SULA
VINEYARDS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **NINETHEENTH ANNUAL GENERAL MEETING** of the members of **SULA VINEYARDS LIMITED** (CIN: U15549MH2003PLC139352) will be held at a shorter notice on **Friday, May 27th 2022 at 12.30 pm (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") - at the Registered Office of the Company at **901, HUBTOWN SOLARIS, N.S.PHADKE MARG, ANDHERI (EAST), MUMBAI – 400 069** to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt:**

   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Auditors thereon.

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

   "**RESOLVED THAT** pursuant to the recommendation made by the Board of Directors, a dividend at the rate of Rs. 2.45 per equity share be and hereby declared out of profits of financial year 2021-22 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company on May 19, 2022."

3. **Appointment of Director in the place of retiring Director**

   To appoint a Director in place of Mr. Arjun Anand (DIN 07639288), who retires by rotation and being eligible offers himself for re-appointment.

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

   "**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, **Mr. Arjun Anand (DIN 07639288)** who is liable to retire by rotation at the 19th Annual General Meeting and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. **To re-appoint M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/ N500013), Chartered Accountants as statutory auditors of the Company and to fix their remuneration.**

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

"**RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/ N500013) be and are hereby re-appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office from the conclusion of this 19th Annual General Meeting till the conclusion of the 24th Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

Place: Mumbai
Date: May 19, 2022
Registered Office:
901 Hubtown Solaris,
N.S.Phadke Marg,
Andheri (E), Mumbai – 400 069
CIN: U15549MH2003PLC139352

By Order of the Board of Directors
FOR SULA VINEYARDS LIMITED

R. Sathe
Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED MUMBAI

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip is not annexed to this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

3. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 3 set out above and the details under clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed hereto.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 19th Annual General Meeting.

6. Members who hold equity shares in dematerialized form are requested to write their client ID and DP-ID number and those who hold equity shares in physical forms are requested to write their folio number in the attendance slip for attending the meeting.

7. Corporate Members are requested to send duly certified copy of Board Resolution/Power of Attorney authorizing their representative to attend and vote at the General Meeting.

8. Shareholders seeking information with regard to accounts are requested to write to the Company in advance so as to enable the management to keep the information ready.

9. In compliance with MCA Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website

By Order of the Board of Directors
FOR SULA VINEYARDS LIMITED

R. Sathe
Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED MUMBAI

Place: Mumbai
Date: May 19, 2022
Registered Office:
901 Hubtown Solaris,
N.S.Phadke Marg,
Andheri (E), Mumbai – 400 069
CIN: U15549MH2003PLC139352

ANNEXURE TO THE NOTICE

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

Name	**Mr. Arjun Anand**
Directors Identification Number (DIN)	07639288
Age	34
Qualification	He holds a bachelor's degree in mechanical engineering from Birla Institute of Technology and Science and a post-graduate diploma in management from Indian Institute of Management, Kolkata..
Experience	He has previously worked with A.T. Kearney Australia Pty Limited
Terms & Conditions of appointment/re-appointment	-
Details of Remuneration	-
Date of first Appointment on the Board of the Company	October 03, 2018
Shareholding in the Company	-
Relation with other Directors, Manager or KMP	-
No. of Meetings of Board attended during the year	5
Other Directorship, Membership/ Chairmanship of committees of other Boards	Other Directorship: 1.Drums Food International Private Limited 2.Veeba Food Services Private Limited 3.Manash Lifestyle Private Limited 4.Wakefit Innovations Private Limited 5.A-Star-Education Holdings Pte Ltd 6.A-Star-Education English SG Holdco Pte. Ltd. 7.A-Star-Education Enrichment SG Holdco Pte. Ltd. 8.A-Star-Education Adventures SG HoldCo Pte. Ltd. 9.A-Star-Education Discovery Camps Pte. Ltd. 10.White Coral Limited 11.Sara Global Pte Ltd

SULA VINEYARDS LIMITED

Directors' Report

To,
The Members,
The Directors present the 19th Annual Report of Sula Vineyards Limited and the standalone and consolidated Audited Accounts for the Financial Year ended March 31, 2022.

1. Key Financial highlights (Standalone and Consolidated)

The Company's financial performance, for the year ended March 31, 2022 is summarized below:

(INR millions)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Gross Income	4,567.00	4,215.32	4,239.98	3,437.07
Earnings Before Interest, Depreciation, Tax, Amortization and Exceptional items (EBIDTAE)	1,160.71	645.12	1,099.94	597.20
Earnings Before Interest, Depreciation, Tax and Amortization (EBITDA)	1,160.71	622.71	1,099.94	573.45
Finance Charges	229.23	333.86	213.25	322.60
Provision for Depreciation	236.11	256.99	224.14	253.64
Net Profit / (Loss)Before Tax	695.37	31.86	662.55	(2.79)
Provision for Tax	173.98	3.81	173.98	3.54
Other Comprehensive Loss (net of tax)	(1.47)	(2.77)	(0.64)	(2.78)
Total Comprehensive Income/(Loss)	519.92	25.29	487.93	(9.11)
Balance of Profit brought forward	1,204.59	1,179.41	1,433.01	1,442.12
Balance available for appropriation	1,724.31	1,204.59	1,920.94	1,433.01
Dividend paid on Equity Shares	(194.49)	-	(194.49)	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	1,529.82	1,204.59	1,726.45	1,433.01

2. Business Performance & State of Company Affairs

Business Performance

FY22 was one of the best years in Sula's history with record breaking financial results. We finished the year with our strongest EBITDA ever, gained market share and strengthened our lead as the clear undisputed #1 in the Indian wine industry, and significantly improved our cash flow to end the FY in our strongest ever financial position.

The fundamental shift in our margins has come from single-minded focus on our core business, streamlined operations and sustainable long-term strategies around our product mix, pricing, dealer incentives, and margins.

Our company is now certified as a 'Great Place to Work' taking its place among India's Top 100 companies in this regard, a matter of great pride that speaks volumes of our people-centric approach.

We have emerged stronger from the pandemic, gaining additional market share, and accelerating our profitability. As we enter FY23, we continue to be optimistic – the demand for our wines has never been stronger, as more and more Indians move to wine as their preferred alcoholic beverage, and Sula is the clear #1 consumers' choice!

Financial Overview

Net revenues grew by 8.3% to ₹4567.00 million in FY22 from ₹4215.32 million in FY21, with revenue from our own brands jumping 30.0%. EBITDA surged by 79.9% to ₹1160.71 million from ₹645.12 million LY with an unprecedented 1011 basis points leap in EBITDA margin.

Production and Harvest

Harvest 2022 was excellent in quantity as well as quality, and we crossed a landmark 10,000 tons of wine grapes for the first time. To meet the robust projected future demand, we planted 240 acres of wine grapes in 2021 in Maharashtra and Karnataka.

With the introduction of nine Elite wines at Domaine Sula, the entire Sula portfolio is now being manufactured at Karnataka, a terrific achievement. We also took full charge of winemaking operations at York, and already set about improving the quality of the York wines.

Hospitality

Our hospitality business bounced back strong with the pent-up travel demand post-Covid and revenues surged 90% in FY22. This business continues to attract more wine lovers and enthusiasts from across the country and generates brand loyalty for Sula. Room occupancy is at an all-time high, and on-site wine revenues are breaking past records. Occupancy for the year was close to 75% with our highest-ever ARR, crossing INR 10,000 for the first time. Our newly added Hermitage suite and Tree Houses added a more luxurious offering to our increasingly wine-knowledgeable clientele.

Marketing

FY22 was a landmark, record-breaking year for our digital marketing with our reach and engagement on top social media platforms Facebook and Instagram scaling new heights. As a result we are now in the Top 15 Global Wineries on Instagram in terms of followers, joining the likes of Dom Perignon and Veuve Clicquot. Our influencer strategy with vineyard visits by Instagram celebs with over 1Mn followers has led to an increase in brand awareness with a much wider and newer audience, especially resonating with younger potential wine drinkers. By year-end we were focusing much more on Hindi and regional-language content on YouTube for the first time, an approach we are sure will reap dividends.

On the trade marketing front which had taken a backseat during Covid we restarted activations of in-store displays across seven cities and initial results exceeded expectations.

Imports and Exports

In FY22 we continued to rationalize our imports portfolio and discontinued more brands which did not align with long term business and profitability goals. As a result of our sharpened focus on our remaining brands, Le Grand Noir is now the #2 imported wine brand in India after Pernod's Jacob's Creek.

Our exports business has bounced back from the pandemic largely driven by select export markets and airline listings.

Acquisitions and Subsidiaries

In FY22 we successfully completed the acquisition of York winery adding 19 brands to our portfolio. It was a strategic acquisition to enhance Sula's market share as well as add strength to our hospitality operations. The recent upgrades undertaken at York to elevate product quality and customer experience have begun showing positive results and we now look forward to building on this newly acquired asset.

Sustainability

At Sula, Green is as important as Red, White and Rosé! Sustainability is a guiding principle of life and business for us.

In FY22 we made further strides in being recognised as one of the world's most sustainable wine producers. We slashed water consumption per case to 56 litres from 80 litres in FY21. By installing dozens of heat pumps and other measures we also significantly cut energy consumption per case. We added 180kw of Solar PV panels at York directly after the acquisition, and overall 500kW of panels were installed across our facilities resulting in a 60% share of our own solar energy in our overall energy mix.
In FY22, Sula became an official applicant to the International Wineries for Climate Action (IWCA), a global group of environmentally committed wineries strongly focused on reducing carbon emissions. As climate change and global warming become more glaring issues with each passing year, we aim to always be in the forefront of fighting the good fight with important sustainability initiatives.

3. Dividend

The Board of Directors at its meeting held on December 15, 2021, declared interim dividend of INR 2.5/- per equity share of face value of INR 2/- each for FY 2021-2022. The interim dividend was paid to the shareholders holding shares as on Wednesday, December 15, 2021. The interim dividend payout for FY 2021-22 stands at INR 19,44,88,750 /- (Rupees Nineteen Crores Forty-Four Lakhs Eighty-Eight Thousand Seven Hundred and Fifty only). The Board recommends to declare a final dividend of INR 2.40/- per equity share of face value INR 2/- each for FY 2021-22 aggregating to INR 19,58,42,100/- (Rupees Nineteen Crores Fifty Eight Lakhs Forty-Two Thousand One Hundred only) out of the profits of financial year 2021-22 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company on May 19, 2022.

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

I. Conversion of warrants into equity shares

- Your Company has converted 27,66,959 warrants of Mr. Rajeev Samant, Managing Director and CEO of the Company into 27,66,959 equity shares having face value of Rs. 2 each.
- Your Company has converted 2,25,825 warrants of Mr. Alok Vajpeyi, Independent Director of the Company into 2,25,825 equity shares having face value of Rs. 2 each..
- Your Company has converted 10,000 warrants of Mr. Nirjay Singh into 10,000 equity shares having face value of Rs. 2 each.

II. Sula International Limited (Company Number 12053984), wholly owned subsidiary of the Company was struck off on April 19, 2022, and dissolved with effect from April, 26 2022.

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

5. Extract of Annual Return

Annual return in Form MGT-7 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at www.sulavineyards.com.

6. Directors and Key Managerial Personnel

During the year under review, following are the changes in Directors of the Company:

1) Mr. Roberto Italia was appointed as an Additional Director with effect from July 15, 2021. At the AGM held on July 30, 2021, he was appointed as Nominee Director of Verlinvest Asia Pte

Limited.

2) Mrs. Sangeeta Pendurkar was appointed as an Additional Director with effect from December 15, 2021. At the EGM held on December 27, 2021; she was appointed as an Independent Director for a term of three years.
3) Mr. Chetan Desai who was appointed as a Non- Executive Director with effect from June 1, 2018, was appointed as an Independent Director in the EGM held on December 27, 2021, for a term of three years.
4) Mr. Alok Vajpeyi who was appointed as a Non-Executive Director with effect from December 2, 2020, was appointed as an Independent Director in the EGM held on December 27, 2021 for a term of three years.
5) Mr. Hank Uberoi ceased to be the Director of the Company with effect from July 1, 2021.
6) Mr. Deepak Shahdadpuri ceased to be the Director of the Company with effect from July 1, 2021.
7) Mr. Kerry Damskey ceased to be the Director of the Company with effect from September 29, 2021.
8) Ms. Shagun Tiwary ceased to be the Director of the Company with effect from October 5, 2021.

Your Directors place on record their appreciation for the contributions made by Mr. Hank Uberoi, Mr. Deepak Shahdadpuri, Mr. Kerry Damskey and Ms. Shagun Tiwary during their tenure.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with provisions contained in the Articles of Association of the Company, Mr. Arjun Anand will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for re-appointment. The Board has recommended his re-appointment.

Director(s) Disclosure

Based on the declarations and confirmations received from the Directors, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

Statement of the declaration provided by independent directors under Section 149(6) of the Act:

The Company has received necessary declarations from all the Independent Directors under section 149(7) of the Act confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act. The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the "Indian Institute of Corporate Affairs" at Manesar, for inclusion of name in the data bank of Independent Directors.

Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year:

With regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the Financial year 2021-22, the Board of Directors have taken on record the declarations and confirmations submitted by the independent directors and is of the opinion that the independent director is a person of integrity and possesses relevant expertise and experience and his continued association as Director will be of immense benefit and in the best interest of the Company.

Regarding proficiency of the independent directors, ascertained from the online proficiency self-assessment test conducted by the institute, as notified under sub-section (1) of section 150 of the Act, the Board of Directors have taken on record the information submitted by independent director that he/she has complied with the applicable laws.

Key Managerial Personnel

In accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company:

(i) Mr. Rajeev Samant, Manging Directors was appointed as Chief Executive Officer designated as Key Managerial Personnel with effect from February 23, 2022.
(ii) Mr. Chaitanya Rathi, Chief Operating Officer was designated as Key Managerial Personnel with effect from February 23, 2022.
(iii)Mr. Bittu Varghese, Chief Financial Officer was designated as Key Managerial Personnel with effective February 23, 2022.
(iv) Ms. Ruchi Sathe who was appointed as Company Secretary with effective July 15, 2021 was designated Key Managerial Personnel with effective February 23, 2022.

