 on 23 May 2018

^^^10,000, 5,500, 12,000 and 15,000 on 14 November 2018, 28 May 2019, 10 October 2019 and 14 November 2019 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 Company except for dividend which shall be pro-rata from the date of conversion.

g. The Board of Directors of the Company have recommended equity dividend of ₹ Nil (31 March 2019: ₹ 3.00) per equity share for the year ended 31 March 2020. Also refer note 36.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 15 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 15.1 below)	**9,842.24**	7,107.11
Unsecured		
Deferred sales tax liabilities (Refer note 15.2 below)	**54.27**	92.66
	9,896.51	7,199.77
Less: Current maturities of long term borrowings (Refer note 16)	**2,014.01**	1,254.73
Total non-current borrowings	**7,882.50**	5,945.04
II Current borrowings		
Secured		
Loans from banks (Refer note 15.3 below)		
- Working capital demand loans (repayable on demand)	**22,269.64**	17,160.00
- Cash credit facilities (repayable on demand)	**-**	651.10
- Buyer's credit loan	**542.46**	-
	22,812.10	17,811.10
Unsecured		
Working capital demand loans from banks (repayable on demand) (Refer note 15.4 below)	**3,000.00**	2,509.66
Total current borrowings	**25,812.10**	20,320.76
Total borrowings (I+II)	**33,694.60**	26,265.80

Note 15.1 Details of security and terms of repayment of non-current borrowings

Loan from Bank of ₹ 1,104.74 lakhs (31 March 2019: ₹ 1,657.11 lakhs) is repayable in remaining 8 equal quarterly instalments of ₹ 138.00 lakhs each carrying interest rate ranging from 8.85% to 9.35% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan from Bank of ₹ 2,000.00 lakhs (31 March 2019: ₹ 2,000.00 lakhs) is repayable in 16 equal quarterly instalments of ₹ 125.00 lakhs each commencing from 1 July 2020, carrying interest rate of 9.25% and secured by exclusive by first pari passu charge on all the existing and future movable property, plant and equipment.

Loan from Bank of ₹ 1,400.00 lakhs (31 March 2019: ₹ 1,800.00 lakhs) is repayable in remaining 14 equal quarterly instalments of ₹ 100.00 lakh each carrying interest rate of 9.10% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan from Bank of ₹ 937.50 lakhs (31 March 2019: ₹ 1,000.00 lakhs) is repayable in 15 equal quarterly instalments of ₹ 62.50 lakhs each , carrying interest rate ranging from 8.40% to 8.85% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan from Bank of ₹ 450.00 lakhs (31 March 2019: ₹ 650.00 lakhs) is repayable in remaining 9 equal quarterly instalments of ₹ 50.00 lakh each carrying interest rate of 9.10% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan from Bank of ₹ 3,950.00 lakhs (31 March 2019: Nil) is repayable in 16 equal quarterly instalments of ₹ 246.88 lakhs each commencing from 31 Oct 2020, carrying interest rate of 9.25% and secured by exclusive by first pari passu charge on all the existing and future movable property, plant and equipment.

Note 15.2: Deferred sales tax loan of ₹ 54.27 lakhs (31 March 2019: ₹ 92.66 lakhs) is interest free and repayable in remaining 3 years.

Note 15.3: Details of security and terms of repayment of current borrowings

(i) Working capital demand loans and cash credit facilties are repayable on demand. They carry interest rate ranging from 8.05% to 10% p.a and are secured by all existing and future current assets, movable and immovable property, plant and equipment.

(ii) Buyers credit loan carry interest ranging from 6% to 7% p.a. repayable in 180 days and is secured by all existing and future current assets, movable and immovable property, plant and equipment.

Note 15.4: Unsecured working capital demand loan carry an interest rate of 7.60% p.a. and are repayable on demand.

Note 15.5 Net debt reconciliation

An analysis of net debts and the movement in net debts for the years ended 31 March 2020 and 31 March 2019 is as follows:

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(A) Cash and cash equivalents	**3,509.23**	284.58
(B) Non-current borrowings (including current maturities of long term debts)	**9,896.51**	7,199.77
(C) Current borrowings	**25,812.10**	20,320.76
(D) Interest payable	**318.76**	178.97
Net debts (E) = (A-B-C-D)	**(32,518.14)**	**(27,414.92)**

₹ 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	178.97	(27,414.92)
Cash flows (net)	3,224.65	2,696.74	5,491.34	-	(4,963.43)
Interest expense	-	-	-	2,956.59	(2,956.59)
Interest paid	-	-	-	(2,816.80)	2,816.80
Net debts as at 31 March 2020	**3,509.23**	**9,896.51**	**25,812.10**	**318.76**	**(32,518.14)**
Net debts as at 1 April 2018	1,392.39	3,360.95	18,681.07	165.75	(20,815.38)
Cash flows (net)	(1,107.81)	3,838.82	1,639.69	-	(6,586.32)
Interest expense	-	-	-	2,066.71	(2,066.71)
Interest paid	-	-	-	(2,053.49)	2,053.49
Net debts as at 31 March 2019	**284.58**	**7,199.77**	**20,320.76**	**178.97**	**(27,414.92)**

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 16 Other financial liabilities		
Non Current		
Lease liabilities (Refer note 35)	**1,868.65**	-
Total Non current financial liabilities	**1,868.65**	**-**
Current		
Current maturities of long-term debt (Refer note 15)	**2,014.01**	1,254.73
Interest accrued and due	**13.07**	8.12
Interest accrued but not due	**305.69**	170.85
Lease liabilities (Refer note 35)	**581.29**	-
Others		
- Liability for capital goods	**583.44**	1,131.95
- Security deposits	**320.75**	264.75
- Due to employees	**497.08**	666.71
Total current financial liabilities	**4,315.33**	3,497.11
Total other financial liabilities	**6,183.98**	3,497.11
Other financial liabilities carried at amortised cost	**6,183.98**	3,497.11
Other financial liabilities carried at FVTPL	**-**	-

Note 17 Provisions

Non-current		
Provision for employee benefits (Refer note 30)		
- Gratuity	**799.32**	672.18
- Compensated absences	**106.92**	197.71
Total non-current provisions	**906.24**	869.89
Current		
Provision for employee benefits (Refer note 30)		
- Gratuity	**60.00**	-
- Compensated absences	**22.09**	54.35
Total current provisions	**82.09**	54.35
Total provisions	**988.33**	924.24

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 18 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 18.2)	**107.76**	112.71
- Total outstanding dues of creditors other than micro, small and medium enterprises		
- to related parties (Refer note 32)	**131.64**	94.89
- to others	**8,006.22**	6,708.62
Total trade payables	**8,245.62**	6,916.22

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

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

	31 March 2020	31 March 2019
(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	**107.76**	112.71
- Interest due	**9.73**	0.45
(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.	**3.34**	6.66
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**4.95**	7.11
(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	**13.07**	8.12

	31 March 2020	31 March 2019
Note 19 Other current liabilities		
Advance from customers (Refer note 19.1)	**40.64**	41.26
Statutory dues payable	**760.47**	1,637.36
Total other liabilities	**801.11**	1,678.62

Note 19.1:
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.

Note 20 Revenue from operations

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
(a) Sale of products (including excise duty)	**37,043.54**	43,983.11
(b) Sale of services	**2,816.74**	2,573.74
(c) Other operating revenues	**2,908.16**	3,550.82
Total revenue from operations	**42,768.44**	50,107.67

Note 20.1: Includes sale of products to related parties of ₹ 1,997.90 lakhs (31 March 2019: ₹ 2,074.45 lakhs) (Refer note 32)

Note 20.2: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service:

(a) Sale of products		
- Manufactured goods	**31,597.12**	36,844.43
- Traded goods	**5,446.42**	7,138.68
	37,043.54	43,983.11
(b) Sale of services	**2,816.74**	2,573.74
(c) Other operating revenues		
- Government grant	**2,902.13**	3,516.66
- Others	**6.03**	34.16
	2,908.16	3,550.82
Total revenue from operations	**42,768.44**	50,107.67

(B) Based on timing of revenue recognition:

Products transferred at a point of time	**37,043.54**	43,983.11
Services transferred at a point of time	**2,816.74**	2,573.74

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 42).

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

Contract price	**44,315.77**	52,987.59
Less: Items offset against revenue from customers	**(4,455.49)**	(6,430.74)
	39,860.28	46,556.85

Note 20.3: 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	**5,385.84**	6,546.92
Revenue from top five customers	**15,242.89**	16,761.66

For the year ended 31 March 2020, one (31 March 2019 : one) customer, individually accounted for more than 10% of the total revenue.

Note 21 Other income

(a) Interest income		
- on financial assets carried at amortised cost	**151.61**	155.96
- on bank deposits	**12.18**	17.78
- on loans to others	**36.51**	33.57
	200.30	207.31
(b) Dividend income	**0.04**	0.04
(c) Other non-operating income:		
- Cancellation of employee stock options	**1.71**	7.98
- Insurance claim	**9.37**	67.74
- Sundry balances written back	**32.05**	-
- Miscellaneous	**50.73**	27.08
	93.86	102.80
Total other income	**294.20**	310.15

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 22 Cost of materials consumed		
Stock at beginning of the year		
- Raw materials	**-**	-
- Packing materials	**768.75**	807.28
Add: Purchases		
- Raw materials	**6,854.57**	8,506.90
- Packing materials	**3,876.02**	3,971.46
	11,499.34	13,285.64
Less: Stock at the end of the year		
- Raw materials	**-**	-
- Packing materials	**668.94**	768.75
Total cost of materials consumed		
- Raw materials	**6,854.57**	8,506.90
- Packing materials	**3,975.83**	4,009.99
Total cost of materials consumed	**10,830.40**	12,516.89

Note 22.1: Includes purchase of raw materials from related parties ₹ 116.41 lakhs (31 March 2019: ₹ 248.19 lakhs) (Refer note 32)

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	**671.53**	779.81
- Work in progress	**11,019.02**	9,620.91
- Stock-in-trade	**837.42**	1,464.39
	12,527.97	11,865.11
(b) Closing 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
	14,762.14	12,527.97
(c) Increase / (Decrease) in excise duty on finished goods	**254.09**	(22.59)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	**(1,980.08)**	(685.45)
Note 24 Employee benefits expense		
Salaries, wages and bonus	**5,834.81**	5,573.67
Contribution to provident and other fund (Refer note 30)	**202.74**	203.41
Gratuity (Refer note 30)	**158.01**	323.36
Share based payment expenses (Refer note 39)	**23.35**	12.75
Staff welfare	**157.07**	202.85
Total employee benefits expense	**6,375.98**	6,316.04
Note 25 Finance costs		
Interest on:		
- loan from banks	**2,619.64**	1,944.90
- lease liabilities (Refer note 35)	**137.12**	-
- cash credit facilities	**157.17**	87.96
- income tax (Refer note 8.2)	**-**	161.47
- others	**42.66**	33.85
Other borrowing costs	**186.83**	147.37
Total finance costs	**3,143.42**	2,375.55
Note 26 Depreciation, impairment and amortisation expense		
Depreciation on tangible assets (Refer note 3)	**1,807.32**	1,475.41
Depreciation on right-of-use assets (Refer note 3A)	**452.93**	-
Amortisation of intangible assets (Refer note 4)	**458.10**	457.41
Impairment of intangible assets (Refer note 4)	**731.52**	-
Total depreciation and amortisation expense	**3,449.87**	1,932.82

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 27 Other expenses		
Consumables, chemicals, stores and spares consumed	**1,015.47**	1,133.27
Power and fuel	**487.61**	519.15
Repairs and maintenance		
- Building	**63.52**	60.89
- Others	**587.00**	477.47
Rates and taxes	**752.06**	698.50
Insurance	**53.88**	49.87
Royalty	**4.76**	49.74
Security charges	**167.89**	137.86
Travelling and conveyance	**809.96**	785.25
Rent (Refer notes 32 and 35)	**296.41**	715.11
Payments to auditor:		
- statutory audit fees	**31.86**	27.14
- limited review and tax audit fees	**10.62**	16.52
- other services	**1.59**	12.80
- reimbursement of expenses	**1.36**	0.72
Legal and professional fees (Refer notes 27.1 and 32)	**553.83**	563.07
Director sitting fees (Refer note 32)	**24.77**	23.35
Restaurant expenses	**464.51**	500.49
Resort maintenance expenses	**395.67**	437.68
Sales promotion expenses	**3,290.45**	3,551.22
Commission expenses	**1,059.92**	1,173.89
Marketing expenses	**864.91**	947.31
Sulafest expenses	**363.48**	335.44
Freight and handling charges	**964.78**	1,067.85
Sundry balances written off	**-**	44.78
Impairment allowance on financial assets (Refer note 11)	**169.10**	84.74
Exchange loss (net)	**66.36**	74.95
Loss on sale of property, plant and equipment (net)	**228.08**	4.92
Corporate social responsibility expenses (Refer note 38)	**41.68**	30.08
Printing, stationary, postage and telephone expenses	**138.19**	127.28
Miscellaneous expenses	**479.49**	481.58
Total other expenses	**13,389.21**	14,132.92

Note 27.1: Includes ₹ 25.59 lakhs (31 March 2019: ₹ 36.55 lakhs) settled through issue of equity shares for consideration other than cash.