7. **Board of Directors:**

a. **Composition of the Board**

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 which, inter alia, stipulates that the Board should have an optimum combination of executive and non-executive directors.

As on March 31, 2022, the Board comprised of six Directors including three independent Directors which includes independent woman director and the non-executive Chairman.

The present strength of Board of Directors of the Company is as follows:

Sr. No.	DIN	Name of the Directors	Category	Designation
1.	00020675	Mr. Rajeev Samant	Executive	Managing Director and CEO
2	03595319	Mr. Chetan Desai	Non – Executive	Independent Director
3	00019098	Mr. Alok Vajpeyi	Non – Executive	Independent Director
4	09228481	Mr. Roberto Italia	Non – Executive	Nominee Director
5	07639288	Mr. Arjun Anand	Non – Executive	Nominee Director
6	03321646	Ms. Sangeeta Pendurkar	Non – Executive	Independent Director

b. **Meetings of the Board**

The Board of Directors duly met 6 times during the financial year from April 01, 2021 to March 31, 2022. The dates on which the meetings were held are April 15, 2021, July 15, 2021, July 30, 2021, September 29, 2021, December 15, 2021 and February 23, 2022.

8. **Committees of the Board of Directors**

(i) Audit Committee:

In terms of Section 179 of the Companies Act, 2013, the Board of Directors has constituted an Audit Committee. The Board at its meeting held on February 23, 2022 re-constituted the Audit Committee. The Committee comprises of 3 Directors as below.

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

All the recommendations of the Audit Committee were accepted by the Board.

During the year i.e. from April 01, 2021 to March 31, 2022, Audit committee met 4 times on July 15, 2021, September 29, 2021, December 15, 2021 and February 23, 2022.

(ii) IPO Readiness Committee:

The IPO Readiness Committee was constituted by a resolution of the Board comprising of 4 Directors a below:

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

During the year i.e. from April 01, 2021 to March 31, 2022, the IPO Readiness Committee met 2 times on July 15, 2021, September 29, 2021.

The Committee was dissolved on December 15, 2021.

(iii) IPO Committee:

The IPO Committee was constituted by a resolution of our Board at its meeting held on February 23, 2022. The Committee comprises of four Directors as below:

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

During the year i.e. from April 01, 2021 to March 31, 2022, IPO committee met once on February 23, 2022.

(iv) Nomination and Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013, the Board of Directors has constituted Nomination & Remuneration Committee at its meeting held on February 23, 2022 comprising of 3 Directors as below:

Sr. No.	Name of the Directors
1.	Mr. Alok Vajpeyi, Chairperson
2.	Mrs. Sangeeta Pendurkar, Member
3.	Mr. Arjun Anand, Member

No meetings of the Nomination and Remuneration Committee were held in the Financial Year 2021-2022.

(v) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee was constituted by a resolution of the Board at their meeting held on February 23, 2022 comprising of 3 Directors as below:

Sr. No.	Name of the Directors
1.	Mr. Alok Vajpeyi, Chairperson
2.	Mr. Arjun Anand, Member
3.	Mr. Rajeev Samant, Member

No meetings of the Stakeholders' Relationship Committee were held in the Financial Year 2021-2022.

(vi) Risk Management Committee:

The Risk Management Committee was constituted by a resolution of our Board at its meeting held on February 23, 2022. The Committee was re-constituted vide circular resolution passed by the Board with requisite majority on March 08, 2022. The Committee comprises of three Directors and one Member as below:

Sr. No.	Name of the Directors
1.	Mrs. Sangeeta Pendurkar, Chairperson
2.	Mr. Arjun Anand, Member
3.	Mr. Rajeev Samant, Member
4.	Mr. Chaitanya Rathi, Member

During the year i.e. from April 01, 2021 to March 31, 2022, Risk Management committee met once on February 23, 2022.

(vii) Corporate Social Responsibility (CSR)

The CSR committee established in accordance with the provisions of Section 135 of the Companies Act, 2013. The Committee comprises of three Directors as below:

Sr. No.	Name of the Directors
1.	Mr. Rajeev Samant, Chairperson
2.	Mr. Chetan Desai, Member
3.	Mrs. Sangeeta Pendurkar, Member

During the year i.e. from April 01, 2021 to March 31, 2022, Corporate Social Responsibility committee met once on July 15, 2022.

9. Share Capital

Authorized Share Capital

The Authorized Share Capital of the Company as on March 31, 2022, is Rs. 20,20,60,000/- (Rupees Twenty Crores Twenty Lakhs and Sixty Thousand Only) divided into 10,10,30,000 (Ten Crores Ten Lakhs Thirty Thousand) Equity Shares having face value of Rs. 2/- (Rupees Two) each.

Sub-Division of Equity Shares

The nominal value of the equity shares of the Company was subdivided from Rs. 10/- per share to Rs. 2/- per share at the shareholder's meeting held on July 30, 2021.

Paid up and subscribed share capital

The paid up and subscribed share capital of the Company as on 31st March, 2022 is Rs. 15,71,96,182/-.

Issue and Allotment of Equity Shares

I. Issue of Equity Shares on Preferential basis ('Preferential Issue')

During the year, the Company has created, offered/issued, and allotted 13,33,333 Equity Shares on preferential basis ("Issue") of a face value of Rs 2/- at a premium of Rs. 238/- aggregating to Rs. 31,99,99,920/- (Rupees Thirty-One Crores Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred and Twenty only).

II. Issue of Equity Shares on Preferential basis ('Preferential Issue')

During the year, the Company has created, offered/issued, and allotted 41,667 Equity Shares on preferential basis ("Issue") of a face value of Rs 2/- at a premium of Rs. 238/- aggregating to Rs. 1,00,00,080/- (Rupees One Crore Eighty only).

III. Employee Stock Option Scheme 2018

Pursuant to the terms of Employee Stock Option Scheme 2018 including modifications thereon and exercise of stock options, 150,000 equity shares of face value of Rs. 2/- per share fully paid up (post sub-division) were allotted to Mr. Karan Vasani, Chief Winemaker & SVP of the Company.

IV. Conversion of warrants into equity shares

During the year under review, your Company has converted 16,71,221 warrants of Mr. Rajeev Samant, Managing Director and CEO of the Company into 16,71,221 equity shares.

10. Conversion of the Company from Private Limited to a Public Limited Company and consequent change of name of the Company

Your Company was converted into a Public Limited Company effective February 11, 2022 upon issue of fresh certificate of incorporation from Registrar of Companies, Mumbai, Maharashtra and accordingly its name has been changed to "Sula Vineyards Limited" (formerly Sula Vineyards Private Limited), leading to a consequent amendment to the Memorandum and Articles of Association of the Company.

11. Auditors

Statutory Auditors

M/s Walker Chandiok & Co. LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), had been appointed as Statutory Auditors of the Company at the 14th AGM held on September 25, 2017 for a period of 5 years. It is proposed to appoint M/s. Walker Chandiok & Co. LLP as Statutory Auditors for 2nd term of 5 years from conclusion of 19th AGM till the conclusion of the 24th AGM of the Company to be held in the year 2027 till the 24th 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 May 07, 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).

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Sunil Agarwal & Co., a firm of Company Secretaries in Practice, to undertake the secretarial Audit of the Company for FY 2022. The Report of the Secretarial Audit is annexed herewith as **Annexure V**. The Report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Board, at its meeting held on May 19, 2022, has re-appointed M/s. Sunil Agarwal & Co., as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2022-23.

12. Details of adequacy of internal financial controls

According to section 134(5)(e) of the Act the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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.

The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly.

The Company's IFC system also comprises of due compliances with Company`s policies and Standard Operating Procedures (SOP`s) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from M/s. Deloitte Touche Tohmatsu India LLP., the Internal Auditors.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting by Internal Auditors to the Audit Committee of the Board.

Every quarter the significant audit findings, the corrective steps recommended, and their implementation status are presented to the Audit Committee.

13. Directors' Responsibility Statement

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

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

(b) the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the same period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

(e) the Directors have laid down proper internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

14. Subsidiaries/ Joint Venture/ Associate Companies:

The Company has 2 (two) subsidiaries as on March 31, 2022. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

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-I**".

15. Issue of employee stock options

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

Particulars	ESOS 2018	ESOS 2018 (2)	ESOS COO & CFO 2019	ESOS 2020	ESOS 2021
Options granted	Nil	Nil	307,390	16,665	1,806,000
Options vested	Nil	Nil	Nil	Nil	Nil
Options exercised	Nil	Nil	Nil	Nil	Nil
Total number of shares arising out of exercise of options	150,000	Nil	Nil	Nil	Nil
Options forfeited/lapsed/cancelled	250,000	50,000	Nil	Nil	23,000
Exercise price	Rs. 126.2	Rs. 170	Rs. 170	Rs. 170	Rs. 170
Variations of	Amendment	To modify	To modify	To modify	Amendme

terms of options	to the scheme mainly relates to: 1. Making the scheme compliant with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 2. To extend the exercise period upto six months from the date of listing or the date of vesting, which ever later.	the number of equity shares granted/to be granted, nominal value per share thereon and strike price to align with the aforesaid sub-division of equity shares. Amendment to the scheme mainly relates to: 1.Making the scheme compliant with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 2. To extend the exercise period upto six months from the date of listing or the date of vesting, which ever later.	the number of equity shares granted/to be granted, nominal value per share thereon and strike price to align with the aforesaid sub-division of equity shares. Amendment to the scheme mainly relates to: 1.Making the scheme compliant with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 2. To extend the exercise period upto six months from the date of listing or the date of vesting, which ever later.	the number of equity shares granted/to be granted, nominal value per share thereon and strike price to align with the aforesaid sub-division of equity shares. Amendment to the scheme mainly relates to: 1. Making the scheme compliant with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 2. To extend the exercise period upto six months from the date of listing or the date of vesting, which ever later.	nt to the scheme mainly relates to: 1. Making the scheme compliant with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 2. To extend the exercise period upto six months from the date of listing or the date of vesting, which ever later.
Money realized by exercise of options	Rs. 1,89,30,000	Nil	Nil	Nil	Nil
Total number of options in force	0	50,000	307,390	16,665	1,806,000

Employee wise details of options granted to:

Particulars	
(a) Directors and key managerial personnel	1.Mr. Chaitanya Rathi, COO 2.Mr. Bittu Varghese, CFO 3.Ms. Ruchi Sathe, Company Secretary
(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. Chaitanya Rathi, COO
(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	--

16. Vigil Mechanism

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

The mechanism adopted by the Company encourages the Whistleblower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower to those who avail such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases.

17. Risk management

Sula has in place comprehensive risk assessment and minimization procedures. The Risk Management Committee of the Board is responsible for preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, identifying and reviewing critical risks on regular basis, reporting of key changes in critical risks to the Board on an ongoing basis, evaluation of risk management systems by the Audit Committee and such other functions as may be prescribed by the Board.

Sula is committed to protect the interests of its customers, stakeholders, investors, shareholders, employees and each person or entity with whom it is associated.

Towards this goal, Sula consistently seeks to strengthen its internal processes and evaluates innovative ways to blunt the risk impact.

Sula has a well-defined risk management framework in place and a robust organizational structure for managing and reporting risks. There is an overarching risk management policy in place that was reviewed and approved by the Board. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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

18. Nomination and Remuneration Policy

This Nomination and Remuneration Policy (the "Policy") has been formulated by the Company in compliance with Section 178 of the Companies Act, 2013. Accordingly, the Board of Directors of Company ("Board") adopted the Policy at its meeting held on February 23, 2022.

The broad objectives of the Nomination and Remuneration policy are:

i. to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
ii. evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
iii. to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The guiding principles of the policy are to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee formulates the criteria for appointment as a Director, Key Managerial Personnel and Senior Management, identifies persons who are qualified to be Directors and nominates candidates for Directorships subject to the approval of Board, evaluates the performance of the individual directors, recommends to the Board, remuneration to Managing Director / Whole-time Directors, ensures that the remuneration to Key Managerial Personnel, Senior Management and other employees is based on Company's overall philosophy and guidelines and is based on industry standards, linked to performance of the self and the Company and is a balance of fixed pay and variable pay and recommends to the Board, sitting fees/ commission to the Non-Executive Directors.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and senior management is available on the website of the Company at https://sulavineyards.com/pdf/Nomination_and_Renumeration_Policy.pdf

19. Particulars of Deposits

The Company has not accepted any deposit (under Rule 2[c] of the Companies [Acceptance of Deposits] Rules, 2014) within the meaning of Sections 73 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).

20. 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.

21. Explanation to Remarks: In the Statutory Auditors' Report

The statutory audit report for the year 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditors.

22. Maintenance of Cost Records

The provisions pertaining to maintenance of Cost Records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013, are not applicable to the Company.

23. Corporate Social Responsibility (CSR)

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 III"** in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at: https://sulavineyards.com/pdf/CSR_Policy.pdf

Your Company organized a blood donation camp at Nashik location in the month of March 2022. Sula employees – 129 from Hospitality and 17 employees from the Winery and Security participated in the camp.

24. 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 II"**

25. Dematerialization of Shares

The Company encourages its member to hold shares in electronic form and the Company has established connectivity with depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. 66.33% of the Company's paid up Equity Share Capital is in dematerialized form as on March 31, 2022. The Company's Registrars are Kfin Technologies Limited having its office at Selenium, Tower B, Plot No – 31 and 32, Financial District, Nanakramguda, Hyderabad, Rangareedi 500 032 Telangana, India.

26. 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.

27. Prevention of Sexual Harassment of Woman at Workplace

Your Company is committed to providing a safe, healthy and conducive environment for all persons associated with us. Internal Complaint Committee has been constituted at various locations pursuant to the provisions for the Prevention of Sexual Harassment of Woman at Workplace 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.

28. 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 ✓ 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 386.8 Lakh in FY 2022

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 3.66 million electrical units from Solar roof top system and saved approximately 3700 MT of CO_2
(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 31.03.2022 (INR in millions)	Year ended 31.03.2021 (INR in millions)
(i) Earnings	68.38	116.86
(ii) Outgo	69.23	196.15

29. Secretarial Standards

The Secretarial Standards SS-1 and SS-2 issued and notified by the Institute of Company Secretaries of India has been complied with by the Company during the financial year under review.

30. Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors, and members during the year under review. Your Directors take this opportunity to wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers. The Directors would also like to thank the shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board

Place: Mumbai
Date:

Rajeev Samant
Managing Director & CEO
DIN:00020675

Chetan Desai
Chairman
DIN:03595319

INDEX OF ANNEXURES ATTACHED TO THE BOARDS' REPORT

Annexure	Content
I.	AOC – 1 Details of subsidiary
II.	AOC 2 – Related Party Transactions disclosure
III.	Annual Report on Corporate Social Responsibility
IV.	Report on Sustainability
V.	Secretarial Audit Report

ANNEXURE I

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 million)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Artisan Spirits Private Limited	Sula International
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 Annual Report on CSR Activities subsidiaries	INR	GBP 99.82
4.	Share capital (INR)	Authorised- 360.00 Paid-up - 353.50	Authorised- 0.10 Paid-up - 0.10
5.	Reserves & surplus	(279.32)	(2.70)
6.	Total assets	569.21	0.09
7.	Total Liabilities	495.03	2.69
8.	Investments	NIL	NIL
9.	Turnover	436.59	NIL
10.	Profit before taxation	16.99	(0.35)
11.	Provision for taxation	NIL	NIL
12.	Profit after taxation	16.99	(0.35)
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100%	100%

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	**Chetan Desai**
Managing Director	**Director**
DIN: 00020675	**DIN: 03595319**

Arjun Anand	**Bittu Varghese**
Director	**CFO**
DIN: 07639288	**ACA: 117278**

ANNEXURE - II

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain 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 Pvt Limited (Subsidiary)	As per Board Resolution	Ongoing/ Periodical	Sale of Products\Sale of Raw Material\Sale of Packing Material\Purchase of Products\Purchase of Raw Material\ Interest Income\Rent Income\Purchase of Property Plant Equipment\Sale of Property Plant Equipment\Loan Given\ Loan Repaid\Interest Repaid\ Corporate Guarantee	07.06.17 23.05.18 28.05.19 18.09.19 14.05.20 15.07.21 29.09.21 15.12.21	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	Sula International Limited (Subsidiary)	As per Board Resolution		Loan Given	28.05.19 16.03.20 15.12.21	Nil
3	Rajeev S Samant (Managing Director CEO)	As per mutually agreed terms	Long Term arrangements/ Periodical	Sale of Products\Purchase of Raw Material\Interest Expense \Repayment of Lease liability\Purchase of Immovable Property\Dividend expense\Loan Taken\Loan Repaid\Remuneration to KMP	20.05.15 08.02.17 06.02.18 23.05.18 11.09.18 28.05.19 04.12.19 16.03.21 29.09.21 15.12.21 23.02.22	Nil
4	Suresh A Samant Relative of KMP	As per mutually agreed terms	Long Term arrangements/ Periodical	Purchase of property, plant & equipment/Purchase of Raw Materials/ Managerial Remuneration/Rent Expense	31.05.16 08.02.17 06.02.18 11.09.18 28.05.19 04.12.19 16.03.21 29.09.21	Nil
5	Bharat Samant Relative of KMP	As per Board Resolution	Long Term arrangements/ Periodical	Purchase of Raw Material	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	Sulabha Samant Relative of KMP	As per Board Resolution	Long Term arrangements/ Periodical	Purchase of Raw Material	08.02.17 06.02.18 11.09.18 04.12.19	Nil

For and on behalf of the Board

Rajeev Samant **Managing Director** **DIN: 00020675**	**Chetan Desai** **Director** **DIN: 0359531**

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR Policy is stated herein below: CSR Policy (Approved by the Board of Directors on May 27, 2014 and has been last amended on February 23, 2022)

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

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

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

To pursue these objectives, we will continue to:

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

(2) **Composition of the CSR Committee.**
The CSR Committee was constituted with the following members:

Sr No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajeev Samant	Managing Director & CEO DIN: 00020675	1	1
2.	Mr. Kerry Damskey	Director DIN: 07793310	1	1

The CSR Committee was re-constituted by the Board at its 90th meeting held on February 23, 2022, with the following members:

Sr No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajeev Samant	Managing Director & CEO DIN: 00020675	1	1
2.	Mr. Chetan Desai	Independent Director DIN: 03595319	1	Nil
3.	Mrs. Sangeeta Pendurkar	Independent Director DIN: 03321646	1	Nil

(3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.sulavineyards.com

(4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable - Not Applicable

(5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – INR 0.04 million

(6) Average net profit of the Company for last three financial years:
Average net profit: INR 141.05 million

(7) (a) Two percent of average net profit of the company as per section 135(5): INR 2.82 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

(c) Amount required to be set off for the financial year, if any: Not Applicable

(d) Total CSR obligation for the financial year (7a+7b+7c): Rs. 2.82 million

(8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
8.82 million	--	--	--	--	--

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.)	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Gangapur road divider and Amrut Garden maintainance		Yes	Maharashtra	Nashik	3 years	INR 0.40 million	INR 0.40 million		Direct		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration
1	Geographic reach road Development	Rural development projects(water	Yes	Maharashtra Karnataka	Savargoan Govarhdan,	INR 1.45 million	Yes	NA	NA

	for Villages	ATM,, fogging, road cleaning, Drainage slab)			Chekkare				
2	Plantation Afforestation & Maintenance of Existing Plantation Project	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Yes	Maharashtra & Karnataka	Nashik, Wasali, Ozer, DD highway, and Chekkre	INR 0.97 million	Yes	NA	NA
3	Prime Minister Relief Fund & CM Disaster management fund	Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women				INR 6.00 million	Yes	NA	NA

(d) Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 8.82 million *(g) Excess amount for set off, if any:*

Sr. No	Particulars	Amount
(1)	Two percent of average net profit of the company as per section 135(5)	INR 2.82 million
(2)	Total amount spent for the Financial Year	INR 2.82 million
(3)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(4)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(5)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sr No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of fund	Amount	Date of Transfer	
1.	2020-2021	-	INR 4.17 million				-
2.	2019-2020	-	INR 3.01 million	-	-	-	-
3.	2018-2019	-	INR 4.60 million	-	-	-	-

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

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

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

(11) *Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):* Not Applicable for FY 2021-2022. For earlier financial years, the Company deferred CSR expense for want of appropriate CSR projects, which the Company will ensure contributing in FY 2022-23.

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

Rajeev Samant	**Chetan Desai**
Managing Director & CEO	**Independent Director**
DIN: 00020675	**DIN: 03595319**

SULA

SUSTAINABILITY AND RESPONSIBILITY REPORT FY'22

SULA VINEYARDS

OUR APPROACH

At Sula, Green is as important as Red, White and Rosé!
Sustainability is a guiding principle of life and business for us. We strive to be responsible stewards of our land, because it's the best way to make authentic, distinctive wines. Our commitment to producing the best wines through sustainable winemaking and viticulture operations goes beyond protecting our natural environment. We strive to enhance our land and enrich the lives of the community dependent on our businesses through our sustainable vineyards. Our sustainability program is designed to drive our growth and develop a reporting framework which allows us to confidently report our performance.

ABOUT THIS REPORT

Our 4th sustainability report, spans the period from April 2021 to March 2022 and provides insights into our key sustainability pillars and measures we have taken to drive them. It gives a summary of all the work we have done to mitigate our environmental footprint. We have been publishing our annual sustainability report since the financial year 2018-19.

This report covers all of Sula's manufacturing sites along with our wine tourism business. The reported statistics concerning environmental issues cover our four owned manufacturing facilities - Nashik winery, York winery and Domaine Dindori in Nashik and Domaine Sula in Karnataka, along with two leased wineries Indian Ambiance and ND Wines. It also covers our wine tourism business at Nashik winery and Domaine Sula, including two resort properties The Source and Beyond by Sula. Data regarding our employee wellfare measures not only covers the above facilities but also our head office in Mumbai and our regional sales offices across the country. The data in this report covers all significant areas of operation and is therefore not segregated according to region.

CHANGES IN REPORTING

Reporting remains the same as FY'21, except for the addition of York winery, acquired by Sula Vineyards Limited in July 2021. Besides the core winemaking production facility, York also has a tasting room and a restaurant. This facility is strategically located around 2 km from Nashik winery, providing us operational synergies and the potential for growth.

The report now covers 6 wineries, 2 resorts, 3 restaurants and 3 tasting rooms. The focus of the report is on topics that are material both to our business and to all our stakeholders.

ASSURANCE

The data reported is in line with the records maintained throughout the year and has been validated internally to assure the accuracy. The internal assurance for this report has been recommended and approved by our senior management team.

COMPANY OVERVIEW

MANUFACTURING CAPACITY
14.5 MILLION LITRES

CASES SOLD APPROXIMATELY
900,000
OF OUR OWN WINES

NET INCOME
INR 4.6 BILLION

VISITORS TO OUR WINE TOURISM FACILITIES
250,000

Over the last 20 years, Sula has grown and established itself as a pioneer, innovator and leader in the Indian wine industry. We are one of the most eco-friendly companies in India, with a significant amount of our resources committed to sustainable winemaking practices, sustainable vineyards and ensuring fair livelihoods for our community of farmers across Maharashtra and Karnataka. We ensure that every decision we make respects our values, alongside our objectives. Making great wine is our passion and our goal, but we make sure to put the environment's well being before anything else. Each extra step taken towards creating a sustainable final product is worth it.

OUR WINES

Our product selection strives to offer something for everyone and every celebration. Sula is proud to have built a culture of wine drinking in India and has been the #1 international trailblazer in Indian wines. The way we operate, is guided by our core values that aim at preserving and enhancing the art of winemaking.

Our extensive wine portfolio spans over a wide range of products made from about 15 different grape varieties. Our main wine categories include, RĀSĀ, The Source, Dindori Reserve, Sula Classics and York.

RĀSĀ

THE SOURCE

DINDORI RESERVE

SULA CLASSICS

YORK

CERTIFICATION

BRCGS

Food Safety

CERTIFICATED

As part of our commitment to delivering the best quality of wines, our food safety system is now certified by the Brand Reputation Compliance (BRC) Global Standards. This certification is an upgrade on our earlier ISO 22000 certification. BRC standards are dynamic and evolve rapidly to reflect global best practices, are industry specific and are also recognized by the Global Food Safety Initiative (GFSI). Our two largest facilities are now BRC certified and the others will also be adopting BRC standards going forward.

SUSTAINABILITY

DEVELOPMENT GOALS

Our sustainability initiatives are in line with the United Nations' Sustainable Development Goals, designed to provide a framework to achieve a better and more sustainable future for all by 2030. The key focus areas of our Sustainability program are Planet and People.

We are highly committed to our long term relationship with the local communities, well being of our employees and value of our agricultural land. As climate change continues to become more glaring issue with each passing year, we plan our operations consciously, focusing on reducing our impact on the environment and becoming more mindful towards the communities around us.

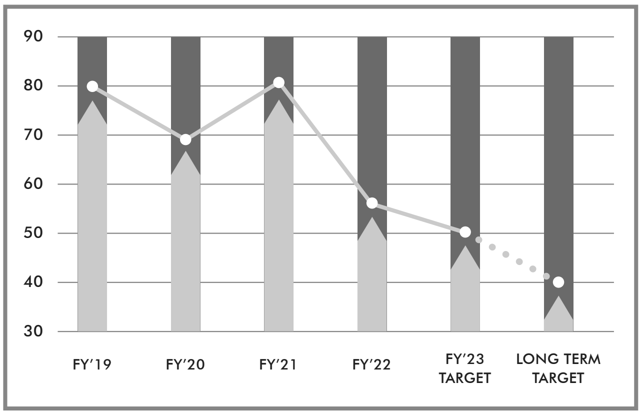
ENERGY & GREEN HOUSE GASES	WATER	WASTE	PEOPLE
7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	5 GENDER EQUALITY; 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 4 QUALITY EDUCATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	6 CLEAN WATER AND SANITATION	15 LIFE ON LAND	1 NO POVERTY; 10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
13 CLIMATE ACTION	14 LIFE BELOW WATER	11 SUSTAINABLE CITIES AND COMMUNITIES	

KEY PERFORMANCE

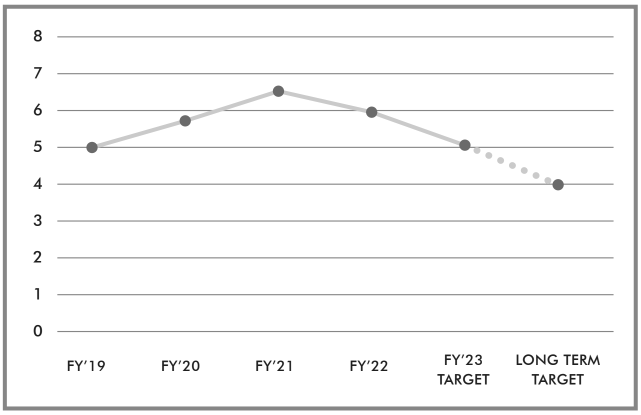
INDICATORS

METRIC	UNIT OF MEASUREMENT	FY'19	FY'20	FY'21	FY'22	FY'23 TARGET	LONG TERM TARGET
Water Efficiency	Litres per 9 Litre Case	85	67	80	56	50	40
Energy Efficiency	Units per 9 Litre Case	5.1	5.8	6.7	5.9	5.2	4.0
Solar Contribution	%	45	49	61	60	64	70

NOTE: The water and energy efficiency numbers are higher from FY'20 to FY'22, due to lower production and dispatch as a result of the Covid-19 pandemic

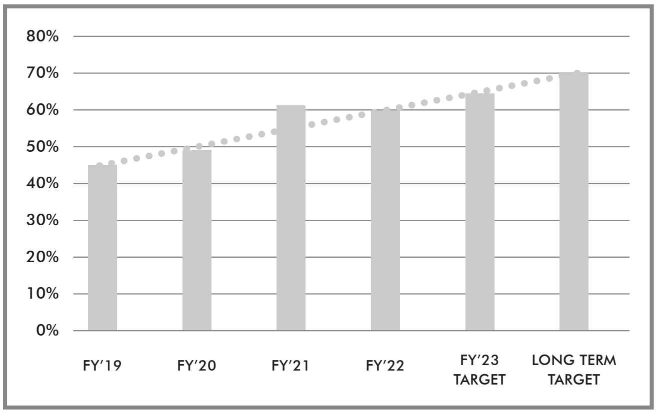


WATER LITRES PER 9 LITRES CASE



POWER UNITS PER 9 LITRES CASE

Energy efficiency and water efficiency is calculated taking into consideration all our owned and leased production facilities, it excludes our wine tourism business and York winery.



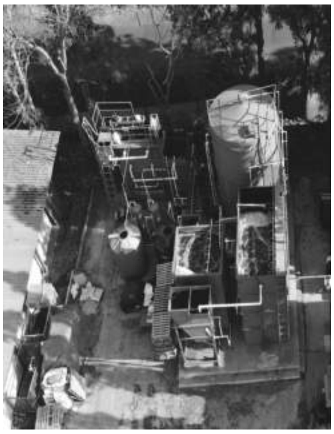
SOLAR CONTRIBUTION

Solar contribution includes all our owned and leased production facilities and wine tourism business; it excludes our head office in Mumbai and pan India sales offices and York winery.

OUR ACCOMPLISHMENTS

- We did far better than the water consumption target we had set ourselves and with dedicated efforts for water conservation, we achieved 56 litres per case in FY'22 as against our target of 61 litres per case. Based on this performance we have revised our long term water efficiency target down from 50 to 40 litres per case.

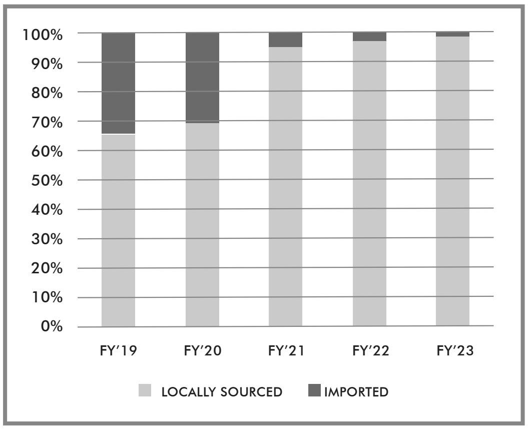
- Since the acquisition of York winery, within just 9 months, we have converted this facility into a far more sustainable winery by installing 180 KW solar panels, which led to 76% solar contribution in FY'22. We have also set up a brand new effluent treatment plant at York winery, stepping up our water recycling efforts. Additionally, we have insulated all wine storage tanks to prevent cooling loss and replaced all florescent lighting with LEDs.



AERIAL VIEW OF SOLAR AND EFFLUENT TREATMENT PLANT AT YORK

- In FY’22 we installed over 500 KW of additional solar panels, however despite this we fell short of our target for solar contribution, achieving only 60% as against our target of 70%. This shortfall was on account of several factors including government policies limiting our ability to install more solar panels at our largest facility as well as overall lower sunlight intensity. In FY’23 we expect to achieve 64% solar contribution.

- In FY'22, we have completed our project of localizing the sourcing of glass bottles for packaging and moving away from bottle imports. In FY'22 over 97% of our bottles were sourced from locally vis-a-vis 65% in FY'19. Going forward, 99% of our bottles will be sourced from local vendors.



LOCALIZING OUR SUPPLY CHAIN

OUR EMPLOYEES WITH NEW E-BIKES

- We have installed 20 AC type electric vehicle charging stations at all our facilities in FY'22 and provide charging free of cost to all our employees and guests alike. In FY'23, we have planed to install 10 additional AC chargers and 2 DC chargers. We have introduced a E-bike loan policy for our employees at just 8% rate of interest, thus incentivising them to adopt more sustainable means of transport.

ENVIRONMENTAL STEWARDSHIP

We stay committed to nurturing a culture of responsibility and care towards the planet. We have upped our sustainability quotient with focused efforts on conserving water, reducing carbon emissions, enhancing renewable energy use and phasing out single-use plastic.

Climate change impacts all our operations being an agro based industry. We face the challenge of water availability due to irregular and unseasonal rainfall. Rising temperatures affect our wine storage and supply chain. We plan our operations to ensure conservation and judicial use of natural resources.

We have defined specific targets to ensure that we utilize our resources optimally and continue to contribute towards making our communities greener and more sustainable. Optimum utilization of energy and water at all our properties, reducing green house gas emissions and efficient waste management are the major focus areas for us, and we are making steady progress towards achieving our goals.

ENERGY AND GREEN HOUSE GASES (GHG)

Our key focus is on reducing the grid power usage and adoption of green energy through solar installations at all our facilities. Solar contribution in FY'22 was 60%.

We have taken various initiatives for reducing our green house gas emissions by adopting smart operations and innovative technology.

— HEAT PUMPS

Heat pumps have been installed for heating swimming pool water at our resorts and heating line sanitation water in our bottling operations. Installed capacity over 300 KW. Cold air, which is a by product of the heat pumps is used for cooling our office spaces, reducing the dependence on ACs.

— LPG REPLACEMENT

We have replaced LPG cooking ranges at our in house canteen, with induction cook tops. We are in the process of adopting induction cooking at our Nashik winery restaurant and tasting room as well. These efforts will amount to an annual saving of about 400 cylinders, equivalent to approximately 20 Tons of CO_2.

ELECTRIC VEHICLES (EVS):

In FY'22 we have purchased 5 EVs, as replacement of old diesel vehicles. Our target was to have 20% EVs in our company fleet by the end of FY'23 however, we have achieved this target in FY'22 itself. We further aim to increase the share of EVs by 10% each year, till we get to 80%. In FY'23 we plan on purchasing 5 new vehicles, out of which 4 will be EVs.

ELECTRIC VEHICLES

SOLAR POWERED PUMPS

Solar Powered Pumps: We have completely done away with the use of diesel powered pumps for irrigation at our estate vineyards and have switched to solar pumps, with a total capacity of approximately 118 Hp.

SOLAR PUMPS FOR IRRIGATION AT VINEYARDS

SUSTAINABLE CONSTRUCTION

With the aim to reduce our ecological footprint, we have opted for a pre engineered metal building (PEMB) rather than traditional construction for winery expansion at our Domaine Dindori unit. Material used for the construction of PEMBs is finished away from the installation site, this greatly reduces the volatile organic compounds and other suspended solid particles from the air. By opting for a PEMB we will be saving approximately 400 Tons of CO_2 emissions, which is about 25% lower than conventional construction.

ENERGY MANAGEMENT

We are improving our energy efficiency practices and assessing our consumption internally, through daily monitoring and trend analysis. Some of the best practices include:

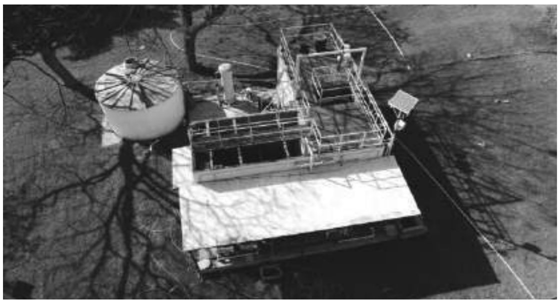
- Chilling operations only during solar hours.
- Converting fluorescent lighting to LED lighting.
- Utilizing Variable Frequency Drives (VFDs) to reduce energy consumption of equipment, such as pumps.
- Insulated wine storage tanks to prevent heat loss.
- Reducing energy use during cold stabilization by using ion exchange and electro-dialysis for wine stabilization.
- Replacing old air conditioner units with invertor based ACs.
- Insulating barrel rooms to prevent heat loss during wine ageing.

WATER

Viticulture and winemaking are both water intensive processes and conserving every drop of water is necessary. Water resource management is paramount for achieving sustainability and longevity, and requires attention not only in our production facilities and vineyards, but also at the tasting rooms and corporate offices.

We are one of the pioneers in rainwater harvesting in the Nashik area. Our wineries have a combined rainwater harvesting capacity of 36.8 million litres.

AERIAL VIEW OF RAIN WATER RESERVOIR AT SULA



AERIAL VIEW OF STP AT DOMAINE DINDORI

At Sula, not a single drop of water gets wasted. We have installed high specification effluent treatment plants at all sites to ensure that 100% water is recycled. In FY'22 we reused around 32 million litres of treated water for various purposes like; irrigation of our estate vineyards, landscaping at our resorts and flush water in the office restrooms. We are targeting to improve the quality of our treated water and aiming to use about 4 million litres of treated water for cooling towers in FY'23, in addition to other applications. Additionally, we also reuse the reject water from RO treatment and softener plants for activities like, floor cleaning and dish washing at the canteens.

WASTE

Solid waste pollution of green spaces, water bodies and urban environment is a major global issue. In FY'22 we generated roughly 500 MT of solid waste. 99% of this packaging material is recyclable.

For disposal of organic waste, we have set up a 200 Kg biogas plant at our restaurant at Nashik winery and a 35 Kg plant at our canteen facility at Domaine Dindori, which allowed us to generate roughly 3000 Kg biogas during FY'22.

Pomace obtained from the winemaking process is sun dried and used as a component for vermicompost along with FYM and shredded vineyard cuttings. In FY’22 we produced 120 tons of vermicompost, which was exclusively used in our vineyards as a substitute for chemical fertilizers. We are targeting to produce 250 tons of vermicompost in FY'23. Grape seeds harvested from the dried pomace are cold pressed to produce grape seed oil.

BIOGAS PLANT AT RESTAURANT

Pomace obtained from the winemaking process is sun dried and used as a component for vermicompost along with FYM and shredded vineyard cuttings. In FY'22 we produced 120 tons of vermicompost, which was exclusively used in our vineyards as a substitute for chemical fertilizers. We are targeting to produce 250 tons of vermicompost in FY'23. Grape seeds harvested from the dried pomace are cold pressed to produce grape seed oil.

VERMICOMPOST PRODUCTION AT OUR VINEYARDS

VINEYARD PRACTICES

Maintaining the health of our vineyards and promoting the longevity of their use is integral to the success of our business and the quality of our wines. We operate as a conscientious wine producer, adapting to the changing climate while making high quality wines and preserving the fertility of the land for the years to come.

OUR VINEYARDS AT DINDORI

To combat the seasonal variations arising due to the climate change, we are implementing various practices such as:

- Delayed pruning cycle to mitigate the uncertainty of rains.
- Drip irrigation system at all vineyards.
- Moving away from all toxic fertilizer and inorganic chemical usage.
- Use of vermicompost for soil fertility.
- Nitrogen fixing cover crop plantation during monsoon.
- Using sheep for weeding the the vineyards rather than using harmful weedicides.
- We also work with our grower partners to implement more sustainable practices for grape cultivation, without compromising on the quality and yield.

DEWEEDING WITH SHEEP

INTERNATIONAL WINERIES FOR CLIMATE ACTION (IWCA)

In FY'22, Sula became an official applicant to IWCA, a collaborative working group of environmentally committed wineries focused on a science-based approach to reducing carbon emissions across the wine industry. IWCA founded by Famillia Torres and Jackson Family Wines, currently has 13 members. Sula is the only winery in Asia to become a part of IWCA.

We are targeting IWCA Gold Membership:

- Becoming Net Zero by 2050 across Scope 1 to 3.
- Third party verified GHG inventory of Scope 1 to 3.
- Operations to be powered by at least 20% renewable energy.
- Show reduction in CO_2 emissions from baseline inventory.

INTERNATIONAL WINERIES FOR CLIMATE ACTION

In FY'22 we have begun quantifying our GHG emissions across all three scopes, with the help of Sustrige, a sustainability consulting agency associated with IWCA. In FY'23, we will get the GHG emissions audited externally as per ISO 14064 norms.

PEOPLE

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

Sula is now certified as a Great Place to Work! We have been recognized globally for our people practices. We participated for the first time in this survey and have scored higher than the top 100 companies in India.

We employ a diverse workforce with experience in all areas of the wine industry, including viticulture, winemaking, hospitality, finance, IT, legal, HR, administration and sales. As of 31st March 2022, we had 717 full-time employees.

Through our comprehensive benefit plans, recognition programs and learning opportunities, we aim to position all of our employees for success in their careers and enable them to lead well-balanced and meaningful lives. Human resource management requires an understanding of the obstacles our employees face and how they may be affected by external factors. We ensure the well being our employees by providing them with various benefits.

REWARDS, RECOGNITION & BENEFITS

We celebrate the dedication, determination and hard work of our employees and recognise them for the same. We felicitated 45 employees for long term service in FY'22. Along with this we also recognize our employees routine work through programs like Employee of the Month and Quarter awards.

LONG TERM SERVICE

OUTSTANDING PERFORMANCE AWARD

EMPLOYEE OF THE QUARTER

Along with the employee recognition programs we ensure that our hard working, deserving staff is given the opportunity to grow and promote them through the ranks for their performance.

Mr. Ajay Jadhav
DGM Excise and Dispatch

Ajay joined the organisation in April 2002 as a office assistant. Through his hard work, dedication and determination to learn, he has risen through the ranks is now handling the company's excise and dispatch work as a Deputy General Manager.

Mr. Vishal Tambe
Regional Sales Manager

Vishal joined the company in April 2002 as an office assistant. Through his relentless dedication, focus and drive he has risen through the ranks to a Regional Sales Manager for Mumbai.

Inculcating the Sula culture in the next generation:

Mr. Dattu Pawar
Driver

Mr. Ravindra Pawar
Executive - Production QC

Dattu joined the company in December 2000. After his many years of service, he has passed on the company values and inculcated the work culture to his son Ravindra, who has joined our quality control team in July 2021.

Apart from employee reward and recognition, we offer several comprehensive benefits to our staff as mentioned below:

- **Special Benefits:** Employee wine allotments and discounts, merchandise discounts. Discounted stock sold under an Employee Stock Purchase Plan. We are very proud to have given stock options to all our employees, who will now be share holders in the company.

- **Parental Leave Policies:** We are 100% compliant with the Maternity Benefit Act 2017. We go above and beyond by offering a month long paternity leave to all our male employees.

- **Response to Covid-19:** The Covid-19 pandemic at the beginning of FY'22 impacted our operations to some extent, for both the manufacturing and hospitality business. We have worked on providing a safe work environment for all our employees and a safe visitor experience to our guests. Even though a number of our employees tested positive for Covid-19, there were no fatalities. We took various measures against Covid-19 like;

    - Organised a vaccination drive for our employees and their spouses and provided free vaccination against Covid-19. Employees across all sites are fully vaccinated against Covid-19.We will be giving Covid-19 booster dose to our employees and their spouses in June 2022.