Note 28 Earnings per share (EPS)	**Year Ended 31 March 2020**	Year Ended 31 March 2019
Basic and diluted EPS		
A. Profit 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)	**(815.73)**	1,962.05
B. Weighted average number of equity shares for EPS computation (Nos)	**15,027,305**	14,907,917
C. EPS - Basic EPS (₹)	**(5.43)**	13.16
Diluted EPS (₹)	**(5.43)**	13.16

Note 28.1: The options granted to employees under employee stock options and the share warrants issued to Rajeev Samant 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 29 Contingent liabilities and commitments

A. Contingent liabilities	**As at 31 March 2020 ₹ lakhs**	As at 31 March 2019 ₹ lakhs
i) Bank guarantees issued by banks to excise and various other authorities	**1,360.35**	1,071.90
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	**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.

B. Commitments		
i) Capital commitment (net of advances)	**138.49**	1,202.37

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.

Note 30: 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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	**935.88**	589.22
Current service cost	**109.85**	80.85
Past service cost	**-**	216.45
Interest cost	**65.53**	42.81
Remeasurements - Net actuarial losses	**42.42**	90.34
Benefits paid	**(73.61)**	(83.79)
Present value of the obligation as at the end of the year	**1,080.06**	935.88
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the period	**263.71**	220.79
Interest income	**17.37**	16.75
Contribution by employer	**16.73**	112.34
Benefit paid	**(73.61)**	(83.79)
Remeasurements - Net actuarial losses	**(3.44)**	(2.38)
Fair value of the plan assets at the end of the year	**220.76**	263.71
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost (net)	**48.16**	26.06
Current service cost	**109.85**	80.85
Past service cost	**-**	216.45
	158.01	323.36
d) Remeasurement losses recognised in OCI		
Remeasurement - Net actuarial losses on defined benefit obligations	**42.42**	90.34
Remeasurement - Net actuarial losses on planned assets	**3.44**	2.38
Total	**45.86**	92.72

e) Actuarial assumptions	**31 March 2020**	31 March 2019
Discount rate	**6.50%**	7.50%
Salary escalation rate	**Staff: 9.50%, Director: 0.00% until year 4 inclusive, then 9.50%**	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

The attrition rate is 21% for ages 21-30 years, 11% for ages 31-40 years, 14% for ages 41-50 years and 22% for ages 51-57 years during the year ended 31 March 2020 (31 March 2019 - 16% for ages 21-30 years, 8% for ages 31-40 years, 11% for ages 41-50 years and 16% for ages 51-61 years)

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 2020**	31 March 2019
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). 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.

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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
	0.50% increase	
i. Discount rate	**(30.44)**	(32.76)
ii. Salary escalation rate	**31.47**	32.28
	0.50% decrease	
i. Discount rate	**32.24**	34.94
ii. Salary escalation rate	**(26.82)**	(30.96)

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 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
h) Maturity analysis of defined benefit obligation		
Within the next 12 months	**194.90**	124.21
Between 2 and 5 years	**583.04**	399.65
Between 6 and 10 years	**923.32**	1,335.21
Total expected payments	**1,701.26**	1,859.07

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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	**186.24**	179.92
(ii) Contribution to ESIC	**16.50**	23.49
	202.74	203.41

b) The expenses for compensated absences is recognized in the same manner as gratuity and provision of ₹ 129.01 lakhs has been made as at 31 March 2020 (31 March 2019: ₹ 252.06 lakhs)

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
III Current/ non-current classification		
a) **Gratuity**		
Current	**60.00**	-
Non-current	**799.32**	672.18
	859.32	672.18
b) **Compensated absences**		
Current	**22.09**	54.35
Non-current	**106.92**	197.71
	129.01	252.06

Note 31 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 2020 are as follows:

₹ lakhs

Particulars	**Refer note**	**Amortised cost**	**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
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
Other financial assets	7	8,525.10	-	-	8,525.10
Liabilities:					
Borrowings (including current maturities of long term debt)	15,16	35,708.61	-	-	35,708.61
Trade payables	18	8,245.62	-	-	8,245.62
Other financial liabilities	16	4,169.97	-	-	4,169.97

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

₹ lakhs

Particulars	**Refer note**	**Amortised cost**	**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	2,729.27	-	-	2,729.27
Trade receivables	11	15,633.95	-	-	15,633.95
Cash and cash equivalents	12	284.58	-	-	284.58
Bank balances other than cash and cash equivalents	13	97.19	-	-	97.19
Other financial assets	7	7,952.69	-	-	7,952.69
Liabilities:					
Borrowings (including current maturities of long term debt)	15,16	27,520.53	-	-	27,520.53
Trade payables	18	6,916.22	-	-	6,916.22
Other financial liabilities	16	2,242.38	-	-	2,242.38

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:

₹ lakhs

Particulars	**31 March 2020**			31 March 2019		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments in equity shares	-	-	0.25	-	-	0.25

Note 32 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 2020	31 March 2019
(a) Holding Company (having control over the entity)		
Verlinvest Group SA		
(b) Subsidiary company		
Artisan Spirits Private Limited	100.00	100.00
Progressive Alcobev Distributors Private Limited (w.e.f. 14 November 2018)	51.00	51.00

(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)
Suresh Samant	Non-executive Director (resigned w.e.f. 23 May 2018)
Nicholas Peter Y Cator	Director
Deepak Shahdapuri	Director
Hank Uberoi	Director
J. A. Moos	Director
Kerry Damskey	Director
Chetan Desai	Chairman and Director (appointed as Chairman w.e.f 31 January 2020 and Director w.e.f. 1 June 2018)
Arjun Anand	Director (appointed w.e.f. 3 October 2018)
Ravi Vishwanathan	Director (resigned w.e.f. 23 May 2018)

(e) Relatives of Key Management Personnel:

Sulabha Samant	Mother of Rajeev Samant
Bharat Samant	Brother of Rajeev Samant
Daisy Damskey	Wife of Kerry Damskey

B. Nature of Transactions

Transactions with related parties:	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Sale of products		
Progressive Alcobev Distributors Private Limited	1,682.71	1,591.31
Artisan Spirits Private Limited	315.19	476.76
Rajeev Samant	-	5.20
Suresh Samant	-	1.17
	1,997.90	2,074.44
Interest income		
Artisan Spirits Private Limited	138.73	153.32
Progressive Alcobev Distributors Private Limited	7.32	-
	146.05	153.32
Rent income		
Artisan Spirits Private Limited	1.29	-
Purchase of raw materials		
Rajeev Samant	43.54	110.40
Suresh Samant	53.42	91.70
Sulabha Samant	9.56	18.79
Bharat Samant	9.89	27.30
	116.41	248.19
Purchase of traded goods		
Artisan Spirits Private Limited	188.79	139.25
Progressive Alcobev Distributors Private Limited	17.20	10.49
	205.99	149.74
Purchase of property, plant and equipment		
Rajeev Samant	120.00	275.00
Artisan Spirits Private Limited	9.83	18.44
	129.83	293.44
Investment of equity shares		
Progressive Alcobev Distributors Private Limited	-	327.88
Money received against share warrants		
Rajeev Samant	-	30.43
Conversion of warrants into equity shares		
Rajeev Samant	165.33	546.77

	Year ended 31 March 2020 ₹ lakhs		Year ended 31 March 2019 ₹ lakhs
Director's sitting fees paid/payable			
Deepak Shahdadpuri	**2.36**		4.00
Kerry Damskey	**3.35**		4.00
J. A. Moos	**4.00**		4.00
Hank Uberoi	**2.06**		3.00
Nicholas Cator	**3.00**		3.35
Arjun Anand	**5.00**		2.00
Chetan Desai	**5.00**		3.00
	24.77		23.35
Repayment of lease liabilities			
Suresh Samant	**18.78**		3.54
Rajeev Samant	**17.50**		-
	36.28		3.54
Legal and professional expenses			
Kerry Damskey	**66.07**	^	78.00

^ includes ₹ 16.32 lakhs (31 March 2019 ₹ 25.58 lakhs) settled through issue of sweat equity shares

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Dividend paid		
Verlinvest Asia Pte Ltd.	**211.71**	182.84
Verlinvest S.A	**86.30**	71.92
Cofintra S.A.	**86.30**	71.92
Verlinvest France S.A	**78.95**	65.80
Rajeev Samant	**213.90**	159.22
Suresh Samant	**8.13**	13.56
Sulabha Samant	**17.94**	28.15
Bharat Samant	**0.30**	0.25
Daisy Damskey	**4.58**	3.82
J. A. Moos	**0.06**	0.15
Kerry Damskey	**0.31**	0.06
	708.48	597.69
Loan given		
Artisan Spirits Private Limited	**3,982.41**	3,239.57
Progressive Alcobev Distributors Private Limited	**97.50**	-
	4,079.91	3,239.57
Repayment of loan		
Artisan Spirits Private Limited	**3,265.45**	2,626.72
Progressive Alcobev Distributors Private Limited	**95.00**	-
	3,360.45	2,626.72
Remuneration to key managerial person (including share based payments)^		
Rajeev Samant	**374.58**	276.91

^ Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

C) Outstanding balances:	**As at 31 March 2020 ₹ lakhs**	As at 31 March 2019 ₹ lakhs
Trade payable		
Kerry Damskey	**14.62**	-
Rajeev Samant	**43.54**	10.04
Suresh Samant	**54.04**	74.77
Sulabha Samant	**9.56**	5.62
Bharat Samant	**9.88**	4.46
	131.64	**94.89**
Trade receivable		
Progressive Alcobev Distributors Private Limited	**269.67**	768.70
Money received against share warrants		
Rajeev Samant	**82.25**	98.78
Loans given		
Artisan Spirits Private Limited	**2,757.29**	2,040.33
Progressive Alcobev Distributors Private Limited	**2.50**	-
Interest accrued		
Artisan Spirits Private Limited	**478.26**	353.41

Note 33 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 before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	0.50% increase	**0.50% decrease**	0.50% increase	0.50% decrease
Impact on profit/ (loss) before tax	**163.27**	**163.27**	137.14	137.14

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 2020: **₹ lakhs**

Particulars	**USD**	**EUR**	**GBP**	**AUD**	**Others ***
Assets					
Trade receivables	480.92	95.93	16.52	-	-
Loan to Subsidiary	-	-	5.79	-	-
Advance to suppliers	25.12	17.45	0.00	-	-
	506.04	**113.38**	**22.31**	**-**	**-**
Liabilities					
Borrowings	530.18	-	-	-	-
Advance from Customer	2.61	-	-	-	-
Trade payables	463.93	106.46	53.81	37.05	1.02
Dues to employees	0.08	0.10	12.81	-	0.80
	996.80	**106.56**	**66.62**	**37.05**	**1.82**
Net assets / (liabilities)	**(490.76)**	**6.81**	**(44.31)**	**(37.05)**	**(1.82)**

The following table analysis foreign currency risk from financial instruments as at 31 March 2019: **₹ lakhs**

Particulars	**USD**	**EUR**	**GBP**	**AUD**	**Others ***
Assets					
Trade receivables	100.66	120.47	11.41	-	-
Advance to suppliers	9.85	3.45	-	8.34	-
	110.51	**123.92**	**11.41**	**8.34**	**-**
Liabilities					
Trade payables	103.77	157.37	3.29	1.17	-
Due to employees	-	0.19	3.43	-	0.63
	103.77	**157.56**	**6.72**	**1.17**	**0.63**
Net assets / (liabilities)	**6.74**	**(33.65)**	**4.69**	**7.17**	**(0.63)**

* 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 Company sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Particulars	**Impact on profit / (loss) before tax for the year (₹ in lakhs)**	
Currencies	**31-Mar-20**	31-Mar-19
USD	**(24.54)**	0.34
	24.54	(0.34)
EUR	**0.34**	(1.68)
	(0.34)	1.68
GBP	**(2.22)**	0.23
	2.22	(0.23)

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 extremely low. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2020		As at 31 March 2019	
	₹ lakhs	**%**	₹ lakhs	%
Trade receivables				
- from government corporation	**7,973.24**	**59.68%**	8,326.34	53.26%
- from private parties	**5,386.36**	**40.32%**	7,307.61	46.74%
Total trade receivables (Refer note 11)	**13,359.60**	**100.00%**	15,633.95	100.00%

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

	31 March 2020	31 March 2019
	₹ lakhs	₹ lakhs
Balance at the beginning of the year	**84.74**	-
Expected credit loss	**14.03**	5.34
Impairment allowance on financial assets	**155.08**	79.40
Balance at the end of the year	**253.85**	**84.74**

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 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 other financial assets is also low.

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 2020	**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)	25,269.64	2,875.23	7,882.50	-	36,027.37
Trade payables	-	8,245.62	-	-	8,245.62
Other financial liabilities	-	2,173.11	2,155.62	17.08	4,345.81
	25,269.64	**13,293.96**	**10,038.12**	**17.08**	**48,618.80**
As at 31 March 2019					
Borrowings (including interest accrued and current maturities of long-term debt)	20,320.76	1,433.70	5,945.04	-	27,699.50
Trade payables	-	6,916.22	-	-	6,916.22
Other financial liabilities	-	2,063.41	-	-	2,063.41
	20,320.76	**10,413.33**	**5,945.04**	**-**	**36,679.13**

Note 34 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 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Total debt	35,708.61	27,520.53
Total equity	32,642.49	34,383.72
Total debts to equity ratio (Gearing ratio)	**1.09**	**0.80**

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 35 Leases - Ind AS 116

1. Impact on transition to Ind AS 116

Effective 1 April 2019, the Company has 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 lability, 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 and as a result of which the comparative information is not required to be restated.

The Company has 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.

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 recognized 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-to-use asset.

(ii) The net carrying value of right-of-use assets as at 31 March 2020 amounts to ₹ 2,369.13 lakhs (gross carrying and accumulated depreciation value of ₹ 2,822.06 lakhs and ₹ 452.93 lakhs, respectively) have been disclosed on the face of the balance sheet

Lease liabilities:

(i) On transition, the Company has recognised lease liabilities amounting to ₹ 1,231.65 lakhs

(ii) As at 31 March 2020, the obligations under finance leases amounts to ₹ 2,449.94 lakhs (non-current and current obligation amounting ₹ 1,868.65 lakhs and ₹ 581.29 lakhs respectively) which have been classified to lease liabilities, under other financial liabilities.

(iii) The following is the movement in lease liabilities for the year ended 31 March 2020:

	₹ 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 31 March 2020	**2,449.94**

(iv) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020:

(₹ in crore)

		Contractual cash flows			
Lease Liabilities	**Carrying amount**	**Total**	**0-1 year**	**1-5 years**	**5 years and above**
	2,449.94	2,944.53	771.83	2,155.62	17.08

2. During the year ended 31 March 2020, the Company recognised the following in the statement of profit and loss:

(i) Depreciation expense from right-of-use assets of ₹ 452.93 lakhs.

(ii) Finance cost on lease liabilities of ₹ 137.12 lakhs

(iii) Rent expense amounting to Nil pertaining to low-value leased assets and ₹ 296.41 lakhs pertaining to leases with less than twelve months of lease term has been included under rent expenses (Refer note 27)

Note 36 Dividend on equity shares

	As at 31 March 2020	As at 31 March 2019
Dividend on equity shares declared and paid during the year		
Interim and Final dividend of ₹ 6 per share for the year ended 31 March 2020 (Year ended 31 March 2019: ₹ 5 per share)	901.84	742.15
Dividend distribution tax on final dividend	185.38	152.55
	1,087.22	894.70
Proposed dividend on equity shares not recognised as liability*		
Interim dividend of Nil per share for year ended 31 March 2020 (Year ended 31 March 2019 : ₹ 3 per share)	-	450.52
Dividend distribution tax on proposed final dividend	-	92.60
	-	543.12

*Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note 37 Unhedged foreign currency exposure

Particulars		As at 31 March 2020		As at 31 March 2019	
	Currencies	Foreign currency	₹ lakhs	Foreign currency	₹ lakhs
Trade receivables	USD	638,098	480.92	145,289	100.66
	EUR	115,460	95.93	154,976	120.47
	GBP	17,599	16.52	12,628	11.41
Trade payables	USD	615,558	463.93	149,785	103.77
	EUR	128,144	106.46	202,428	157.37
	GBP	57,327	53.81	3,640	3.29
	AUD	80,052	37.05	2,385	1.17
	Others *	104,979	1.02	-	-
Borrowings	USD	703,466	530.18	-	-
Advance to suppliers	USD	33,323	25.12	14,211	9.85
	EUR	21,002	17.45	4,436	3.45
	GBP	0.06	0.00	-	-
	AUD	-	-	16,970	8.34
Loan to Subsidiary	GBP	6,262	5.79	-	-
Advance from Customer	USD	3,469	2.61	-	-
Dues to employees	EUR	119	0.10	243	0.19
	GBP	13,652	12.81	3,791	3.43
	USD	107	0.08	-	-
	Others*	82,325	0.80	60,482	0.63

* Includes CAD and RUB

Note 38 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: ₹ 57.30 lakhs (31 March 2019: ₹ 55.19 lakhs)

b. Amount spent during the year on CSR activities: ₹ 41.68 lakhs (31 March 2019: ₹ 30.08 lakhs) the details of which is as given below:

₹ lakhs

	Year ended 31 March 2020			Year ended 31 March 2019		
	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	41.68	-	41.68	30.08	-	30.08

Note 39 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 2020, employee stock option scheme (ESOS 2018), employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS 2018(3)) and employee stock option scheme (ESOS COO & CFO 2019) 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 2018	134,650	581.37
Options granted during the year	30,000	850.00
Options forfeited/lapsed/expired during the year	(56,000)	(617.90)
Options exercised during the year	(48,650)	(508.71)
Options outstanding as at 31 March 2019	**60,000**	**740.50**
Exercisable at the end of the period	60,000	740.50
Outstanding as at 31 March 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 #	**111,479**	856.04
Exercisable at the end of the period	111,479	856.04

* The weighted average share price at the date of exercise of option was Nil (31 March 2019 : ₹ 235.83)

\# The options outstanding as at 31 March 2020 are with the weighted average exercise price of ₹ 856.04 (31 March 2019 : ₹ 740.50). The weighted average of the remaining contractual life is 3.04 years (31 March 2019: 2.21 years)

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

Particulars	**ESOS 2008**		**ESOS 2018**	**ESOS 2018 (2)**	**ESOS 2018 (3)**	**ESOS 2019**	
	3 years Vesting Period	**4 years Vesting Period**	**3 years Vesting Period**	**3 years Vesting Period**	**3 years Vesting Period**	**CFO - 24 months vesting period**	**COO - 15 months vesting period**
Date of Grant	19 August 2014	19 August 2014	14 February 2018	07 June 2018	25 September 2018	7-Jun-19	7-Jun-19
Market Price (₹)	158.05	158.05	194.15	200.4	235.83	447.16	447.16
Expected life (in years)	3	4	3.25	3	3	3	3
Volatility	62.28%	61.45%	60.47%	64.34%	63.15%	42%	42%
Risk Free rate (%)	8.72%	8.85%	7.28%	8.03%	8.24%	6.79%	6.79%
Exercise Price	508.71	508.71	631	850	850	950	950
Dividend Yield (%)	1.27%	1.27%	1.03%	1.00%	0.85%	1.12%	1.12%
Option Fair Value (₹)	25.29	36.36	30.91	28.20	38.94	36.60	59.35

Note 40: The Company, as at 31 March 2020, has non-current investments amounting to ₹ 2,098.64 lakhs, non-current loans of ₹ 2,757.29 lakhs and non-current financial assets of ₹ 478.26 lakhs in its subsidiary, Artisan Spirits Private Limited (ASPL). ASPL has incurred losses and consolidated net-worth as at 31 March 2020 has been fully eroded. 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 41: There is a disputed Excise duty demand of ₹ 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 certainity 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.

Note 42 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.

₹ lakhs

Particulars	**Year ended 31 March 2020**		Year ended 31 March 2019	
	India	**Outside India**	India	Outside India
Revenue	**40,363.54**	**2,404.91**	46,590.91	3,516.76
Non-current assets	**38,517.20**	**-**	34,732.20	-

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

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

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

RAKESH RAMAWATAR AGARWAL
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Date: 2020.09.18 23:05:23 +05'30'

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 18 September 2020

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

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

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Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

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Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
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Date: 2020.09.18 22:14:40 +05'30'

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Date : 18 September 2020

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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, **Artisan Spirits Private Limited and Progressive Alcobev Distributors Private Limited** (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, 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 a 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 2020, and their consolidated loss (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 Matter 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 Group operations and on 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 respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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, which 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 intend 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.

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; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - 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 Matter

12. We did not audit the financial statements of one (1) subsidiary, whose financial statements (before eliminating inter-company balances) reflect total assets of ₹ 2,208.38 lakhs and net assets of ₹ 490.09 lakhs as at 31 March 2020, total revenues (before eliminating inter-company transactions) of ₹ 10,343.12 lakhs and net cash inflows (before eliminating inter-company transactions) amounting to ₹101.59 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.

Report on Other Legal and Regulatory Requirements

13. 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.

14. 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 subsidiaries, 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 2020 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 I'; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements 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 29A(ii), (iii), (v) and (vi) and 44 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 2020;

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 2020; 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

RAKESH RAMAWATAR AGARWAL
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Date: 2020.09.18 23:06:49 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKG4728

Place: Mumbai
Date: 18 September 2020

Annexure I 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 2020

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 2020, 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 auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to 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

Annexure I (Contd)

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the report of another auditor on internal financial controls with reference to financial statements of a subsidiary company, the Holding Company and its two (2) 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 2020, 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 issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar 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 ₹ 2,208.38 lakhs and net assets of ₹ 490.09 lakhs as at 31 March 2020, total revenues (before eliminating inter-company transactions) of ₹ 10,343.12 lakhs and net cash inflows amounting to ₹101.59 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 auditors 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 auditors.

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

RAKESH RAMAWATAR AGARWAL

Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:07:23 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:20109632AAAAKG4728

Place: Mumbai
Date: 18 September 2020

AUDITED CONSOLIDATED

BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2020

SULA VINEYARDS PRIVATE LIMITED

Sula Vineyards Private Limited
Consolidated Balance Sheet as at 31 March 2020

	Note No.	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**32,625.59**	30,869.56
Right-of-use assets	3A	**2,369.13**	-
Capital work-in-progress		**12.31**	176.11
Goodwill	4	**269.14**	319.14
Other intangible assets	4	**200.96**	1,266.26
Financial assets			
Investments	5	**7.75**	0.25
Loans	6	**393.71**	496.47
Other financial assets	7	**1,606.44**	1,619.20
Income tax assets (net)	8	**982.02**	108.40
Deferred tax assets (net)	8	**4.21**	5.01
Other non-current assets	9	**234.63**	350.12
Total non-current assets		**38,705.89**	35,210.52
Current assets			
Inventories	10	**17,133.96**	15,721.09
Financial assets			
Trade receivables	11	**15,436.12**	17,822.87
Cash and cash equivalents	12	**3,747.21**	342.34
Bank balances other than cash and cash equivalents	13	**280.21**	220.50
Loans	6	**301.61**	279.08
Other financial assets	7	**6,454.44**	5,984.01
Other current assets	9	**1,412.98**	1,576.33
Total current assets		**44,766.53**	41,946.22
TOTAL ASSETS		**83,472.42**	77,156.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**1,504.42**	1,500.89
Other equity		**28,510.98**	30,764.88
Equity attributable to owners of the parent		**30,015.40**	32,265.77
Non-controlling interest	42	**240.14**	265.72
Total equity		**30,255.54**	32,531.49
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**7,882.50**	5,945.68
Other financial liabilities	16	**1,868.65**	-
Provisions	17	**921.39**	884.37
Deferred tax liabilities (net)	8	**1,797.51**	1,955.50
Total non-current liabilities		**12,470.05**	8,785.55
Current liabilities			
Financial liabilities			
Borrowings	15	**26,927.13**	21,998.65
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		**111.75**	112.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**8,461.59**	7,871.74
Other financial liabilities	16	**4,328.75**	3,546.07
Other current liabilities	19	**834.39**	1,743.48
Provisions	17	**83.22**	55.85
Current tax liabilities (net)	8	**-**	511.20
Total current liabilities		**40,746.83**	35,839.70
TOTAL EQUITY AND LIABILITIES		**83,472.42**	77,156.74

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:08:10 +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: 2020.09.18 15:00:36 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
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Date: 2020.09.18 15:08:18 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Sula Vineyards Private Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