    - Increased communication with and within the teams and extended support where required and implemented thorough sanitation protocols at all our locations and ensured social distancing, wearing of masks and hand sanitization for all employees.

- **L&D:** Various technical and skill development training sessions are conducted online and offline for all employees throughout the year. 160 offline training sessions were conducted during FY'22 and the employees spent a total of 5300 hours. These training cover a wise array of topics right from time management, effective communication, technical training for ISO, BRC, FASSAI norms and implementation, IT security and awareness and so on.

- **Internship Program:** We offer interships to young aspiring candidates across various departments like winemaking, viticulture, HR, finance quality control. Hard working and dedicated candidates from these training programs are often offered full time positions in the organisation.

- **Gender Equality:** We take pride in the fact that we are an Equal Opportunity Employer and ensure zero discrimination during hiring or at the workplace. There is no gender-based discrimination for determining the compensation packages or during promotions. MO + mum sales, however, Winery, Sales & ROI, Wine tourism - % ratio is neg. Our corporate office in Mumbai has 47% female employees.

- **Health Benefits:** At Sula we ensure the well being of our employees by providing comprehensive health insurance to our permanent employees, including their spouses and two children. We organise annual health check-up to all our permanent employees. Thrice a month, on site medical consultation is provided and health check-ups are available free of cost.

- **POSH (Prevention of Sexual Harassment) Committee:** tWe have zero tolerance towards sexual harassment and have a specially appointed panel to investigate any complaints across our value chain. In FY’22 zero cases were reported under POSH.

- **Leave Policy:** We offer our employees 28 paid leaves during the year in addition to weekly off days, regional and national holidays.

- **Employee Engagement:** Various fun activities like Women’s day and Men’s celebration, festivities, sports competitions are organised throughout the year to help boost the morale among our workforce and for team building.

- **No Child Labour:** All our vineyards, estate and contract are 100% free of child labour.

- **Farmer Well Being:** Our contracts with farmers ensure price stability and insulate them from the volatility of the agro market in India. We currently have contracts with about 500 farmers for over 2,500 acres of land.

RESPONSIBLE ENJOYMENT

OUR TASTING ROOMS

Our tasting rooms are designed to offer a relaxing and engaging environment for the enjoyment of our wines. In FY'22 we hosted our guests ensuring all safety protocols Covid-19 like, wearing masks, gloves and installed hand sanitizer stations. Only those individuals who are 21 years of age or older are served wine at our hospitality facilities. We also offer guided tours and tasting experience, conducted by trained wine experts. We prioritize the health and well-being of our visitors by monitoring for signs of intoxication and promoting a measured tasting experience.

GUIDED WINERY TOUR AND WINE TASTING

COMMUNITY ENGAGEMENT

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

In FY'22, we gave donations for Covid-19 relief to PM Cares initiative and Maharashtra State Relief Fund worth rupees 6 million. Under CSR we carried out several other projects like infrastructure development in the local communities including, setting up water ATMs, street lights, concrete drainage. Community service like road cleaning, fogging, tree plantation and maintenance.

OUR SENIOR. LEADERSHIP HANDING OVER COVID-19 RELIEF DONATIONS TO GOVERNMENT OFFICIALS

COMPUTER DONATION TO LOCAL SCHOOLS

Office : 124-125, Ostwal Ornate, "A" Wing,
Building No. 2, Opp. Jain Temple, Jesal Park,
Bhayandar (East), Mumbai - 401 105.
Mobile : +91 9920715299 / 8779956763

Email : sunilcs_mumbai@rediffmail.com
agarwalcs_mumbai@yahoo.co.in
Web. : www.cssunilagarwal.in

SUNIL AGARWAL & Co.
Company Secretaries

To,
The Members,
SULA VINEYARDS LIMITED
(Erstwhile known as Sula Vineyards Private Limited)
901 Hubtown Solaris N.S. Phadke Marg,
Andheri (E) Mumbai – 400069

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company and have relied on the statutory report provided by the Statutory Auditors as well as Internal Auditor of the company for the financial year ending 31 March, 2022.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provision and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

For Sunil Agarwal & Co.
Company Secretaries

Sunil Agarwal & Co. FCS No. 8706 Mumbai C.P. No. 3286

Sunil Agarwal
(Proprietor)
FCS No. 8706
C.P. No. 3286
Place: Mumbai
Date: 13/05/2022
UDIN number: F008706D000313318
Peer review Unit No. 788/2022

Office : 124-125, Ostwal Ornate, "A" Wing,
Building No. 2, Opp. Jain Temple, Jesal Park,
Bhayandar (East), Mumbai - 401 105.
Mobile : +91 9920715299 / 8779956763

Email : sunilcs_mumbai@rediffmail.com
agarwalcs_mumbai@yahoo.co.in
Web. : www.cssunilagarwal.in

SUNIL AGARWAL & Co.
Company Secretaries

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SULA VINEYARDS LIMITED
(Erstwhile known as Sula Vineyards Private Limited)
901 Hubtown Solaris N.S. Phadke Marg,
Andheri (E) Mumbai - 400069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sula Vineyards Limited (hereinafter called "the company") for the financial year ended 31.03.2022. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company through electronic mode, its officers, agents and authorized representatives during the conduct of secretarial audit, , I hereby report that

1. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, the Company has complied with the provisions of The Companies Act, 2013 (the Act) and the rules made there under and the Memorandum and Articles of Association of the Company with regard to:

   a) Maintenance of various statutory registers and documents and making necessary entries therein,
   b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities.
   c) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
   d) Notice of Board and various Committee meetings of Directors in compliance of the "ACT "as well as Secretarial Standard - 1 (SS 1)
   e) Meetings of Directors and all the Committees of Directors and passing of circular resolutions;
   f) Notice and convening of General Meeting held. Secretarial Standard – 2 (SS – 2).

Agarwal & Co. Mumbai C.P. No. 3286 FCS No.

g) Minutes of the proceedings of the Board Meetings, Audit Committee Meetings and General Meetings;
h) Approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
i) Constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors, Non-Executive Directors and Independent Directors.
j) Payment of remuneration to Directors and Managing Director;
k) Appointment and remuneration of Statutory Auditors;
l) Report of the Board of Directors;
m) Generally, all other applicable provisions of the Act and the Rules thereunder.

2. **I further report that:**

a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
b) The Directors have complied with the disclosure requirements in respect to their eligibility of appointment, compliance with the code of conduct for Directors and;
c) The Company has obtained all necessary approvals under various provisions of the Act where necessary;
d) There was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act, 2013 regulations and guidelines under these Acts.

3. **I further report that**

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') as amended from time to time and the rules made there under as amended from time to time are not applicable, as the company is an unlisted Public Limited Company.
(ii) The Depositories Act, 1996 as amended from time to time and the Regulations and Bye-laws framed there under are not applicable, as the Company is an unlisted Public Limited Company.
(iii) The Company has complied with the requirements, as applicable, of the Foreign Exchange Management Act, 1999 as amended from time to time and the rules and regulations made there under to the extent of Foreign Direct Investment during the period of Audit..
(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time are not applicable, as the Company is an unlisted Public Limited Company.
(b) SEBI (Prohibition of Insider Trading) Regulations, 2015 are not applicable as the company is an unlisted Public Limited Company.
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended as from time to time are not applicable as the company is an unlisted Public Limited Company
(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. as amended from time to time are not applicable, as the company is an unlisted Public Limited Company

(e) .Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time are not applicable, as the company is an unlisted Public Limited Company;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and dealing with client are not applicable, as the company is an unlisted Public Limited Company:

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable, as the company is an unlisted Public Limited Company; and;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time are not applicable, as the company is an unlisted Public Limited Company;

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

(i) The Secretarial Standards issued and notified by the Institute of Company Secretaries of India have been generally complied with by the Company to the extent applicable during the year under review;

(ii) The Company being Unlisted Public Limited Company, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 are not applicable to the Company;

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

4. **I further report that**

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

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

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

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

Sunil Agarwal & Co. Mumbai FCS No. 8706 C.P. No. 3286

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

6. **I further report that During the year under review**

(a) The Company has incurred expenditure amounting to Rs 28.21 lakhs on the projects towards Corporate Social Responsibility as recommended by CSR Committee, out of which the total budget of Rs. 28.21 lakhs required to be incurred during the year.

(b) The shareholders have approved variation in terms and conditions of Employee Stock Option Schemes - ESOS 2018, ESOS 2018(2) and ESOS for COO & CFO 2019, ESOS 2020 and approved grant of stock options under Employee Stock Option scheme 2021 and amendment made thereon as and when required.

(c) The Company has sold the commercial premises situated at 912, 9th floor hubtowm soloris Mumbai admeasuring 318.28 sq.mt for a total consideration of 8,10,00,000/- (Eight Crores and Ten Lakhs only)

(d) The company has purchase land situated at village Gorvadhan, Nashik, Maharashtra at fair market value detailed as under:

Sunil Agarwal & Co. FCS No. 8706 Mumbai CP 3286

Gat no.	Address	Area(In acres)	From	Consideration
36/1	Village gorvadhan,Nashik, Maharashtra	1.7	Out siders	3,82,50,000
34	Govardhan Village Nashik, Maharashtra	4.07	Related Party	11,19,25,000
38/1/1A/2	Govardhan Village Nashik, Maharashtra	0.86	Related Party	2,36,50,000
35/1	Village Govardhan on Gangapur- Savargaon Road, Taluka & District Nashik, Maharashtra	2 Acres or 8000(Sq. Mtrs.)	Related Party	5,50,00,000
	TOTAL	8.63		22,88,25,000

(e) The Company has altered its Articles of Association for giving effect of the variation in terms and conditions of the ESOP/ESOS scheme implanted by the company and the same were approved by shareholders in their meeting as and when required.

(f) The Company has altered the capital clause of Memorandum of Association for giving effect of sub- division of the face value of the share capital of the company from Rs. 10/- to Rs. 2/- each and approved by the shareholder in its meeting held on 30th July, 2021.

(g) The Company has converted 16,71,221 warrants in to 16,71,221 equity shares out of 27,65,980 outstanding warrants issued to its Managing Director and CEO as approved by the Board.

(h) The Company has issued 19,08,025 warrants convertible into equity on preferential basis as approved by the Board of Directors of the Company.

(i) The company has issued and allotted 13,75,000 equity shares of Rs. 2/- each at a premium on Rs. 238/- as approved by the shareholders in their meeting.

(j) The company has allotted 1,50,000 equity shares as an exercise of stock option @ Rs. 126.2/- per option.

(k) The Company has executed Deed of Adherence to include DSGCP Buildout II as a party to the Shareholders Agreement and has amended the Shareholder's Agreement to include Haystack Investments Limited under the category of Specified Investors.

Sunil Agarwal & Co. FCS No. 8706 Mumbai C.P. 3186

(l) The Company has signed Memorandum of Understanding with Receding Water Resorts LLP for obtaining on leave and license basis for 3 new villas proposed to be constructed adjacent to the company's existing villas meant for hospitality services.

(m) The company has declared interim dividend of Rs 2.5 per share to its shareholders as on 15th December 2021 amounting to Rs 19,44,88,750/-

(n) The Company has converted into a Public Limited Company effective February 11, 2022 upon issue of fresh certificate of incorporation from Registrar of Companies, Mumbai, Maharashtra and accordingly its name has been changed to "Sula Vineyards Limited" (formerly Sula Vineyards Private Limited), leading to a consequent amendment to the Memorandum and Articles of Association of the Company.

(o) The company has proposed to raise funds through issue of fresh shares through public issue.

(p) The company has adopted new sets of Articles of Association in compliance with the requirement of proposed Initial Public issue offer.

(q) The company has reconstituted all committees applicable to the company in view of the propose public issue of the company.

(r) Sula International Limited, wholly owned subsidiary of the Company dissolved by way of striking off.

For Sunil Agarwal & Co.
Company Secretaries

Sunil Agarwal
(Proprietor)
FCS No.8706
C.P. No. 3286
Place: MUMBAI
Date: 13/05/2022
UDIN number: F008706D000313318
PEER REVIEW UNIT No. 788/2020

AUDITED

BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 MARCH 2022

SULA VINEYARDS LIMITED
(FORMERLY SULA VINEYARDS PRIVATE LIMITED)

Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report

To the Members of Sula Vineyards Limited (Formerly known as 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 Limited** (formerly known as Sula Vineyards Private Limited) ('the Company'), which comprise the Balance Sheet as at **31 March 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Chartered Accountants

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Emphasis of Matter

4. We draw attention to note 44 to the accompanying standalone financial statements regarding the Company's non-current investment in a subsidiary Artisan Spirits Private Limited and non-current loans due from such subsidiary amounting to ₹ 269.86 million and ₹ 279.70 million, respectively, as at 31 March 2022. The subsidiary has incurred losses in the earlier years and its net-worth has been substantially eroded. However, 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 and non-current loans due to which these are considered as good and recoverable. Our opinion is not modified in respect of this matter.

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

5. The 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 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone 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, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 standalone 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.

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Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 under the Emphasis of Matter, 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 are disqualified as on 31 March 2022 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 Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, as detailed in notes 32A(iii), (v), and (vi) and 45 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2022;

        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 2022;

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iii. The 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 2022;

iv.

(a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend paid during the year ended 31 March 2022 by the Company is in compliance with section 123 of the Act.