	Note No.	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Income			
Revenue from operations	20	**52,936.38**	55,594.26
Other income	21	**174.05**	166.37
Total income		**53,110.43**	55,760.63
Expenses			
Cost of materials consumed	22	**10,928.03**	12,604.43
Purchase of stock-in-trade		**13,252.43**	10,048.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**(1,431.57)**	(1,580.65)
Excise duty on sales		**4,428.40**	5,577.36
Employee benefits expense	24	**6,574.35**	6,424.35
Finance costs	25	**3,289.26**	2,451.17
Depreciation, impairment and amortisation expense	26	**3,499.66**	1,973.86
Other expenses	27	**14,309.25**	15,659.74
Total expenses		**54,849.81**	53,158.49
Profit / (loss) before tax		**(1,739.38)**	2,602.14
Tax expense / (credit)	8		
Current tax (including earlier year tax adjustments)		**(242.82)**	1,546.50
Deferred tax		**(145.83)**	337.72
		(388.65)	1,884.22
Profit / (loss) for the year (A)		**(1,350.73)**	717.92
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	30	**(45.40)**	(93.52)
- Income tax effect on above		**11.36**	32.66
Other comprehensive loss for the year, net of tax (B)		**(34.04)**	(60.86)
Total comprehensive income/ (loss) for the year, net of tax (A+B)		**(1,384.77)**	657.06
Net profit / (loss) for the year attributable to:			
Owners of the parent		**(1,324.89)**	707.93
Non-controlling interest		**(25.84)**	9.99
Other comprehensive income / (loss) for the year attributable to:			
Owners of the parent		**(34.30)**	(60.59)
Non-controlling interest		**0.26**	(0.27)
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		**(1,359.19)**	647.34
Non-controlling interest		**(25.58)**	9.72
Earnings per equity share of nominal value ₹ 10 each			
Basic (in ₹)	28	**(8.82)**	4.75
Diluted (in ₹)	28	**(8.82)**	4.75

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:08:38 +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: 2020.09.18 15:01:23 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 15:08:52 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
Digitally signed by BITTU VARGHESE NELLISSERY
Date: 2020.09.18 14:28:13 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
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Date: 2020.09.18 21:27:22 +05'30'

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Sula Vineyards Private Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	**(1,739.38)**	2,602.14
Adjustments for		
Depreciation, impairment and amortisation expense	**3,499.66**	1,973.86
Finance costs	**3,289.26**	2,451.17
Interest income	**(70.94)**	(62.65)
Dividend income	**(0.04)**	(0.04)
Sundry balances (written back) / written off	**(16.29)**	44.78
Cancellation of employee stock options	**(1.71)**	(7.98)
Impairment allowance on financial and other assets	**219.18**	872.74
Legal professional expenses settled by issue of equity shares for consideration other than cash (Refer Note 27.1)	**25.59**	36.55
Share based payment to employees	**23.35**	12.75
Unrealised exchange loss on foreign currency translations (net)	**15.44**	16.52
Loss on sale of property, plant and equipment (net)	**390.58**	7.30
	7,374.08	5,345.00
Operating profit before working capital changes	**5,634.70**	7,947.14
Adjustments for changes in working capital:		
Decrease/ (Increase) in trade receivables	**2,167.57**	(1,214.01)
Increase in current / non-current financial and other assets	**(154.21)**	(2,648.10)
Increase in inventories	**(1,412.87)**	(1,760.57)
(Decrease) / Increase in trade payables and other financial / other liabilities	**(436.56)**	680.95
	163.93	(4,941.73)
Cash generated from operations	**5,798.63**	3,005.41
Direct taxes paid (net of refunds received)	**(1,142.00)**	(1,537.14)
Net cash generated from operating activities	**4,656.63**	1,468.27
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(4,533.25)**	(5,739.19)
Proceeds from sale of property, plant and equipment	**146.52**	25.56
Net proceeds from bank deposits with original maturity of more than three months	**(64.95)**	201.80
Purchase of Investment in Mutual Funds	**(7.50)**	
Consideration paid on acquisition of subsidiary (net of cash acquired on acquisition)	**-**	(161.26)
Interest received	**62.82**	83.23
Dividend received	**0.04**	0.04
Net cash used in investing activities	**(4,396.32)**	(5,589.82)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	**148.80**	739.57
Money received against share warrants	**-**	30.43
Proceeds from long-term borrowings (net)	**2,677.05**	9,039.57
Repayment of long-term borrowings		(5,180.42)
Proceeds from short-term borrowings (net)	**4,928.48**	1,742.64
Repayment of Lease Liability	**(501.47)**	-
Finance costs	**(3,021.08)**	(2,428.33)
Dividend paid (including dividend distribution tax)	**(1,087.22)**	(894.70)
Net cash generated from financing activities	**3,144.56**	3,048.76
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**3,404.87**	(1,072.79)
Cash and cash equivalents at the beginning of the year	**342.34**	1,415.13
Cash and cash equivalents at the end of the year (Refer note 12)	**3,747.21**	342.34

Note:-
1 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.
2 Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and liability for capital goods.
3 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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:09:18 +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: 2020.09.18 15:01:58 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 15:09:48 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
Digitally signed by BITTU VARGHESE NELLISSERY
Date: 2020.09.18 14:29:59 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
Digitally signed by SAPNA K KARMOKAR
Date: 2020.09.18 21:32:06 +05'30'

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Sula Vineyards Private Limited
Consolidated Statement of Changes in Equity as at and for the year ended 31 March 2020

a) Equity share capital

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 1 April 2018	14,725,733	1,472.57
Issued during the year [Refer notes 14(e), 14(f) and 39]	283,209	28.32
As at 31 March 2019	15,008,942	1,500.89
Issued during the year [Refer notes 14(e) and 14(f)]	35,246	3.53
As at 31 March 2020	**15,044,188**	**1,504.42**

b) Other equity

₹ lakhs

Particulars	Reserves and surplus (A)				Money received against share warrants (B) [Refer Note 14(f)]	Total (A+B)	Non- controlling interest
	Securities premium	Share option outstanding reserve	General reserve	Retained earnings			
As at 1 April 2018	**15,240.26**	**18.61**	**359.52**	**14,487.83**	**123.03**	**30,229.25**	**-**
Non-controlling interest on acquisition of subsidiary (Refer note 41)	-	-	-	-	-	**-**	**256.00**
Profit for the year	-	-	-	707.93	-	**707.93**	**9.99**
Conversion of warrants into equity shares [Refer notes 14(f) and 32]	523.77	-	-	-	(54.68)	**469.09**	**-**
Money received against share warrants (Refer note 32)	-	-	-	-	30.43	**30.43**	**-**
Issue of equity shares	278.70	-	-	-	-	**278.70**	-
Share based payment expense	-	12.75	-	-	-	**12.75**	**-**
Exercise of employee stock options	17.69	(17.69)	-	-	-	**-**	**-**
Cancellation of employee stock options	-	(7.98)	-	-	-	**(7.98)**	**-**
Other comprehensive loss for the year	-	-	-	(60.59)	-	**(60.59)**	**(0.27)**
Payment of dividend (including dividend distribution tax) (Refer note 43)	-	-	-	(894.70)	-	**(894.70)**	**-**
As at 31 March 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 note 14(f)]	162.08	-	-	-	(16.53)	**145.55**	-
Issue of equity shares [Refer note 14(e)]	25.32	-	-	-	-	**25.32**	-
Share based payment expense	-	23.35	-	-	-	**23.35**	-
Cancellation of employee stock options	-	(1.71)	-	-	-	**(1.71)**	-
Other comprehensive income / (loss) for the year	-	-	-	(34.30)	-	**(34.30)**	0.26
Payment of dividend (including dividend distribution tax) (Refer note 43)	-	-	-	(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**

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 in pursuance of 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.

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:09:52 +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: 2020.09.18 15:02:34 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 15:10:29 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Place: Mumbai
Date : 18 September 2020

Date : 18 September 2020

Note 1 Corporate Information

Sula Vineyards Private Limited (the "Company" or 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 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 Company and its subsidiaries (the 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 2020 were authorised for issue in accordance with resolution of Board of Directors on 18 September 2020.

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 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.

e. 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

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Group's operations at all of its manufacturing and office locations were temporarily stopped from 24 March 2020. Operations have since resumed with adequate precautions being taken in accordance with Government guidelines and management is taking appropriate action, as necessary, to scale up manufacturing operations in due compliance with the applicable laws. As at the date of approval of these consolidated financial statements, sales have also resumed in a staggered manner across the country.

The Group has considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effects of pandemic relating to COVID-19 on the 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 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 29 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.

(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

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 31).

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. 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

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 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) 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. 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.

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, 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.

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 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.

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 Group 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 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.

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.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Group will pay normal income tax during the specified period.

xix. 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. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

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 have been separately presented in the Balance Sheet and the Lease liability is presented under Other financial liabilities. Further, lease payments have been classified as financing cash flows.

xx. 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.

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. 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).

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 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.

xxv. 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.

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 VAT, 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, it is recognised as income on a systematic basis over the expected useful life of the related asset.

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 1st April 2020.

Note 3 Property, plant and equipment

₹ lakhs

Particulars	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 2018	6,216.27	7.49	10,194.12	8.27	9,324.99	978.22	624.24	570.42	229.74	404.81	38.50	28,597.07
Additions	308.36	1.99	2,155.66	-	2,818.12	307.54	57.84	153.03	82.01	130.74	-	6,015.29
Acquition of subsidiary (refer note 41)	-	-	188.03	-	1.72	3.47	65.10	0.29	1.12	-	-	259.73
Disposals	-	-	-	-	18.07	1.81	26.75	1.09	3.43	-	-	51.15
As at 31 March 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**
Accumulated depreciation												
As at 1 April 2018	-	0.16	632.82	7.89	964.25	222.27	150.77	201.15	110.71	107.19	9.76	2,406.97
Depreciation charge	-	0.08	405.27	-	632.11	119.53	92.74	115.05	60.78	86.01	4.88	1,516.45
Acquition of subsidiary (refer note 41)	-	-	14.58	-	1.02	1.31	28.32	0.18	0.85	-	-	46.26
Accumulated depreciation on disposals	-	-	-	-	2.80	0.68	11.23	0.85	2.74	-	-	18.30
As at 31 March 2019	-	0.24	1,052.67	7.89	1,594.58	342.43	260.60	315.53	169.60	193.20	14.64	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	-	-	2.10	7.89	69.26	0.28	33.02	4.24	6.18	5.80	-	128.77
As at 31 March 2020	**-**	**-**	**1,566.92**	**-**	**2,314.54**	**488.25**	**328.93**	**441.62**	**230.20**	**292.75**	**16.27**	**5,679.48**
Net carrying value												
As at 31 March 2019	6,524.63	9.24	11,485.14	0.38	10,532.18	944.99	459.83	407.12	139.84	342.35	23.86	30,869.56
As at 31 March 2020	**6,266.93**	**-**	**13,360.68**	**-**	**10,645.14**	**1,050.69**	**427.06**	**405.90**	**144.74**	**302.22**	**22.23**	**32,625.59**

Note:

(i) Freehold land as at 31 March 2020 does not include any parcel of land (31 March 2019: 1 parcel: ₹ 570 lakhs) in respect of which title deed is yet to be registered in the name of the Group.

(ii) Refer notes 15.1, 15.3 and 15.4 for information of Property, plant and equipment pledged as security against borrowings of the Group.

(iii) Refer note 29(B)(ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

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**
Accumulated depreciation				
As at 1 April 2019	-	-	-	-
Depreciation charge	309.77	127.88	15.28	452.93
Accumulated depreciation on disposals	-			
As at 31 March 2020	**309.77**	**127.88**	**15.28**	**452.93**
Net carrying value				
As at 31 March 2020	**309.71**	**2,040.44**	**18.98**	**2,369.13**

Note: Also refer note 36 for the impact of transition to Ind AS 116 Leases and the related disclosures

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 2018	1,616.32	424.55	2,040.87	51.17	2,092.04
Additions	-	31.82	31.82		31.82
Business Combination	-	-	-	267.97	267.97
Disposals	-	-	-	-	-
As at 31 March 2019	1,616.32	456.37	2,072.69	319.14	2,391.83
Additions	-	74.32	74.32		74.32
Disposals	-	-	-	-	-
As at 31 March 2020	**1,616.32**	**530.69**	**2,147.01**	**319.14**	**2,466.15**
Accumulated amortisation					
As at 1 April 2018	191.30	157.72	349.02	-	349.02
Amortisation charge	371.75	85.66	457.41	-	457.41
As at 31 March 2019	563.05	243.38	806.43	-	806.43
Amortisation charge	371.75	86.35	458.10	-	458.10
Impairment (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**
Net carrying value					
As at 31 March 2019	1,053.27	212.99	1,266.26	319.14	1,585.40
As at 31 March 2020	**-**	**200.96**	**200.96**	**269.14**	**470.10**

Note: Impairment testing for Brand / 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 current year, impairment provision with respect of Brand and goodwill of acquisition of Heritage winery has been recognised as the recoverable value was lower than the carrying value.

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 2020

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 5 Non-current investments		
Investments at fair value through other comprehensive income		
Investment in equity shares, fully paid up		
The Saraswat Co-operative Bank 2,500 (31 March 2019: 2,500) equity shares of ₹ 10 each	**0.25**	0.25
Investments at fair value through profit and loss		
Investment in mutual funds		
Axis Blue Chip Mutual Fund 25,871 (31 March 2019: Nil) units - quoted	**7.50**	-
Total non-current investments	**7.75**	0.25
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**	-
	7.75	0.25

Note 6 Loans

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Non-current		
Security deposits	**282.49**	341.54
Loans to employees	**111.22**	154.93
Total non-current loans	**393.71**	496.47
Current		
Security deposits	**62.87**	57.63
Loan to others^	**238.74**	221.45
Total current loans	**301.61**	279.08
Total loans	**695.32**	775.55

^ includes loan of ₹ 5.79 lakhs given for incorporation of a foreign subsidiary namely 'Sula International Limited'. While the entity has been incorporated as at 31 March 2020, the equity shares are yet to issued.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Break-up of security details		
Loans receivable considered good - secured	**-**	-
Loans receivable considered good - unsecured	**695.32**	775.55
Loans receivable which have significant increase in credit risk	**-**	-
Loans receivable - credit impaired	**-**	-
Total	**695.32**	775.55

Note 7 Other financial assets

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Non-current		
Government grants receivable	**1,528.86**	1,546.86
Banks deposits with maturity of more than 12 months [Includes ₹ 69.02 lakhs (31 March 2019: ₹ 72.34 lakhs) pledged with excise authorities or earmarked against bank guarantees taken by the Group]	**77.58**	72.34
Total non-current financial assets	**1,606.44**	1,619.20
Current		
Government grants receivable	**6,437.67**	5,975.36
Interest accrued :		
- on bank deposits	**13.17**	8.65
- from others	**3.60**	-
Total current financial assets	**6,454.44**	5,984.01
Total other financial assets	**8,060.88**	7,603.21

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 2020

Note 8 Income tax assets

i. The following table provides the details of income tax assets and liabilities as at 31 March 2020 and 31 March 2019

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(a) Income tax assets	2,183.69	4,110.15
(b) Income tax liabilities	(1,201.67)	(4,512.95)
Net Income tax assets / (liabilities)	982.02	(402.80)
Current income tax liabilities in case of an entity	-	(511.20)
Income tax assets in case of some entities	982.02	108.40
Net Income tax assets / (liabilities)	982.02	(402.80)

ii. The gross movement in the current income tax assets / (liabilities) for the years ended 31 March 2020 and 31 March 2019 is as follows:

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Net current income tax liability at the beginning	(402.80)	(479.84)
Income tax asset of the acquired subsidiary	-	86.40
Income tax paid	1,142.00	1,537.14
Current income tax expense	-	(1,166.93)
Earlier year income tax adjustments (Refer note 8.2)	242.82	(379.57)
Net current income tax assets / (liabilities) at the end	982.02	(402.80)
iii. Income tax expense in the Statement of Profit and Loss comprises:		
Current tax expense	-	1,166.93
Deferred tax expense / (credit)	(145.83)	337.72
Earlier years tax adjustments	(242.82)	379.57
Income tax expenses (net) in Statement of Profit and Loss	(388.65)	1,884.22
Deferred tax credit in other comprehensive income	(11.36)	(32.66)
Income tax expenses / (credit) [net]	(400.01)	1,851.56

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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Profit / (loss) before income tax	(1,739.38)	2,602.14
Applicable income tax rate	25.17%	34.94%
Computed expected tax expense / (credit)	(437.80)	909.29
Effect of expenses that are not deductible for determining taxable profits	25.63	194.71
Effect of income that is exempt for determining taxable profits	(0.01)	(0.39)
Deferred tax asset not recognised in respect of losses in subsidiary	128.31	267.07
Effect of difference in tax rates of subsidiaries	4.52	91.87
Impact of change in tax rate	133.52	42.10
	(145.83)	1,504.65
Earlier years tax adjustments as shown above (Refer note 8.2)	(242.82)	379.57
Income tax expense charged to the Statement of Profit and Loss	(388.65)	1,884.22

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

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(a) Deferred tax liabilities		
- Timing difference on tangible and intangible assets depreciation and amortisation	3,050.43	2,473.97
	3,050.43	2,473.97
(b) Deferred tax assets		
- Expenses allowable on payment basis	1,255.78	486.37
- Unused tax losses	-	35.23
- Others	1.35	1.88
	1,257.13	523.48
Total deferred tax liabilities (net)	1,793.30	1,950.49
- Deferred tax liabilities in case of some entities	1,797.51	1,955.50
- Deferred tax assets in case of an entity	(4.21)	(5.01)

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	Unused tax losses	Others	Total
	(A)	(B)	(C)	(D)	E=(A)-(B)-(C)-(D)
At 1 April 2018	2,105.79	417.89	36.18	1.28	1,650.44
- to profit or loss	368.18	30.81	(0.95)	0.60	337.72
- acquisition of subsidiary	-	5.01	-	-	(5.01)
- to other comprehensive income	-	32.66	-	-	(32.66)
At 31 March 2019	**2,473.97**	**486.37**	**35.23**	**1.88**	**1,950.49**
- to profit or loss	576.46	780.77	(35.23)	(0.53)	(168.55)
- to other comprehensive income	-	(11.36)	-	-	11.36
At 31 March 2020	**3,050.43**	**1,255.78**	**(0.00)**	**1.35**	**1,793.30**

Note 8.1: 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 Progressive Alcobev Distributors Private Limited has recognised provision for income tax for the year ended 31 March 2020 basis the rate prescribed in the said section. The Holding Company and Progressive Alcobev Distributors Private Limited has also remeasured their deferred tax liabilities basis the revised rate and the impact of this change has been recognised in the statement of profit and loss.

Note 8.2: : A search was conducted by the competent authority under section 132(1) of the Income Tax Act, 1961 ('the Act') at premises of the Holding Company in the year ended 31 March 2019. Pursuant to the search, the Assessing Officer had issued notices under relevant sections of the Act to the Holding Company for AY 2011-12 to AY 2018-19 ('earlier years'). Consequently, in order to avoid prolonged tax litigation, the Holding Company had filed application under Section 245C (1) of the Act before the Hon'ble Income Tax Settlement Commission ('ITSC') on 26 December 2018 and had disclosed additional income of ₹ 1,261.24 lakhs and accordingly deposited ₹ 379.37 lakhs as tax and ₹ 161.47 lakhs as interest towards the proposed settlement which was expensed off in the books of accounts during the year ended 31 March 2019. The ITSC vide its order dated 27 September 2019 has accepted Holding Company's application and the final order under Sec 245D(4) with no further additions.

Further, consequent to the acceptance of Holding Company's application by ITSC, the tax assessments for earlier years also stand completed. Accordingly outstanding tax provision in the books of accounts in respect of the earlier years aggregating ₹ 242.82 lakhs have been reversed during the current year by the Holding Company.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 9 Other assets		
Non-current		
Capital advances	**21.69**	106.95
Balances with government authorities	**191.70**	214.45
Prepaid gratuity	**2.28**	2.95
Prepaid expenses	**18.96**	25.77
Total other non-current assets	**234.63**	350.12
Current		
Advance to suppliers	**1,695.02**	2,409.73
Less: Impairment (Refer note 27)	**(1,259.14)**	(1,259.07)
	435.88	1,150.66
Balances with government authorities	**724.95**	173.81
Prepaid expenses	**252.15**	235.86
Others	**-**	16.00
Total other current assets	**1,412.98**	1,576.33
Total other assets	**1,647.61**	1,926.45
Note 10 Inventories		
Raw materials	**57.00**	98.60
Work-in-progress / Semi-finished goods	**10,906.39**	11,042.81
Finished goods	**2,062.19**	672.34
Stock-in-trade [including goods in transit of ₹ 557.86 lakhs (31 March 2019: ₹ 192.93 lakhs)]	**2,977.66**	2,545.43
Consumables, stores and spares	**461.78**	537.44
Packing materials	**668.94**	824.47
Total inventories	**17,133.96**	15,721.09

Note 10.1: Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the Group management was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out subsequent to the year end. Management has also performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 11 Trade receivables		
Trade receivables	**15,436.12**	17,822.87
Total trade receivables	**15,436.12**	17,822.87
Trade receivables considered good - secured	**-**	-
Trade receivables considered good - unsecured	**15,436.12**	17,822.87
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	**303.85**	84.74
Total	**15,739.97**	17,907.61
Loss allowance (Refer note 27)	**(303.85)**	(84.74)
Total trade receivables	**15,436.12**	17,822.87

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	**3,740.42**	284.80
Cash on hand	**6.79**	57.54
Total cash and cash equivalents	**3,747.21**	342.34

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

Bank deposits with maturity of more than 3 months but less than 12 months [Includes ₹ 172.22 lakhs (31 March 2019: ₹ 178.51 lakhs) pledged with excise authorities or earmarked against bank guarantees taken by the Group]	**280.21**	220.50
Total bank balances other than cash and cash equivalents	**280.21**	220.50

Note 14 Equity share capital	**As at 31 March 2020 ₹ lakhs**	As at 31 March 2019 ₹ lakhs
Authorised share capital		
20,206,000 Equity shares of ₹ 10 each (31 March 2019: 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:		
15,044,188 Equity shares of ₹ 10 each fully paid up (31 March 2019: 15,008,942 equity shares of ₹ 10 each)	**1,504.42**	1,500.89
Total issued, subscribed and paid-up equity share capital	**1,504.42**	1,500.89

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

	Number	**₹ lakhs**
As at 1 April 2018	14,725,733	1,472.57
Issued during the year [Refer note 14(e)]	4,559	0.45
Shares warrants converted during the year [Refer note 14(f)]	230,000	23.00
Employee stock options exercised during the year (Refer note 39)	48,650	4.87
As at 31 March 2019	**15,008,942**	1,500.89
Issued during the year [Refer note 14(e)]	2,746	0.28
Shares warrants converted during the year [Refer note 14(f)]	32,500	3.25
As at 31 March 2020	**15,044,188**	1,504.42

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%:

	As at 31 March 2020		As at 31 March 2019	
Name of the Shareholder	**No. of shares**	**% held**	No. of shares	% held
Rajeev Samant	**3,578,447**	**23.79%**	3,545,947	23.63%
Verlinvest Asia Pte Ltd.	**3,528,455**	**23.45%**	3,528,455	23.51%
Verlinvest S.A	**1,438,367**	**9.56%**	1,438,367	9.58%
Cofintra S.A.	**1,438,367**	**9.56%**	1,438,367	9.58%
Verlinvest France S.A	**1,315,913**	**8.75%**	1,315,913	8.77%

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 (ESOS):

As at 31 March 2020, the Company has granted 111,479 (31 March 2019: 60,000) 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 39)

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 - 2,746 equity shares (31 March 2019: 4,559)

(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 remuneration package. The details of the same are as under:

Financial year	**Number of warrants**	**Share warrants converted (Nos.)**	**Exercise price**	**Date of conversion**
2008-09	40,000	40,000	165	17-Apr-18
2009-10	40,000	40,000	155	Various*
2010-11	40,000	40,000	200^	20-Jun-18
2010-11	23,500	23,500	200^^	6-Jul-18
2010-11	116,500	116,500	260^^	Various**
2014-15	100,000	42,500	508.71	Various^^^
2016-17	75,200	-	584	-
2017-18	150,400	-	631	-
2018-19	75,200	-	760	-
2018-19	229,070	-	850	-

* 20,000 each on 07 June 2017 and 27 February 2018.

** 40,000, 30,000 and 46,500 on 08 August 2018, 16 October 2018 and 31 October 2018 respectively.

^ Repriced to ₹ 200 on 23 May 2018

^^ Split and repriced into 23,500 at ₹ 200 and 116,500 at ₹ 260 on 23 May 2018

^^^10,000, 5,500, 12,000 and 15,000 on 14 November 2018, 28 May 2019, 10 October 2019 and 14 November 2019 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 Company except for dividend which shall be pro-rata from the date of conversion.

g. The Board of Directors of the Company have recommended equity dividend of ₹ Nil (31 March 2019: ₹ 3.00) per equity share for the year ended 31 March 2020. Also refer note 43.

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Note 15 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 15.1 below)	**9,842.24**	7,112.52
Term loan from others (Refer note 15.1 below)	**-**	4.29
Unsecured		
Deferred sales tax liabilities (Refer note 15.2 below)	**54.27**	92.66
Term loan from banks (Refer note 15.3 below)	**0.64**	10.63
	9,897.15	7,220.10
Less: Current maturities of long term debt (Refer note 16)	**2,014.65**	1,274.42
Total non-current borrowings	**7,882.50**	5,945.68
II Current borrowings		
Secured		
Loans from banks (Refer note 15.4 below)		
- Working capital demand loans (repayable on demand)	**23,384.67**	17,997.89
- Cash credit facilities (repayable on demand)	**-**	651.10
- Buyer's credit loan	**542.46**	-
Loans from others	**-**	840.00
	23,927.13	19,488.99
Unsecured		
Working capital demand loans from banks (repayable on demand) [Refer note 15.5 below]	**3,000.00**	2,509.66
Total current borrowings	**26,927.13**	21,998.65
Total borrowings (I+II)	**34,809.63**	27,944.33

Note 15.1 Details of security and terms of repayment of non-current borrowings

Loan of Holding Company of ₹ 1,104.74 lakhs (31 March 2019: ₹ 1,657.11 lakhs) is repayable in remaining 8 equal quarterly instalments of ₹ 138.00 lakhs each carrying interest rate ranging from 8.85% to 9.35% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan of Holding Company of ₹ 2,000.00 lakhs (31 March 2019: ₹ 2,000.00 lakhs) is repayable in 16 equal quarterly instalments of ₹ 125.00 lakhs each commencing from 1 July 2020, carrying interest rate of 9.25% and secured by exclusive by first pari passu charge on all the existing and future movable property, plant and equipment.