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

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJFNPP4869

Place: Mumbai
Date: 19 May 2022

Chartered Accountants

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Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) on the standalone financial statements for the year ended 31 March 2022

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and, right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

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Annexure I (Contd)

(b) The Company has a working capital limit in excess of ₹ 5 crore (₹ 50 million) sanctioned by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were/were not subject to audit, except for the following:

(₹ in million)

Name of the Banks (Nature of current assets offered as security)	Working capital limit sanctioned	Quarter ended	Particulars	Amount			Remarks/ reason
				Disclosed as per statement	As per books of accounts	Difference	
HDFC Bank (Entire current assets)	550	30 June 2021	Inventory	1,304.12	1,306.12	(2.00)	The difference is due to the submissions to the Banks were made before financial reporting closure process
Kotak Bank (Entire current assets)	200						
Axis Bank (Entire current assets)	600		Trade Receivables	904.30	911.45	(7.16)	The difference is due to the submissions to the Banks were made before financial reporting closure process
Yes Bank (Entire current assets)	210	30 September 2021	Inventory	1,163.02	1,197.90	(34.88)	
			Trade Receivables	1,099.06	1,102.21	(3.15)	
Saraswat Bank (Entire current assets)	750	31 December 2021	Inventory	925.69	915.94	9.74	
			Trade Receivables	1,515.00	1,514.11	0.89	

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Annexure I (Contd)

(iii) (a) The Company has not provided any security or granted advances in the nature of loans to subsidiaries, and others during the year. However, the Company has provided guarantees and granted loans to subsidiaries/ others as per details given below:

(₹ in million)

Particulars	Guarantees	Loans
Aggregate amount during the year		
- Subsidiaries	159.57	504.53
- Others	-	21.12
Balance outstanding as at balance sheet date		
- Subsidiaries	174.63	282.29
- Others	-	30.47

b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie not prejudicial to the interest of the Company.

c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

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

e) The Company has granted loans or advances in the nature of loan which had fallen due during the year but such loans or advances have not been renewed or extended nor has the Company granted fresh loans to settle the overdue amounts of existing loans or advances given to the same parties.

f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

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

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

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Annexure I (Contd)

(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/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. 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.

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

(₹ in million)

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
State Excise	Duty of Excise	1,158.95	-	F.Y. 2006-07 to F.Y. 2013-14	Commissioner of State Excise, Maharashtra
Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	39.71	10.06	F.Y. 2016-17	Revenue Minister, Maharashtra
Karnataka Stamp Act, 1957	Stamp duty	15.41	6.55	F.Y. 2017-18	High Court, Karnataka
Finance Act, 1994	Service Tax	12.51	-	F.Y. 2016-17	Joint Commissioner CGST & Central Excise, Nashik
Delhi VAT	DVAT	3.35	0.20	F.Y. 2015-16	Special Commissioner - DVAT, New delhi
Customs Act, 1962	Basic Duty including cess and IGST	3.08	-	December 2017	Commissioner of Customs (Appeals)
Finance Act, 1994	Service Tax	3.01	-	October 2016 to June 2017	Assistant Commissioner, GST Audit Commissionerate
Sales Tax – Maharashtra	MVAT	2.04	-	F.Y. 2012-13	Joint Commissioner of Sales Tax – Maharashtra
Sales Tax – Maharashtra	MVAT	1.14	-	F.Y. 2013-14	Joint Commissioner of Sales Tax – Maharashtra

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Chartered Accountants

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Annexure I (Contd)

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
State Tax – Maharashtra	MVAT	0.89	-	F.Y. 2015-16	Deputy Commissioner of State Tax – Maharashtra
Maharashtra State Electricity Board	Maharashtra State Electricity Board	2.62	-	January 2014 to October 2021	Maharashtra State Electricity Distribution Co Ltd - Office of Superintending engineer, Nashik Circle, Nashik
Maharashtra State Electricity Board	Maharashtra State Electricity Board	0.76	-	March 2017 to October 2021	Maharashtra State Electricity Distribution Co Ltd - Gangapur Sub Division Nashik
Excise tax-Rajasthan	Excise tax-Rajasthan	1.25	-	F.Y. 2007-08	Rajasthan High Court
Finance Act, 1994	Service Tax	36.70	-	F.Y. 2015-16 and 2016-17	Commissioner CGST & Central Excise, Nashik

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

WALKER CHANDIOK & CO LLP
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Annexure I (Contd)

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised have been utilized by the Company for the purposes for which these funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a) to (c) of the Order are not applicable to the Company. Further, based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Annexure I (Contd)

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJFNPP4869

Place: Mumbai
Date: 19 May 2022

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Annexure II referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) on the standalone financial statements for the year ended 31 March 2022

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 Limited (Formerly known as Sula Vineyards Private Limited)** ('the Company') as at and for the year ended **31 March 2022**, 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 standalone financial statements.

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Annexure II (Contd)

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.

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 standalone financial statements and such controls were operating effectively as at 31 March 2022, 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 R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJFNPP4869

Place: Mumbai
Date: 19 May 2022

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Standalone Balance Sheet as at 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,316.63	3,037.70
Right-of-use assets	3A	92.81	125.25
Capital work-in-progress	3B	9.80	1.07
Other intangible assets	4	11.34	12.00
Investments in subsidiaries	5	269.86	209.96
Financial assets			
Investments	5A	0.03	0.03
Loans	6	298.74	245.09
Other financial assets	7	203.44	237.17
Other non-current assets	8	22.09	29.01
Total non-current assets		4,224.74	3,897.28
Current assets			
Inventories	9	1,508.51	1,353.82
Financial assets			
Trade receivables	10	905.92	1,098.41
Cash and cash equivalents	11	94.44	404.19
Bank balances other than cash and cash equivalents	12	53.14	49.00
Loans	6	11.43	13.75
Other financial assets	7	725.45	466.68
Other current assets	8	44.33	62.57
Total current assets		3,343.22	3,448.42
Assets classified as held for sale	13	-	126.39
Total current assets		3,343.22	3,574.81
TOTAL ASSETS		7,567.96	7,472.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	157.20	150.80
Other equity		3,992.07	3,125.34
Total equity		4,149.27	3,276.14
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	378.61	591.19
Lease liabilities	16	62.37	100.06
Provisions	17	19.07	99.61
Deferred tax liabilities (net)	18	168.61	159.75
Total non-current liabilities		628.66	950.61
Current liabilities			
Financial liabilities			
Borrowings	15	1,768.38	2,370.75
Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		3.95	9.19
- Total outstanding dues of creditors other than micro enterprises and small enterprises		631.25	508.38
Lease liabilities	16	47.20	38.95
Other financial liabilities	20	123.58	143.13
Other current liabilities	21	174.44	149.26
Provisions	17	26.70	12.98
Current tax liabilities (net)	18	14.53	12.70
Total current liabilities		2,790.03	3,245.34
TOTAL EQUITY AND LIABILITIES		7,567.96	7,472.09

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

SULA VINEYARDS LIMITED MUMBAI

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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 R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 19 May 2022

For and on behalf of Board of Directors of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 19 May 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Statement of Profit and Loss for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	22	4,194.18	3,379.31
Other income	23	45.80	57.76
Total income		4,239.98	3,437.07
Expenses			
Cost of materials consumed	24	1,059.79	663.42
Purchase of stock-in-trade		49.98	81.48
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(112.17)	185.55
Excise duty on sales		294.52	320.19
Employee benefits expense	26	638.33	538.83
Selling, distribution and marketing expense	27	424.18	444.57
Other expenses	28	785.41	605.83
		3,140.04	2,839.87
Earnings Before Interest, Depreciation, Tax, Amortisation and Exceptional items (EBIDTAE)		1,099.94	597.20
Finance costs	29	213.25	322.60
Depreciation and amortisation expense	30	224.14	253.64
Profit before tax and exceptional item		662.55	20.96
Exceptional item	30.1	-	(23.75)
Profit /(loss) before tax		662.55	(2.79)
Tax expense	18		
Current tax		165.12	22.60
Deferred tax		8.86	(19.06)
		173.98	3.54
Net Profit/ (loss) for the year (A)		488.57	(6.33)
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 (net of taxes)	33	(0.64)	(2.78)
Other comprehensive loss for the year, net of tax (B)		(0.64)	(2.78)
Total comprehensive income / (loss) for the year (A+B)		487.93	(9.11)
Earnings per equity share of nominal value ₹ 2 each			
Basic (in ₹)	31	6.36	(0.08)
Diluted (in ₹)	31	6.36	(0.08)

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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

For and on behalf of Board of Directors of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED
MUMBAI

Place: Mumbai
Date : 19 May 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Standalone Cash Flow Statement for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	662.55	(2.79)
Adjustments for		
Depreciation and amortisation expense	224.14	253.64
Interest expense	202.70	307.68
Interest income	(39.12)	(46.98)
Impairment allowance on financial assets	46.62	1.67
Provisions/ balances no longer required written back	(18.34)	(3.25)
Impairment allowance on asset classified as held for sale (Refer notes 13.1 and 13.2)	-	35.55
Share based payment to employees	18.61	4.10
Loss on property, plant and equipment sale/ disposal/ write-off (net)	17.52	29.41
Profit on disposal/ cancellation of lease agreement	(0.40)	(2.31)
Unrealised exchange (Gain)/loss on foreign currency translations (net)	(0.32)	0.17
	451.41	579.68
Operating profit before working capital changes	1,113.96	576.89
Adjustments for changes in working capital:		
Decrease/ (Increase) in inventories	(154.69)	235.43
Decrease in trade receivables	148.65	235.02
Decrease/ (Increase) in current / non-current financial and other assets	(259.75)	226.47
(Decrease) /Increase in trade payables and other financial / other liabilities	92.71	(208.68)
	(173.08)	488.24
Cash generated from operations	940.88	1,065.13
Direct taxes - refund received/ (paid) [net]	(165.95)	67.70
Net cash generated from operating activities	774.93	1,132.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2 below)	(494.74)	(164.52)
Proceeds from sale of property, plant and equipment (Including assets held for sale)	90.86	4.41
Net proceeds from bank deposits with original maturity of more than three months	(19.76)	(34.40)
Proceeds from sale of investment of subsidiary	29.69	-
Investment in subsidiary	(60.00)	(0.10)
Interest received	62.49	71.84
Net cash used in investing activities	(391.46)	(122.77)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	561.08	15.64
Proceeds from long-term borrowings	189.35	217.52
Repayment of long-term borrowings	(401.93)	(414.58)
Repayment of short-term borrowings (net)	(602.37)	(411.86)
Repayment of lease liabilities	(53.39)	(56.78)
Interest paid	(191.47)	(306.73)
Dividend paid (including taxes)	(194.49)	-
Net cash used in financing activities	(693.22)	(956.79)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(309.75)	53.27
Cash and cash equivalents at the beginning of the year	404.19	350.92
Cash and cash equivalents at the end of the year (Refer note 11)	94.44	404.19

Notes:-

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 include movements of capital work-in-progress, capital advances and liability for capital goods, including intangible assets.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

SULA VINEYARDS LIMITED MUMBAI

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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

For and on behalf of Board of Directors of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED
MUMBAI

Place: Mumbai
Date : 19 May 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Standalone Statement of Changes in Equity as at and for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

a) Equity share capital

Particulars	Number	₹ million
Equity shares of ₹ 2 per share (₹10 per share until 30th July 2021) issued, subscribed and paid up		
As at 1 April 2020	1,50,44,188	150.44
Issued during the year [Refer note 14(e)]	2,012	0.02
Shares warrants converted during the year [Refer note 14f)]	34,174	0.34
As at 31 March 2021	**1,50,80,374**	**150.80**
Employee Stock Options exercised until 30 July 2021 (refer note 43)	30,000	0.30
Total outstanding shares as at 30 July 2021, before share split	1,51,10,374	151.10
Impact of share split [refer note 14(h)]	6,04,41,496	-
Total outstanding shares post share split	7,55,51,870	151.10
Equity shares issued during the year [refer note 14(e)]	13,75,000	2.75
Shares warrants converted during the year [refer note 14(f)]	16,71,221	3.35
As at 31 March 2022	**7,85,98,091**	**157.20**

b) Other equity

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 2020	1,624.78	2.73	35.95	1,442.12	8.23	3,113.81
Net Loss for the year	-	-	-	(6.33)	-	(6.33)
Conversion of warrants into equity shares [Refer notes 14(f)]	17.05	-	-	-	(1.74)	15.31
Issue of equity shares [Refer notes 14]	1.43	-	-	-	-	1.43
Share based payment expense	-	4.10	-	-	-	4.10
Cancellation of employee stock options	-	(0.20)	-	-	-	(0.20)
Other comprehensive loss for the year	-	-	-	(2.78)	-	(2.78)
As at 31 March 2021	**1,643.26**	**6.63**	**35.95**	**1,433.01**	**6.49**	**3,125.34**
Net Profit for the year	-	-	-	488.57	-	488.57
Conversion of warrants into equity shares [Refer notes 14(f)]	213.10	-	-	-	(4.30)	208.80
Issue of equity shares [Refer note 14]	347.58	-	-	-	-	347.58
Share based payment expense	-	18.61	-	-	-	18.61
Exercise of employee stock options	-	(1.70)	-	-	-	(1.70)
Other comprehensive loss for the year	-	-	-	(0.64)	-	(0.64)
Payment of dividend (Refer note 39)	-	-	-	(194.49)	-	(194.49)
As at 31 March 2022	**2,203.94**	**23.54**	**35.95**	**1,726.45**	**2.19**	**3,992.07**

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.

v. Money received against share warrants

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

SULA VINEYARDS LIMITED MUMBAI

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 R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 19 May 2022

For and on behalf of Board of Directors of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 19 May 2022

Note 1 Corporate Information

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) (the "Company" is a Company domiciled and headquartered in Mumbai, India and was incorporated under the provisions of the erstwhile Companies Act, 1956, has been converted from Private Limited Company to Unlisted Public Limited Company pursuant to special resolution passed at the Extraordinary General Meeting of the shareholders held on 30 December 2021 and consequently the name has been changed to Sula Vineyards Limited and a revised certificate of incorporation dated 11 February 2022, consequent to the aforementioned change, has been issued by the Ministry of Corporate Affairs. The Company having CIN U15549MH2003PLC139352 is located at 901 Hubtown Solaris N.S. Phadke Marg, Andheri East, Mumbai-400069.

The Company is principally engaged in the business of manufacture, purchase and sale of premium wine and other alcoholic beverages. The Standalone financial statements of the Company for the year ended 31 March 2022 were authorised for issue in accordance with resolution of Board of Directors on 19 May 2022.

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 million (INR 000,000), 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.

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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) Impact of COVID-19 on the business operations and financial statement of the Company

The outbreak of COVID-19 had disrupted business operations of the Company in earlier periods due to the lock down restrictions and other emergency measures imposed. The Company's business operations have continued with certain restrictions in line with guidelines laid down by the respective Governments from time to time. The overall operations of the Company have significantly recovered from the economic slowdown caused by COVID-19 pandemic and largely reached normalcy.