Loan of Holding Company of ₹ 1,400.00 lakhs (31 March 2019: ₹ 1,800.00 lakhs) is repayable in remaining 14 equal quarterly instalments of ₹ 100.00 lakh each carrying interest rate of 9.10% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan of Holding Company of ₹ 937.50 lakhs (31 March 2019: ₹ 1,000.00 lakhs) is repayable in 15 equal quarterly instalments of ₹ 62.50 lakhs carrying interest rate ranging from 8.40% to 8.85% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan of Holding Company of ₹ 450.00 lakhs (31 March 2019: ₹ 650.00 lakhs) is repayable in remaining 9 equal quarterly instalments of ₹ 50.00 lakh each carrying interest rate of 9.10% and secured by first pari passu charge on immovable assets - commercial unit premises (building).

Loan of Holding Company of ₹ 3,950.00 lakhs (31 March 2019: Nil) is repayable in 16 equal quarterly instalments of ₹ 246.88 lakhs each commencing from 31 October 2020, carrying interest rate of 9.25% and secured by exclusive by first pari passu charge on all the existing and future movable property, plant and equipment.

Includes loan of Subsidiary Company of ₹ Nil (31 March 2019: ₹ 5.41 lakhs) carried an interest rate of 9% and was secured by hypothecation of the vehicles purchased out of this loan. The loan has been repaid during the year.

Term loan from others represent loan of the Subsidiary Company of ₹ Nil (31 March 2019: ₹ 4.29 lakhs) carried an interest rate of 8.75% and was secured by hypothecation of the vehicles purchased out of this loan. The loan was entirely repaid during the year.

Note 15.2: Deferred sales tax loan of Holding Company ₹ 54.27 lakhs (31 March 2019: ₹ 92.66 lakhs) is interest free and repayable in remaining 3 years.

Note 15.3: Loan of Subsidiary Company of ₹ 0.64 lakhs (31 March 2019: ₹ 10.63 lakhs) carrying interest rate of 15.00% repayable in 2020-21

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 2020

Note 15.4 Details of security and terms of repayment of current borrowings

Working capital demand loans and Cash Credit facilties of Holding Company is repayable on demand. They carry interest rate ranging from 8.05% to 10% p.a and are secured by all existing and future current assets, movable and immovable property, plant and equipment.

Buyers credit loan of Holding Company carry interest ranging from 6% to 7% p.a. repayable in 180 days and is secured by all existing and future current assets, movable and immovable property, plant and equipment.

Secured working capital demand loan of the Subsidiary Company from other carry interest of 9.75% p.a to 10.50% and secured by hypothecation of the entire current assets and immovable property, plant and equipment.

Working capital loan of the Subsidiary Company carries interest rate ranging from 8.80% to 9.20% p.a. (31 March 2019: 8.15% p.a.) and secured by all existing and future current assets and movable fixed assets of the subsidiary Company and has been repaid during the financial year 2019-20.

Loan from others includes loan from an NBFC carries an interest rate of 10.50% p.a. (31 March 2019: 10.50% p.a.) has been repaid during the year and secured by hypothecation of the entire stocks of raw material, finished goods and book debts of the Company on pari passu basis with the Bank and immovable fixed assets was released on the repayment.

Note 15.5 Unsecured working capital demand loan of Holding Company carry interest rate of 7.60% and repayable on demand.

Note 15.6 Net debt reconciliation

An analysis of net debts and the movement in net debts for the years ended 31 March 2020 and 31 March 2019 is as follows:

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
(A) Cash and cash equivalents	**3,747.21**	342.34
(B) Non-current borrowings (including current maturities of long term debts)	**9,897.15**	7,220.10
(C) Current borrowings	**26,927.13**	21,998.65
(D) Interest payable	**320.90**	189.83
Net debts (E)=(A-B-C-D)	**(33,397.97)**	**(29,066.24)**

	Other assets	**Liabilities from financing activities**			**₹ lakhs 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	342.34	7,220.10	21,998.65	189.83	(29,066.24)
Cash flows (net)	3,404.87	2,677.05	4,928.48	-	(4,200.66)
Interest expense	-	-	-	2,957.43	(2,957.43)
Interest paid	-	-	-	(2,826.36)	2,826.36
Net debts as at 31 March 2020	**3,747.21**	**9,897.15**	**26,927.13**	**320.90**	**(33,397.97)**
Net debts as at 1 April 2018	1,415.13	3,360.95	19,131.07	167.00	(21,243.89)
Cash flows (net)	(1,072.79)	3,859.15	1,742.64	-	(6,674.58)
Borrowing acquired on business combination	-	-	1,124.94	-	(1,124.94)
Interest expense	-	-	-	2,139.59	(2,139.59)
Interest paid	-	-	-	(2,116.76)	2,116.76
Net debts as at 31 March 2019	**342.34**	**7,220.10**	**21,998.65**	**189.83**	**(29,066.24)**

Note 16 Other financial liabilities

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Non-current		
Lease liabilities (Refer note 36)	**1,868.65**	**-**
Total non-current financial liabilities	**1,868.65**	-
Current		
Current maturities of long-term debt (Refer note 15)	**2,014.65**	1,274.42
Interest accrued and due	**13.32**	8.12
Interest accrued but not due	**307.58**	181.71
Lease liabilities (Refer note 36)	**581.29**	**-**
Others		
- Liability for capital goods	**583.44**	1,131.95
- Security deposits	**327.24**	281.50
- Due to employees	**501.23**	668.37
Total current financial liabilities	**4,328.75**	3,546.07
Total other financial liabilities	**6,197.40**	3,546.07
Other financial liabilities carried at amortised cost	**6,197.40**	3,546.07
Other financial liabilities carried at FVTPL	**-**	-

Note 17 Provisions	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Non-current		
Provision for employee benefits (Refer note 30)		
- Gratuity	**814.47**	685.35
- Compensated absences	**106.92**	199.02
Total non-current provisions	**921.39**	884.37
Current		
Provision for employee benefits (Refer note 30)		
- Gratuity	**61.13**	1.00
- Compensated absences	**22.09**	54.85
Total current provisions	**83.22**	55.85
Total provisions	**1,004.61**	940.22

Note 18 Trade payables		
- Total outstanding dues of micro enterprises and small enterprise (Refer Note 18.2)	**111.75**	112.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- to related parties (Refer note 32)	**131.64**	94.89
- to others	**8,329.95**	7,776.85
Total trade payables	**8,573.34**	7,984.45

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

Note 18.2 : Dues to micro, small and medium enterprises to the extent information available with the Group 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	**111.75**	112.71
- Interest due	**9.99**	0.45
(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.	**3.34**	6.66
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**5.20**	7.11
(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	**13.32**	8.12

Note 19 Other current liabilities		
Advance from customers (Refer note 19.1)	**47.50**	41.26
Statutory dues payable	**786.89**	1,702.22
Total other liabilities	**834.39**	1,743.48

Note 19.1:

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 2020.

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 20 Revenue from operations		
(a) Sale of products (including excise duty)	**47,196.88**	49,388.70
(b) Sale of services	**2,816.74**	2,573.74
(c) Other operating revenues	**2,922.76**	3,631.82
Total revenue from operations	**52,936.38**	55,594.26

Note 20.1: Includes sale of products to related parties of Nil (31 March 2019: ₹ 6.37 lakhs) (Refer note 32)

Note 20.2: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service:		
(a) Sale of products		
- Manufactured goods	**30,260.14**	35,838.95
- Traded goods	**16,936.74**	13,549.75
(b) Sale of services	**2,816.74**	2,573.74
(c) Other operating revenues		
- Government grant	**2,902.13**	3,516.66
- Others	**20.63**	115.16
Total revenue from operations	**52,936.38**	55,594.26
(B) Based on timing of revenue recognition:		
Products transferred at a point of time	**47,196.88**	49,388.70
Services transferred at a point of time	**2,816.74**	2,573.74

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 40).

Reconciliation of revenue from operations with contract price as required by Ind AS 115		
Contract price	**54,551.18**	58,564.02
Less: Items offset against revenue from customers	**(4,537.56)**	(6,601.58)
	50,013.62	51,962.44

Note 20.3: 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	**6,202.26**	7,323.60
Revenue from top five customers	**16,851.91**	18,120.79

For the year ended 31 March 2020, one (31 March 2019: one) customer, individually accounted for more than 10% of the total revenue.

Note 21 Other income		
(a) Interest income		
- on financial assets carried at amortised cost	**7.13**	4.04
- on bank deposits	**19.49**	23.38
- on others	**44.32**	35.23
	70.94	62.65
(b) Dividend income	**0.04**	0.04
(c) Other non-operating income		
- Cancellation of employee stock options	**1.71**	7.98
- Insurance claim	**9.37**	67.74
- Sundry balances written back	**16.29**	-
- Miscellaneous income	**75.70**	27.96
	103.07	103.68
Total other income	**174.05**	166.37

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 22 Cost of materials consumed		
Stock at beginning of the year		
- Raw materials	**98.60**	106.74
- Packing materials	**824.47**	881.91
Add: Purchases		
- Raw materials	**6,854.79**	8,561.29
- Packing materials	**3,876.11**	3,977.56
	11,653.97	13,527.50
Less: Stock at the end of the year		
- Raw materials	**57.00**	98.60
- Packing materials	**668.94**	824.47
Total cost of materials consumed		
- Raw materials	**6,896.39**	8,569.43
- Packing materials	**4,031.64**	4,035.00
Total cost of materials consumed	**10,928.03**	12,604.43

Note 22.1: Includes purchase of raw materials from related parties ₹ 116.41 lakhs (31 March 2019: ₹ 248.19 lakhs) (Refer note 32)

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	**672.34**	827.19
- Work in progress	**11,042.81**	9,658.64
- Stock-in-trade	**2,545.43**	1,493.66
	14,260.58	11,979.49
(b) Inventory acquired on Business Combination (Refer note 41)		
Traded goods	**-**	753.86
	-	753.86
(c) Closing 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
	15,946.24	14,260.58
(d) Increase / (Decrease) in excise duty on finished goods	**254.09**	(53.42)
	254.09	(53.42)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a+b-c+d)	**(1,431.57)**	(1,580.65)

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 24 Employee benefits expense		
Salaries, wages and bonus	**6,008.41**	5,670.81
Contribution to provident and other fund (Refer note 30)	**209.16**	206.03
Gratuity (Refer note 30)	**161.27**	324.94
Share based payment expenses (Refer note 39)	**23.35**	12.75
Staff welfare	**172.16**	209.82
Total employee benefits expense	**6,574.35**	6,424.35
Note 25 Finance costs		
Interest on:		
- loan from banks	**2,654.88**	1,970.82
- lease liabilities (Refer note 36)	**137.12**	-
- cash credit facilities	**157.17**	87.96
- income tax (Refer note 8.2)	**-**	161.47
- others	**145.37**	80.81
Other borrowing costs	**194.72**	150.11
Total finance costs	**3,289.26**	2,451.17
Note 26 Depreciation, impairment and amortisation expense		
Depreciation on tangible assets (Refer note 3)	**1,857.11**	1,516.45
Depreciation on right-of-use assets (Refer note 3A)	**452.93**	-
Amortisation of intangible assets (Refer note 4)	**458.10**	457.41
Impairment of intangible assets (Refer note 4)	**731.52**	-
Total depreciation, impairment and amortisation expense	**3,499.66**	1,973.86

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Note 27 Other expenses		
Consumables, chemicals, stores and spares consumed	**1,017.28**	1,201.81
Power and fuel	**494.80**	520.41
Repairs and maintenance		
- Building	**63.52**	60.89
- Others	**599.65**	483.84
Rates and taxes	**851.65**	834.10
Insurance	**60.03**	52.16
Royalty	**4.76**	49.74
Security charges	**169.39**	138.41
Travelling and conveyance	**835.87**	807.95
Rent (Refer note 36)	**480.54**	931.21
Payments to auditor:		
- statutory audit fees	**40.42**	34.60
- limited review and tax audit fees	**14.46**	17.70
- other services	**2.01**	12.80
- reimbursement of expenses	**1.54**	0.72
Legal and professional fees (Refer notes 27.1 and 32)	**569.10**	577.16
Director sitting fees (Refer note 32)	**25.77**	23.35
Restaurant expenses	**464.51**	500.49
Resort maintenance expenses	**395.67**	437.68
Sales promotion expenses	**3,518.37**	3,664.84
Commission expenses	**1,065.46**	1,192.02
Marketing expenses	**864.91**	947.31
Sulafest expenses	**363.48**	335.44
Freight and handling charges	**1,101.56**	1,133.28
Sundry balances written off	**-**	44.78
Impairment allowance on financial and other assets (Refer notes 9 and 11)	**219.18**	872.74
Exchange loss (net)	**15.44**	99.73
Loss on sale / write-off of property, plant and equipment (net)	**390.58**	7.30
Corporate social responsibility expenses (Refer note 38)	**41.68**	30.08
Printing, stationary, postage and telephone expenses	**149.27**	132.26
Miscellaneous	**488.35**	514.94
Total other expenses	**14,309.25**	15,659.74

Note 27.1: Includes ₹ 25.59 lakhs (31 March 2019: 36.55 lakhs) settled through issue of equity shares for consideration other than cash.