The Company management has also taken into account the possible impacts of known events, upto the date of the approval of this Financial Statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2022. The Company management does not foresee any significant impact of the of COVID-19 pandemic but will continue to closely monitor any potential impact given the uncertainties associated with its nature and duration.

b) Useful lives of various assets

The Company 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 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.

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d) Investment in / advances to Subsidiary

The Company has performed valuation for its investments in equity of its subsidiary for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

e) Provision and Contingencies

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

f) Accounting for defined benefit plans

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

g) Impairment of financial/ non-financial assets

An impairment loss is recognised for the amount by which an 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 34).

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

- In the principal market for the asset or liability, or

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of

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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 and brand acquired through business combination.

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ix. Investment Property

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

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

x. Non-current assets or disposal Company classified as held for sale

Non-current assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Non-current asset classified as held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

xi. 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	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

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xii. 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) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considered this to be more relevant.

(iv) Impairment of Financial Assets

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

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

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

(v) De-recognition of Financial Assets

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

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

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

b) Equity Instruments and Financial Liabilities

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

Equity Instruments

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

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.

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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.

xiii. 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. However, as the Company does not have an unconditional right to defer settlement for these obligations, the above liabilities are presented as current. 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.

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xiv. 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.

xv. 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.

xvi. 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 and sale of alcoholic beverages (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.

xvii. 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

xviii. 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

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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 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 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.

xix. Government Grants

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

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. Trade receivables ageing has been presented based on the date of transaction. Further, in respect of trade receivables from Government Corporations, payment are received on lump-sum basis instead of an invoice-by-invoice settlement. Accordingly, the collections/ realisations from corporation trade receivables are accounted against the earliest outstanding invoice.

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. Trade payables ageing has been presented based on the date of transaction.

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xxii. 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.

xxiii. 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.

xxiv. Leases

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.

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

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

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

xxv. 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.

xxvi. 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 Company 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.

xxvii. 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

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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.

xxviii. 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).

xxix. Exceptional Items

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

Note 2.2 Recent accounting pronouncements

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

Amendment to Ind AS 109, Financial Instruments

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

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Note 3 Property, plant and equipment

Particulars	Freehold 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 2020	626.69	1,514.72	1,244.60	153.48	69.14	81.83	37.29	56.18	3.85	3,787.78
Additions	57.23	16.41	30.64	7.42	6.94	7.53	4.74	10.65	-	141.56
Transfer to assets classified as held for sale (refer note 13)	-	(111.86)	(3.34)	(6.58)	-	-	-	-	-	(121.78)
Disposals/ write-off	-	(0.09)	(41.51)	(22.00)	(9.98)	(15.20)	(8.54)	(0.49)	-	(97.81)
As at 31 March 2021	**683.92**	**1,419.18**	**1,230.39**	**132.32**	**66.10**	**74.16**	**33.49**	**66.34**	**3.85**	**3,709.75**
Additions	249.84	69.60	88.56	11.69	6.86	11.71	5.18	22.69	-	466.13
Disposals/ write-off	-	(11.94)	(9.93)	(0.17)	(8.75)	(0.74)	(2.59)	(0.09)	(0.98)	(35.19)
As at 31 March 2022	**933.76**	**1,476.84**	**1,309.02**	**143.84**	**64.21**	**85.13**	**36.08**	**88.94**	**2.87**	**4,140.69**
Accumulated depreciation										
As at 1 April 2020	-	164.06	218.96	48.58	28.50	42.12	22.87	28.14	1.63	554.86
Depreciation charge	-	61.87	76.50	16.34	8.66	12.77	6.47	11.91	0.16	194.68
Accumulated depreciation on assets classified as held for sale (Refer Note 13)	-	(9.00)	(1.65)	(2.63)	-	-	-	-	-	(13.28)
Accumulated depreciation on disposals/ write-off	-	(0.02)	(22.34)	(15.27)	(5.93)	(12.96)	(7.20)	(0.49)	-	(64.21)
As at 31 March 2021	**-**	**216.91**	**271.47**	**47.02**	**31.23**	**41.93**	**22.14**	**39.56**	**1.79**	**672.05**
Depreciation charge	-	50.65	76.78	14.21	6.97	11.39	6.13	10.40	0.16	176.69
Accumulated depreciation on disposals/ write-off	-	(11.94)	(3.64)	(0.06)	(4.94)	(0.62)	(2.47)	(0.03)	(0.98)	(24.68)
As at 31 March 2022	**-**	**255.62**	**344.61**	**61.17**	**33.26**	**52.70**	**25.80**	**49.93**	**0.97**	**824.06**
Net carrying value										
As at 31 March 2021	683.92	1,202.27	958.92	85.30	34.87	32.23	11.35	26.78	2.06	3,037.70
As at 31 March 2022	**933.76**	**1,221.22**	**964.41**	**82.67**	**30.95**	**32.43**	**10.28**	**39.01**	**1.90**	**3,316.63**

(i) Refer note 15 for information on property, plant and equipment pledged as security against borrowings of the Company.
(ii) Refer note 32(B) for disclosure of contractual commitment for acquisition of Property, plant and equipment.
(iii) The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company

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Note 3A Right-of-use assets

Particulars	Land	Building	Vehicles	Total
Gross Carrying Value				
As at 1 April 2020	61.95	216.83	3.43	282.21
Additions	0.95	0.95	-	1.90
Disposals	(9.24)	(77.96)	(1.81)	(89.01)
As at 31 March 2021	**53.66**	**139.82**	**1.62**	**195.10**
Additions	6.66	11.68	-	18.34
Disposals	(5.94)	(1.07)	-	(7.01)
As at 31 March 2022	**54.38**	**150.43**	1.62	**206.43**
Accumulated depreciation				
As at 1 April 2020	12.79	30.98	1.53	45.30
Depreciation charge	13.88	34.83	1.14	49.85
Accumulated depreciation on disposals	(3.39)	(20.50)	(1.41)	(25.30)
As at 31 March 2021	**23.28**	**45.31**	**1.26**	**69.85**
Depreciation charge	13.10	30.98	0.12	44.20
Accumulated depreciation on disposals	(0.43)	-	-	(0.43)
As at 31 March 2022	**35.95**	**76.29**	**1.38**	**113.62**
Net carrying value				
As at 31 March 2021	30.38	94.51	0.36	125.25
As at 31 March 2022	**18.43**	**74.14**	**0.24**	**92.81**

Note: Refer note 38 for Ind AS 116 Leases and the related disclosures.

Note 3B Capital work-in-progress (CWIP) ageing schedule

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	9.78	0.98
1-2 years	-	0.09
2-3 years	0.02	-
More than 3 years	-	-
Total	**9.80**	**1.07**

Note: CWIP does not include any project temporarily suspended.

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Note 4 Intangible assets

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 2020	161.63	53.07	214.70	5.00	219.70
Additions	-	1.17	1.17	-	1.17
Disposals	-	(3.11)	(3.11)	-	(3.11)
As at 31 March 2021	**161.63**	**51.13**	**212.76**	**5.00**	**217.76**
Additions	-	2.59	2.59	-	2.59
Disposals	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**161.63**	**51.83**	**213.46**	**5.00**	**218.46**
Accumulated amortisation					
As at 1 April 2020	161.63	32.92	194.55	5.00	199.55
Amortisation charge	-	9.11	9.11	-	9.11
Reversal on disposal of assets	-	(2.90)	(2.90)	-	(2.90)
As at 31 March 2021	161.63	39.13	200.76	5.00	205.76
Amortisation charge	-	3.25	3.25	-	3.25
Reversal on disposal of assets	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**161.63**	**40.49**	**202.12**	**5.00**	**207.12**
Net carrying value					
As at 31 March 2021	-	12.00	12.00	-	12.00
As at 31 March 2022	-	**11.34**	**11.34**	-	**11.34**

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	As at 31 March 2022	As at 31 March 2021
Note 5 Non-current investments		
Investments in subsidiaries		
Investments in equity instruments at deemed cost, unquoted fully paid up		
a) In subsidiary companies in India		
Artisan Spirits Private Limited (Refer note 44)	269.86	209.86
35,350,000 (31 March 2021: 29,350,000) equity shares of ₹ 10 each		
Progressive Alcobev Distributors Private Limited	-	53.44
Nil (31 March 2021: 593,800) equity shares of ₹ 10 each		
Less: Asset classified as held for sale (Refer note 13)	-	(53.44)
	269.86	209.86
b) In a subsidiary company outside India		
Sula International Limited	0.10	0.10
1,000 (31 March 2021: 1,000) equity shares of GBP 1 each		
Less: Provision for Impairment	(0.10)	-
	-	0.10
	269.86	209.96
Note 5A Investments		
Investments in equity shares at fair value through other comprehensive income, unquoted fully paid		
The Saraswat Co-operative Bank	0.03	0.03
2,500 (31 March 2021: 2,500) equity shares of ₹ 10 each		
Total non-current Investments (5 + 5A)	269.89	209.99
Details:		
Aggregate of non-current Investments:		
(i) Aggregate value of quoted investments and market value thereof	-	-
(ii) Aggregate value of unquoted investments	269.89	209.99
(iii) Aggregate value of impairment of investments	0.10	-
(i) Investments carried at deemed cost	269.86	209.96
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through other comprehensive income	0.03	0.03
	269.89	209.99

During the year ended 31 March 2022, the company has invested in 60,00,000 equity shares of ₹ 10 each in its wholly owned subsidiary Artisan Spirits Private Limited

	As at 31 March 2022	As at 31 March 2021
Note 6 Loans		
Non-current		
Loans		
- to subsidiaries (Refer notes 35 and 44)	279.70	234.39
- to employees	16.02	10.70
- to others^	3.02	-
Total non-current loans	298.74	245.09

^ Secured by way of personal guarantee from the Director of Flamingo Wines Company Private Limited

	As at 31 March 2022	As at 31 March 2021
Current		
Loans		
- to subsidiaries (Refer note 35)	2.59	2.47
Less: Impairment allowance	(2.59)	-
	-	2.47
- to employees	11.43	11.28
Total current loans	11.43	13.75
Total loans	310.17	258.84
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable considered good - unsecured	310.17	258.84
Loans receivable which have significant increase in credit risk	-	-
Loans receivable - credit impaired	2.59	-
Total	312.76	258.84

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	As at 31 March 2022	As at 31 March 2021
Note 6.1 Disclosure under Section 186(4) of the Companies Act, 2013		
Loan given to subsidiaries during the year:		
Artisan Spirits Private Limited	**504.28**	517.26
Sula International Limited	**0.25**	2.17
Loan given to others during the year:		
Flamingo Wines Company Private Limited	**3.02**	-
Guarantee given for subsidiaries during the year:		
Artisan Spirits Private Limited	**174.63**	75.04

The above loans and guarantees are for the purpose of meeting the working capital requirement

Note 7 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Government grants receivable	**162.58**	189.75
Security deposits	**24.72**	24.81
Bank deposits with maturity of more than 12 months (pledged with excise authorities or earmarked against bank guarantees taken)	**16.14**	0.52
Interest accrued	-	22.09
Total non-current financial assets	**203.44**	237.17
Current		
Government grants receivable	**704.38**	464.19
Security deposits	**0.62**	0.48
Interest accrued	**0.73**	2.01
Others	**19.72**	-
Total current financial assets	**725.45**	466.68
Total other financial assets	**928.89**	703.85

Note 8 Other assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	**2.64**	0.78
Balances with government authorities	**18.95**	26.03
Prepaid expenses	**0.50**	2.20
Total other non-current assets	**22.09**	29.01
Current		
Advance to suppliers	**7.97**	27.13
Balances with government authorities	**13.27**	9.71
Prepaid expenses	**23.09**	25.73
Total other current assets	**44.33**	62.57
Total other assets	**66.42**	91.58

Note 9 Inventories

	As at 31 March 2022	As at 31 March 2021
Work-in-progress / Semi-finished goods	**1,145.17**	1,045.99
Finished goods	**211.33**	150.87
Stock-in-trade [including goods-in-transit: Nil (31 March 2021: ₹ 1.71 million)]	**38.88**	71.79
Consumables, chemicals, stores and spares [including goods-in-transit: Nil (31 March 2021: ₹ 0.99 million)]	**40.92**	27.23
Packing materials [including goods-in-transit: Nil (31 March 2021: ₹ 0.99 million)]	**72.21**	57.94
Total inventories	**1,508.51**	1,353.82

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Note 10 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Trade receivable	905.92	1,098.41
Total trade receivables	905.92	1,098.41
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	905.92	1,098.41
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	70.99	27.06
Total	976.91	1,125.47
Impairment allowance on:		
Trade receivables considered good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(70.99)	(27.06)
Total trade receivable	905.92	1,098.41

Note 10.1: 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 10.2: Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Note 10.3: Trade receivable ageing schedule

As at 31 March 2022	Outstanding for following periods from transaction date						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables- Considered good	-	843.34	29.81	29.46	2.53	0.78	905.92
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	4.44	0.14	0.14	0.02	-	4.74
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	21.03	16.06	5.72	5.66	17.78	66.25
	-	868.81	46.01	35.32	8.21	18.56	976.91

Note: There are no unbilled dues for the reporting period

As at 31 March 2021	Outstanding for following periods from transaction date						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables- Considered good	-	1,004.85	33.69	51.26	7.07	1.54	1098.41
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	2.46	0.08	0.12	0.02	-	2.68
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	1.44	0.18	2.84	10.57	9.35	24.38
	-	1,008.75	33.95	54.22	17.66	10.89	1,125.47

Note: There are no unbilled dues for the reporting period

	As at 31 March 2022	As at 31 March 2021
Balances with banks in current accounts	**94.17**	403.87
Cash on hand	**0.27**	0.32
Total cash and cash equivalents	**94.44**	404.19

Note 11.1: There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 12 Bank balances other than cash and cash equivalents

Bank deposits with maturity of more than 3 months but less than 12 months [held as margin money or security against borrowings, guarantee and other commitments]	**53.14**	49.00
Total bank balances other than cash and cash equivalents	**53.14**	49.00

Note 13 Assets classified as held for sale

	As at 31 March 2022	As at 31 March 2021
Investment in equity shares of Progressive Alcobev Distributors Private Limited, unquoted (Refer note 13.1 below)	-	29.69
Office premises along with plant and equipment and furniture/ fixtures (Refer note 13.2 below)	-	96.70
	-	126.39

Note 13.1: The Company in March 2021 entered into a Memorandum of Understanding ('MOU') for sell of its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the investment were classified as held for sale and the resultant impairment loss of ₹ 23.75 million was recognised as an exceptional item during the year ended 31 March 2021. During the current year the Company has completed the sale of its investment in PADPL effective 1 April 2021. Consequently, with effect from 1 April 2021, PADPL ceased to be its subsidiary company. Also refer note 30.1

Note 13.2: Basis the intention to dispose an office premises, certain plant and equipment and furniture/ fixtures along with the office premises with an aggregate carrying value ₹ 108.50 million, were classified as "Non-current asset as held for sale" as at 31 March 2021. Based on valuation of the aforesaid assets by an independent valuer, the fair value less cost to sell was determined as ₹ 96.70 million. Accordingly, an impairment loss of ₹ 11.80 million was recognized during year ended 31 March 2021.