Note 28 Earnings per share (EPS)
Basic and diluted EPS

		Year ended 31 March 2020	Year ended 31 March 2019
A.	Profit 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)	**(1,324.89)**	707.93
B.	Weighted average number of equity shares for EPS computation (Nos)	**15,027,305**	14,907,917
C.	EPS - Basic EPS(₹)	**(8.82)**	4.75
	- Diluted EPS(₹)	**(8.82)**	4.75

Note 28.1: The options granted to employees under employee stock options and the share warrants issued to Rajeev Samant 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 29 Contingent liabilities and commitments

A. Contingent liabilities	**As at 31 March 2020 ₹ lakhs**	As at 31 March 2019 ₹ lakhs
i) Bank guarantees issued by banks to excise and various other authorities	**1,423.35**	1,099.56
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
iv) Corporate guarantee	**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 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.

B. Commitments		
i) Capital commitment (net of advances)	**138.49**	1,202.37

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.

Note 30: 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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
a)	**Changes in defined benefit obligations**		
	Present value of the obligation as at the beginning of the year	**954.20**	593.56
	on account of business combination		12.43
	Current service cost	**112.35**	82.40
	Past service cost	**(0.03)**	216.45
	Interest cost	**66.87**	43.45
	Remeasurements - Net actuarial losses	**40.77**	90.77
	Benefits paid	**(73.61)**	(84.86)
	Present value of the obligation as at the end of the year	**1,100.55**	954.20
b)	**Changes in fair value of plan assets of the gratuity plan**		
	Plan assets at the beginning of the period	**272.26**	229.71
	Interest income	**18.03**	17.44
	Contribution by employer	**16.75**	112.34
	Benefit paid	**(73.61)**	(84.86)
	Remeasurements - Net actuarial losses	**(3.44)**	(2.38)
	Actual return on plan assets (excluding interest income)	**(0.04)**	0.01
	Fair value of the plan assets at the end of the year	**229.95**	272.26
c)	**Expenses recognised in the Statement of Profit and Loss**		
	Interest cost (net)	**48.95**	26.09
	Current service cost	**111.63**	82.40
	Past service cost	**0.69**	216.45
		161.27	324.94
d)	**Remeasurement losses recognised in OCI**		
	Remeasurement - Net actuarial losses on defined benefit obligations	**40.77**	90.77
	Remeasurement - Net actuarial losses on planned assets	**3.48**	2.37
	Adjustment to recognize asset ceiling	**1.14**	0.38
	Total	**45.40**	93.52
e)	**Movement in asset ceiling**		
	Opening value of asset ceiling	**1.47**	1.01
	Interest on opening balance of asset ceiling	**0.11**	0.08
	Remeasurements due to changes in surplus / deficit	**1.14**	0.38
	Closing value of asset ceiling	**2.72**	1.47

		31 March 2020	31 March 2019
f)	**Actuarial assumptions**		
	Discount rate	**6.50% to 6.90%**	7.50% to 7.75%
	Salary escalation rate	**Staff: 7% to 9.50%, Director: 0.00% until year 4 inclusive, then 9.50%**	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

The attrition rate is 16% for ages 21-30 years, 8% for ages 31-40 years, 11% for ages 41-50 years and 16% for ages 51-61 years during the year ended 31 March 2020 (31 March 2019 - 16% for ages 21-30 years, 8% for ages 31-40 years, 11% for ages 41-50 years and 16% for ages 51-61 years)

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

g) Investment details of plan assets

Major Categories of Plan Assets:	**31 March 2020**	31 March 2019
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). 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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
	0.50% increase	
i. Discount rate	**(31.51)**	(34.05)
ii. Salary escalation rate	**32.20**	33.35
	0.50% decrease	
i. Discount rate	**33.39**	36.35
ii. Salary escalation rate	**(27.54)**	(31.98)

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 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	**199.08**	125.27
Between 2 and 5 years	**586.40**	402.85
Between 6 and 10 years	**969.15**	1,404.28
Total expected payments	**1,754.63**	1,932.40

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 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
a) The Group has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	**191.95**	182.19
(ii) Contribution to ESIC	**17.21**	23.84
	209.16	206.03

b) The expenses for compensated absences is recognized in the same manner as gratuity and provision of ₹ 129.01 lakhs has been made as at 31 March 2020 (31 March 2019: ₹ 253.87 lakhs)

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
III Current/ non-current classification		
a) **Gratuity**		
Current	**61.13**	1.00
Non-current	**814.47**	685.35
Non-current- prepaid gratuity	**(2.28)**	(2.95)
	873.32	683.40
b) **Compensated absences**		
Current	**22.09**	54.85
Non-current	**106.92**	199.02
	129.01	253.87

Note 31 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 2020 were as follows:

₹ lakhs

Particulars	Refer note	Amortised cost	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 and mutual funds	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	8,060.88	-	-	8,060.88
Liabilities:					
Borrowings (including current maturities of long term debt)	15,16	36,824.28	-	-	36,824.28
Trade payables	18	8,573.34	-	-	8,573.34
Other financial liabilities	16	4,182.74	-	-	4,182.74

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

₹ lakhs

Particulars	Refer note	Amortised cost	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	5	-	-	0.25	0.25
Loans	6	775.55	-	-	775.55
Trade receivables	11	17,822.87	-	-	17,822.87
Cash and cash equivalents	12	342.34	-	-	342.34
Bank balances other than cash and cash equivalents	13	220.50	-	-	220.50
Other financial assets	7	7,603.22	-	-	7,603.22
Liabilities:					
Borrowings (including current maturities of long term debt)	15,16	29,218.75	-	-	29,218.75
Trade payables	18	7,984.45	-	-	7,984.45
Other financial liabilities	16	2,271.65	-	-	2,271.65

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:

₹ lakhs

Particulars	**31 March 2020**			31 March 2019		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments in mutual funds and equity shares	7.50	-	0.25	-	-	0.25

Note 32 Disclosure in accordance with Ind AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

(a) Holding 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 and Director w.e.f. 1 June 2018)
Arjun Anand	Director (appointed w.e.f. 3 October 2018)
Nicholas Peter Y Cator	Director
Deepak Shahdapuri	Director
Hank Uberoi	Director
J. A. Moos	Director
Kerry Damskey	Director
Suresh Samant	Non-executive Director (resigned w.e.f. 23 May 2018)
Ravi Vishwanathan	Director (resigned w.e.f. 23 May 2018)

(d) Relatives of Key Management Personnel:

Sulabha Samant	Mother of Rajeev Samant
Bharat Samant	Brother of Rajeev Samant
Daisy Damskey	Wife of Kerry Damskey

B. Nature of Transactions

Transactions with related parties:	**Year ended 31 March 2020 ₹ lakhs**	Year ended 31 March 2019 ₹ lakhs
Sales of products		
Rajeev Samant	**-**	5.20
Suresh Samant	**-**	1.17
	-	6.37
Purchase of raw materials / traded goods		
Rajeev Samant	**43.54**	110.40
Suresh Samant	**53.42**	91.70
Sulabha Samant	**9.56**	18.79
Bharat Samant	**9.89**	27.30
	116.41	248.19
Purchase of property, plant and equipment		
Rajeev Samant	**120.00**	275.00
Money received against share warrants		
Rajeev Samant	**-**	30.43
Conversion of warrants into shares		
Rajeev Samant	**165.33**	546.77
Director's sitting fees paid/payable		
Deepak Shahdadpuri	**2.36**	4.00
Kerry Damskey	**3.35**	4.00
J. A. Moos	**4.00**	4.00
Hank Uberoi	**2.06**	3.00
Nicholas Cator	**3.00**	3.35
Arjun Anand	**5.00**	2.00
Chetan Desai	**6.00**	3.00
	25.77	23.35
Repayment of lease liabilities		
Suresh Samant	**18.78**	3.54
Rajeev Samant	**17.50**	-
	36.28	3.54
Legal and professional expenses		
Kerry Damskey	**66.07 ^**	78.00 ^

^ includes ₹ 16.32 lakhs (31 March 2019 ₹ 25.58 lakhs) settled through issue of sweat equity shares

	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Dividend paid		
Verlinvest Asia Pte Ltd.	**211.71**	182.84
Verlinvest S.A	**86.30**	71.92
Cofintra S.A.	**86.30**	71.92
Verlinvest France S.A	**78.95**	65.80
Rajeev Samant	**213.90**	159.22
Suresh Samant	**8.13**	13.56
Sulabha Samant	**17.94**	28.15
Bharat Samant	**0.30**	0.25
Daisy Damskey	**4.58**	3.82
J A Moos	**0.06**	0.15
Kerry Damskey	**0.31**	0.06
	708.48	597.69
Remuneration to key managerial person (including share based payments)^		
Rajeev Samant	**374.58**	276.91

^ Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

C) Outstanding balances:	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Trade payable		
Kerry Damskey	**14.62**	-
Rajeev Samant	**43.54**	10.04
Suresh Samant	**54.04**	74.77
Sulabha Samant	**9.56**	5.62
Bharat Samant	**9.88**	4.46
	131.64	94.89
Money received against share warrants		
Rajeev Samant	**82.25**	98.78

Note 33 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 before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	0.50% increase	**0.50% decrease**	0.50% increase	0.50% decrease
Impact on profit before tax	**168.85**	**168.85**	139.64	139.64

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 analysis foreign currency risk from financial instruments as at 31 March 2020: **₹ lakhs**

Particulars	**USD**	**EUR**	**GBP**	**AUD**	**Others ***
Assets					
Loan to subsidiary	-	5.79	-	-	-
Trade receivables	1,340.19	95.93	16.52	-	-
Advance to suppliers	25.12	17.45	0.00	-	-
	1,365.31	**119.17**	**16.52**	**-**	**-**
Liabilities					
Borrowings	530.18	-	-	-	-
Advance from Customer	2.61	-	-	-	-
Trade payables	463.93	106.46	53.81	37.05	1.02
Dues to employees	0.08	0.10	12.81	-	0.80
	996.80	**106.56**	**66.62**	**37.05**	**1.82**
Net assets / (liabilities)	**368.51**	**12.61**	**(50.10)**	**(37.05)**	**(1.82)**

The following table analysis foreign currency risk from financial instruments as at 31 March 2019: **₹ lakhs**

Particulars	**USD**	**EUR**	**GBP**	**AUD**	**Others ***
Assets					
Trade receivables	646.46	120.47	11.41	-	-
Advance to suppliers	9.85	3.45	-	8.34	-
	656.31	**123.92**	**11.41**	**8.34**	**-**
Liabilities					
Trade payables	176.54	157.37	3.29	1.17	-
Dues to employees	-	0.19	3.43	-	0.63
	176.54	**157.56**	**6.72**	**1.17**	**0.63**
Net assets / (liabilities)	**479.77**	**(33.64)**	**4.69**	**7.17**	**(0.63)**

* Includes CAD and RUB

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.

Particulars	**Impact on profit / (loss) before tax for the year (₹ in lakhs)**	
Currencies	**31 March 2020**	**31 March 2019**
USD	**34.88**	23.99
	(34.88)	(23.99)
EURO	**0.34**	(1.68)
	(0.34)	1.68
GBP	**(2.21)**	0.23
	2.21	(0.23)

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 extremely low. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2020		As at 31 March 2019	
	₹ lakhs	**%**	₹ lakhs	%
Trade receivables				
- from government corporation	**8,476.49**	**54.91%**	8,621.69	48.37%
- from private parties	**6,959.63**	**45.09%**	9,201.18	51.63%
Total trade receivables (Refer note 11)	**15,436.12**	**100.00%**	17,822.87	100.00%

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

	31 March 2020	31 March 2019
	₹ lakhs	₹ lakhs
Balance at the beginning of the year	**872.74**	-
Expected credit loss	**14.03**	5.34
Impairment allowance on financial and other assets	**205.15**	867.40
Balance at the end of the year	**1,091.92**	872.74

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 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 other financial assets is also 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					**₹ lakhs**
As at 31 March 2020	**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)	26,384.67	2,878.01	7,882.50	-	37,145.18
Trade payables	-	8,573.34	-	-	8,573.34
Other financial liabilities	-	2,183.73	2,155.62	17.08	4,356.43
	26,384.67	**13,635.08**	**10,038.12**	**17.08**	**50,074.95**
As at 31 March 2019					
Borrowings (including interest accrued and current maturities of long-term debt)	21,998.65	1,464.25	5,945.68	-	29,408.58
Trade payables	-	7,984.45	-	-	7,984.45
Other financial liabilities	-	2,081.82	-	-	2,081.82
	21,998.65	**11,530.52**	**5,945.68**	**-**	**39,474.85**

Note 34 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 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Total debt	**36,824.28**	29,218.75
Total equity	**30,015.40**	32,265.77
Total debts to equity ratio (Gearing ratio)	**1.23**	0.91

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.

Note 35 Interest in other entities - Subsidiaries

The Group's subsidiaries as at 31 March 2020 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-20	31-Mar-19	**31-Mar-20**	31-Mar-19	
Artisan Spirits Private Limited	India	**100.00%**	100.00%	-	-	Business of Trading in wines and in spirits
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

Note 36 Leases - Ind AS 116

1. Impact on transition to Ind AS 116

Effective 1 April 2019, the Group has 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 lability, 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 and as a result of which the comparative information is not required to be restated.

The Group has 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.

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 has been reclassified from Property, Plant and Equipment to Right-to-use asset.

(ii) The net carrying value of right-of-use assets as at 31 March 2020 amounts to ₹ 2,369.13 lakhs (gross carrying and accumulated depreciation value of ₹ 2,822.06 lakhs and ₹ 452.93 lakhs, respectively) have been disclosed on the face of the balance sheet.

Lease liabilities:

(i) On transition, the Group has recognised lease liabilities amounting to ₹ 1,231.65 lakhs

(ii) As at 31 March 2020, the obligations under finance leases amounts to ₹ 2,449.94 lakhs (non-current and current obligation amounting ₹ 1,868.65 lakhs and ₹ 581.29 lakhs respectively) which have been classified to lease liabilities, under other financial liabilities.

(iii) The following is the movement in lease liabilities for the year ended 31 March 2020:

	₹ lakhs
Balance as at 1 April 2019	**-**
Transition adjustment of Ind AS	**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 31 March 2020	**2,449.94**

(iv) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020:

(₹ in crore)

Lease Liabilities	**Contractual cash flows**				
	Carrying amount	**Total**	**0-1 year**	**1-5 years**	**5 years and above**
	2,449.94	2,944.53	771.83	2,155.62	17.08

2. During the year ended 31 March 2020, the Group recognised the following in the statement of profit and loss:

(i) Depreciation expense from right-of-use assets of ₹ 452.93 lakhs.

(ii) Finance cost on lease liabilities of ₹ 137.12 lakhs

(iii) Rent expense amounting to Nil pertaining to low-value leased assets and ₹ 480.54 lakhs pertaining to leases with less than twelve months of lease term has been included under rent expenses (Refer note 27)

Note 37 Unhedged foreign currency exposure

Particulars	Currencies	As at 31 March 2020		As at 31 March 2019	
		Foreign currency	₹ lakhs	Foreign currency	₹ lakhs
Trade receivables	USD	1,778,206	1,340.19	933,095	646.46
	EUR	115,460	95.93	154,976	120.47
	GBP	17,599	16.52	12,628	11.41
Trade payables	USD	615,558	463.93	254,822	176.54
	EUR	128,144	106.46	202,428	157.37
	GBP	57,327	53.81	3,640	3.29
	AUD	80,052	37.05	2,385	1.17
	Others *	104,979	1.02	-	-
Borrowings	USD	703,466	530.18	-	-
Loan to Subsidiary	GBP	6,262	5.79	-	-
Advance to suppliers	USD	33,323	25.12	14,211	9.85
	EUR	21,002	17.45	4,436	3.45
	GBP	0.06	0.00	-	-
	AUD	-	-	16,970	8.34
Advance from Customer	USD	3,469	2.61	-	-
Dues to employees	EUR	119	0.10	243	0.19
	GBP	13,652	12.81	3,791	3.43
	USD	107	0.08	-	-
	Others*	82,325	0.80	60,482	0.63

* Includes CAD and RUB

Note 38 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: ₹ 57.30 lakhs (31 March 2019: ₹ 55.19 lakhs)
b. Amount spent during the year on CSR activities: ₹ 41.68 lakhs (31 March 2019: ₹ 30.08 lakhs) the details of which is as given below:

₹ lakhs

	Year ended 31 March 2020			Year ended 31 March 2019		
	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	41.68	-	41.68	30.08	-	30.08

Note 39 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 2020, employee stock option scheme (ESOS 2018), employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS 2018(3)) and employee stock option scheme (ESOS COO & CFO 2019) 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 2018	134,650	581.37
Options granted during the year	30,000	850.00
Options forfeited/lapsed/expired during the year	(56,000)	(617.90)
Options exercised during the year	(48,650)	(508.71)
Options outstanding as at 31 March 2019	**60,000**	**740.50**
Exercisable at the end of the period	60,000	740.50
Outstanding as at 31 March 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 #	**111,479**	856.04
Exercisable at the end of the period	111,479	856.04

* The weighted average share price at the date of exercise of option was Nil (31 March 2019 : ₹ 235.83)

The options outstanding as at 31 March 2020 are with the exercise price of ₹ 856.04 (31 March 2019 : ₹ 740.50) per share. The weighted average of the remaining contractual life is 3.04 years (31 March 2019: 2.21 years)

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

Particulars	**ESOS 2008**		**ESOS 2018**	**ESOS 2018 (2)**	**ESOS 2018 (3)**	**ESOS 2019**	
	3 years Vesting Period	**4 years Vesting Period**	**3 years Vesting Period**	**3 years Vesting Period**	**3 years Vesting Period**	**CFO - 24 months vesting period**	**COO - 15 months vesting period**
Date of Grant	19 August 2014	19 August 2014	14 February	07 June 2018	25 September	7-Jun-19	7-Jun-19
Market Price(₹)	158.05	158.05	194.15	200.4	235.83	447.16	447.16
Expected life (in years)	3	4	3.25	3	3	3	3
Volatility	62.28%	61.45%	60.47%	64.34%	63.15%	42%	42%
Risk Free rate (%)	8.72%	8.85%	7.28%	8.03%	8.24%	6.79%	6.79%
Exercise Price	508.71	508.71	631	850	850	950	950
Dividend Yield (%)	1.27%	1.27%	1.03%	1.00%	0.85%	1.12%	1.12%
Option Fair Value (₹)	25.29	36.36	30.91	28.2	38.94	36.60	59.35

Note 40 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	**Year ended 31 March 2020**		Year ended 31 March 2019	
	India	**Outside India**	India	Outside India
Revenue	**49,708.99**	**3,227.39**	51,085.70	4,508.56
Non-current assets	**36,693.79**	**-**	33,089.60	-

Note 41 Business Combination

The Holding Company w.e.f. 14 November 2018 acquired 51% stake (593,800 shares of ₹ 10 each at a premium of ₹ 80) of Progressive Alcobev Distributors Private Limited ('Progressive'). Progressive is a alcobev company engaged in the business of trading of Beer and IMFL and other liquors. The primary reason for the acquition was to strengthen market position in alcobev industry.

	₹ lakhs
Progressive Alcobev Distributors Private Limited	
Purchase consideration (paid in cash)	534.42

Recognised amounts of identifiable net assets

Particulars	**₹ lakhs**
Property, plant and equipment	213.47
Investments	0.10
Inventories	753.86
Trade and other receivables	1,209.92
Cash and cash equivalents	373.16
Current and deferred tax assets	90.96
Total Assets	**2,641.47**
Borrowings	1,124.94
Trade payables and other Payables	981.64
Provisions	12.43
Total liabilities	**2,119.01**
Net identifiable assets	522.46
Net identifiable assets acquired (51%)	**266.46**
Non-controlling interest	256.00

Particulars	
Purchase consideration	534.42
Less: Net identifiable assets acquired	**266.46**
Goodwill	**267.96**

Note 42 Non-controlling interest (NCI)

The following table summarises the information relating to the subsidiary that has NCI. The amounts disclosed for the subsidiary are before intra-group eliminations.

		₹ lakhs
Particulars	**Progressive Alcobev Distributors Private Limited**	
	31 March 2020	31 March 2019
NCI percentage	**49%**	**49%**
Summarised balance sheet		
Current assets (A)	1,856.29	3,043.97
Non-current assets (B)	352.08	355.56
Current liabilities (C)	1,703.13	2,843.43
Non-current liabilities (D)	15.15	13.81
Net assets (A+B-C-D)	**490.09**	**542.29**
Net assets attributable to NCI	**240.15**	**265.72**
Summarised statement of profit and loss		
Revenue	10,356.24	5,169.37
Profit/(loss) for the period	(52.73)	**20.39**
Other comprehensive income / (loss)	0.54	(0.56)
Total comprehensive income	**(52.19)**	**19.83**
Profit allocated to NCI	(25.84)	9.99
OCI allocated to NCI	0.26	(0.27)
Total comprehensive income allocated to NCI	**(25.58)**	**9.72**
Summarised cash flows		
Cash flow from operating activities	364.75	371.02
Cash flow from investing activities	(64.15)	(36.90)
Cash flow from financing activities	(199.01)	(340.87)
Net decrease in cash and cash equivalents	**101.59**	**(6.75)**

Note 43 Dividend on equity shares

	As at 31 March 2020	As at 31 March 2019
Dividend on equity shares declared and paid during the year		
Interim and Final dividend of ₹ 6 per share for the year ended 31 March 2020 (Year ended 31 March 2019: ₹ 5 per share)	901.84	742.15
Dividend distribution tax on final dividend	185.38	152.55
	1,087.22	894.70
Proposed dividend on equity shares not recognised as liability*		
Interim dividend of Nil per share for year ended 31 March 2020 (Year ended 31 March 2019 : ₹ 3 per share)	-	450.52
Dividend distribution tax on proposed final dividend	-	92.60
	-	543.12

*Proposed dividend on equity shares is subject to the approval of the shareholders of the Holding Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note 44: There is a disputed excise duty demand of ₹ 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 favor of the Holding Company. Consequently, the possibility of any outflow of resources embodying economic benefits is remote.

Note 45: Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(₹ 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%	(815.74)	61.57%	(34.31)	100.06%	(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%	(52.73)	3.98%	0.54	-1.57%	(52.19)	3.84%
Total			**32,846.30**	**109.44%**	**(1,361.98)**	**102.80%**	**(34.03)**	**99.25%**	**(1,396.01)**	**102.71%**
a) Adjustments arising out of consolidation			(3,073.08)	-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)	0.75%	25.58	-1.88%
			30,013.36	**100.00%**	**(1,324.89)**	**100.00%**	**(34.29)**	**100.00%**	**(1,359.18)**	**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 2020

(₹ lakhs)

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2019	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	-	34,383.72	106.56%	1,962.05	277.15%	(60.32)	99.55%	1,901.73	293.78%
Subsidiaries										
Artisan Spirits Private Limited	India	100%	207.47	0.64%	(1,027.20)	-145.10%	0.02	-0.03%	(1,027.18)	-158.68%
Progressive Alcobev Distributors Private Limited	India	51%	542.29	1.68%	20.39	2.88%	(0.56)	0.92%	19.83	3.06%
Total			**35,133.48**	**108.88%**	**955.24**	**134.93%**	**(60.86)**	**100.44%**	**894.38**	**138.16%**
a) Adjustments arising out of consolidation			(2,601.99)	-8.06%	(237.32)	-33.52%	-	0.00%	(237.32)	-36.66%
b) Non-controlling interest in subsidiary			(265.72)	-0.82%	(9.99)	-1.41%	0.27	-0.44%	(9.72)	-1.50%
			32,265.77	**100.00%**	**707.93**	**100.00%**	**(60.59)**	**100.00%**	**647.34**	**100.00%**

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 date

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

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2020.09.18 23:11:30 +05'30'

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 18 September 2020

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

Rajeev Samant
Digitally signed by Rajeev Samant
Date: 2020.09.18 15:03:21 +05'30'

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

CHETAN RAMESHCHANDRA DESAI
Digitally signed by CHETAN RAMESHCHANDRA DESAI
Date: 2020.09.18 15:11:06 +05'30'

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

18 September 2020

Arjun Anand
Director
DIN: 07639288
Place: Singapore

BITTU VARGHESE NELLISSERY
Digitally signed by BITTU VARGHESE NELLISSERY
Date: 2020.09.18 14:32:54 +05'30'

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

SAPNA K KARMOKAR
Digitally signed by SAPNA K KARMOKAR
Date: 2020.09.18 21:42:39 +05'30'

Sapna Karmokar
Company Secretary
Membership No. A25946
Place: Mumbai

Date : 18 September 2020