During the current year the Company has completed the sale of the premises for an aggregate consideration of ₹ 79.65 million (net of cost to sell). As a result, an additional loss of ₹ 17.05 million has been recognised in the financial statement for the year ended 31 March 2022.

	As at 31 March 2022	As at 31 March 2021
Particulars		
Building	**102.86**	102.86
Plant and equipment	**1.69**	1.69
Furniture and fixtures	**3.95**	3.95
Carrying value (WDV) of assets held for sale	**108.50**	108.50
Impairment loss on classification of assets classified as held for sale (Refer note 28)	**(28.85)**	(11.80)
Less: Sales consideration (net off cost to sales)	**(79.65)**	-
Fair value as at year end (less cost to sell)	**-**	96.70

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	As at 31 March 2022	As at 31 March 2021
Note 14 Equity share capital		
Authorised share capital		
10,10,30,000 Equity shares of ₹ 2 each [Refer note 14(h)] (31 March 2021: 20,206,000 equity shares of ₹ 10 each)	202.06	202.06
Total authorised share capital	202.06	202.06
Issued, subscribed and paid-up equity share capital:		
7,85,98,091 Equity shares of ₹ 2 each fully paid up (31 March 2021: 15,080,374 equity shares of ₹ 10 each)	157.20	150.80
Total issued, subscribed and paid-up equity share capital	157.20	150.80

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

	Number	₹ million
As at 1 April 2020	1,50,44,188	150.44
Issued during the year [Refer note 14(e)]	2,012	0.02
Shares warrants converted during the year [Refer note 14(f)]	34,174	0.34
As at 31 March 2021	1,50,80,374	150.80
Add: Employee stock options exercised during the year [refer note 43]	30,000	0.30
Total outstanding shares before share split	1,51,10,374	151.10
Add: Impact of share split [Refer note 14(h)]	6,04,41,496	-
Total outstanding shares post share split	7,55,51,870	151.10
Issued during the year [Refer note below]	13,75,000	2.75
Shares warrants converted during the year [Refer note 14(f)]	16,71,221	3.35
As at 31 March 2022	7,85,98,091	157.20

Note: During the year ended 31 March 2022, the Company has issued 1,375,000 equity shares of ₹ 2 each issued at premium of ₹ 238 per share on preferential basis.

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share (₹ 10 per share until 30 July 2021). 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 2022^		As at 31 March 2021	
Name of the Shareholder	No. of shares	% held	No. of shares	% held
Rajeev Samant	2,00,91,660	25.56%	36,12,621	23.96%
Verlinvest Asia Pte Ltd.	1,76,42,275	22.45%	35,28,455	23.40%
Verlinvest S.A	71,91,835	9.15%	14,38,367	9.54%
Cofintra S.A.	71,91,835	9.15%	14,38,367	9.54%
M/s. Verlinvest France S.A	65,79,565	8.37%	13,15,913	8.73%
Ruta Samant	44,77,240	5.70%	4,87,724	3.23%

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.
^ refer note 14(h)

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

As at 31 March 2022, the Company has issued 2,811,510 (31 March 2021: 166,291) employee stock options under the Employee stock option scheme of the Company to its employees. [refer note 43]

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 - Nil

FY 2020-21: 2,012 equity shares (of face value ₹ 10 per share) at a premium of ₹ 716.93 per share
FY 2019-20 : 2,746 equity shares (of face value ₹ 10 per share) at a premium of ₹ 921.76 per share
FY 2018-19 : 2,441and 2,118 equity shares (of face value ₹ 10 per share) at a premium of ₹ 750 and ₹ 840 per share respectively.

(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

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f. Share warrants issued and converted

(i) As at 31 March 2021 the Company had issued convertible equity shares as follows

Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2020	Exercise price	Number of warrants converted	No of warrants outstanding as at 31 March 2021	No of equity shares to be issued post exercise of share warrants by the holder
2014-15	57,500	509	34,174	23,326	23,326
2016-17	75,200	584	-	75,200	75,200
2017-18	1,50,400	631	-	1,50,400	1,50,400
2018-19	75,200	760	-	75,200	75,200
2018-19	2,29,070	850	-	2,29,070	2,29,070
Total	587,370		34,174	5,53,196	5,53,196

(i) As at 31 March 2022 the Company has issued convertible equity shares as follows

Financial year in which warrants have been issued	Pre share split		Post share split^				
	Number of warrants outstanding as at 1 April 2021	Exercise price	Number of warrants outstanding (a)	Exercise price	Number of warrants converted (b)	No of warrants outstanding as at 31 March 2022^^ [(c)= (a)-(b)]	No of equity shares to be issued post exercise of share warrants by the holder (d)
2014-15	23,326	509	116,630	102	116,630	-	-
2016-17	75,200	584	376,000	117	376,000	-	-
2017-18	150,400	631	752,000	126	752,000	-	-
2018-19	75,200	760	376,000	152	376,000	-	-
2018-19	229,070	850	1,145,350	170	50,591	1,094,759	1,094,759
2021-22	-	-	1,908,025	170	-	1,908,025	1,908,025
Total	553,196		4,674,005		1,671,221	3,002,784	3,002,784

^ refer note 14(h)

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

(iii) The warrants from financial year 2016-17 to financial year 2018-19 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) During the year ended 31 March 2022, share warrants have been issued at Nil at the time of subscription. The entire amount 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.

(v) 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.

^^ The holders of the aforesaid share warrants have exercised their right to convert these warrants after the reporting date i.e. 31 March 2022. Since exercise of share warrants have taken after the reporting date, in accordance with the requirements of Ind AS, no adjustments are required to be made to the financial statements as at and for the year ended 31 March 2022, including earnings per share and other accounting ratios stated elsewhere in these financial statements (Refer note 48)

g. Shareholding of promoters:

As on 31 March 2022

Particulars	Name of the promoters	No. of shares at the beginning of the period*	% held	No. of shares at the end of the period	% held	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Rajeev Samant	18,063,105	23.96%	20,091,660	25.56%	1.60%

*after considering impact of share split [Refer note 14(h)]

As on 31 March 2021

Particulars	Name of the promoters	No. of shares at the beginning of the period	% held	No. of shares at the end of the period	% held	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Rajeev Samant	3,578,447	23.79%	3,612,621	23.96%	0.17%

h. Pursuant to the resolution passed by the Board of Directors of the Company and approval of the members at the 18th Annual General Meeting of the Company held on 30 July 2021, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was 30 July 2021. The impact of share split of shares has been accordingly considered for the computation of Earning Per Share as per the requirements of Ind AS 33. Further, the outstanding number of share warrants and their respective exercise prices have also been revised accordingly.

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	As at 31 March 2022	As at 31 March 2021
Note 15 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 15.1 below)	703.32	990.91
Unsecured		
Deferred sales tax liabilities (Refer note 15.2 below)	0.37	2.33
	703.69	993.24
Less: Current maturities of long-term borrowings	(325.08)	(402.05)
Total non-current borrowings	378.61	591.19
II Current borrowings		
Secured		
Loans from banks		
- Working capital demand loans (repayable on demand) [Refer note 15.3 below]	1,262.50	1,671.50
- Current maturities of long-term borrowings	324.71	400.09
- Cash credit facilities (repayable on demand) [Refer note 15.3 below]	-	1.44
	1,587.21	2,073.03
Unsecured		
Loans from banks:		
Current maturities of long term borrowing	0.37	1.96
Other bank loans [Refer note 15.4 below]	180.80	295.76
	181.17	297.72
Total current borrowings	1,768.38	2,370.75
Total borrowings (I+II)	2,146.99	2,961.94

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

As at 31 March 2022

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee Term loan	1 quarterly installment	14.44	7.70%	Exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	10 quarterly installments	10.31	7.75%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	6 quarterly installments	11.24	7.35% to 7.40%	First pari passu on all the existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	8 quarterly installments	6.25	6.95% to 7.80%	Fixed deposit of 0.35x and subservient charge on current assets
Rupee Term loan	2 quarterly installments	5.21	7.35% to 7.4%	Exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	8 quarterly installments	12.50	7.7% to 7.75%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	10 quarterly installments	7.50	7.75% to 8.00%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	10 quarterly installments	6.88	7.80% to 8.05%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	2 monthly installments	11.11	7.65% to 7.75%	Exclusive charge on immovable assets and Wine Industry Production Subsidy (WIPS) receivable ageing more than 180 days
Rupee Term loan	18 monthly installments	5.56	7.20%	Exclusive charge on immovable assets and WIPS subsidy receivable ageing more than 180 days
Rupee Term loan	16 quarterly installments	10.94	7.80%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets

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As at 31 March 2021

Particulars	Number of instalments outstanding	Amount per instalment	Rate of Interest	Security
Rupee Term loan	5 quarterly installments	14.44	8.85% to 9.60%	Exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	14 quarterly installments	10.31	8.00%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	10 quarterly installments	11.24	7.65%	First pari passu on all the existing and future movable property, plant and equipment. and exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	6 quarterly installments	12.50	7.80%	Fixed deposit of 0.35x and subservient charge on current assets
Rupee Term loan	6 quarterly installments	5.21	7.65% to 8.00%	Exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	12 quarterly installments	12.50	8.65%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	14 quarterly installments	7.50	8%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	14 quarterly installments	6.88	8.05%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	18 monthly installments	11.11	7.75%	Exclusive charge on immovable assets and WIPS subsidy receivable ageing more than 180 days

Note 15.2: Deferred sales tax loan is interest free and repayable in remaining 1 year as at 31 March 2022

Note 15.3: Working capital demand loans and cash credit facilities are repayable on demand. They carry interest rate ranging from 7.20% to 12.00% (31 March 2021 7.50% to 11.00%) and are secured by all existing and future current assets, movable and immovable property, plant and equipment.

Note 15.4: Other Bank loans carry interest ranging from 7.20% to 7.30% p.a. (31 March 2021: 7.20% to 7.30%) and are repayable within 1 year. Other bank loans includes short-term loan of Nil (31 March 2021: ₹ 110.00 million) carrying an interest rate of Nil (31 March 2021: 9.25%) and are repayable within 180 days. These have been fully repaid during the year.

Note 15.5: Net debt reconciliation

An analysis of net debt and the movement in net debt for the years ended 31 March 2022 and 31 March 2021 is as follows:

	As at 31 March 2022	As at 31 March 2021
(A) Cash and cash equivalents	**(94.44)**	(404.19)
(B) Non-current borrowings	**378.61**	591.19
(C) Current borrowings	**1,768.38**	2,370.75
(D) Interest payable	**12.78**	15.66
Net debt (E) = (A-B-C-D)	**2,065.32**	2,573.41

	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 debt as at 1 April 2020	(350.92)	788.25	2,782.61	29.40	3,249.34
Net increase in cash and cash equivalents	(53.27)	-	-	-	(53.27)
Proceeds from long-term borrowings	-	217.52	-	-	217.52
Repayment of long-term borrowings	-	(414.58)	-	-	(414.58)
Net repayment of short-term borrowings	-	-	(411.86)	-	(411.86)
Interest expense	-	-	-	292.99	292.99
Interest paid	-	-	-	(306.73)	(306.73)
Net debt as at 31 March 2021	**(404.19)**	**591.19**	**2,370.75**	**15.66**	**2,573.41**
Net decrease in cash and cash equivalents	309.75	-	-	-	309.75
Proceeds from long-term borrowings	-	189.35	-	-	189.35
Repayment of long-term borrowings	-	(401.93)	-	-	(401.93)
Net repayment of short-term borrowings	-	-	(602.37)	-	(602.37)
Interest expense	-	-	-	188.59	188.59
Interest paid	-	-	-	(191.47)	(191.47)
Net debt as at 31 March 2022	**(94.44)**	**378.61**	**1,768.38**	**12.78**	**2,065.32**

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Note 15.6: Reconciliations of stock statement submitted to banks with books of accounts where borrowings have been availed based on security of current assets

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material variances
March 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,353.82	1,351.41	(2.41)	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Axis Bank Yes Bank	Trade Receivables	1,098.41	1,187.09	88.68	The submissions to the Banks were made before financial reporting closure process
June 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,306.12	1,304.12	(2.00)	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Axis Bank Yes Bank	Trade Receivables	911.45	904.30	(7.16)	The difference is due to the submissions to the Banks were made before financial reporting closure process
September 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,197.90	1,163.02	(34.88)	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Axis Bank Yes Bank	Trade Receivables	1,102.21	1,099.06	(3.15)	The difference is due to the submissions to the Banks were made before financial reporting closure process
December 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	915.94	925.69	9.74	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Axis Bank Yes Bank	Trade Receivables	1,514.11	1,515.00	0.89	The difference is due to the submissions to the Banks were made before financial reporting closure process
March 2022	HDFC Bank Kotak Mahindra Bank	Inventory	1,508.51	1,508.51	-	
	Saraswat Bank Axis Bank Yes Bank	Trade Receivables	905.92	905.92	-	

Note: For the quarters ended 30 June 2020, 30 September 2020, 31 December 2020; the Company submitted quarterly reports to banks based on internal operational reports since the companies were not required to prepare financial statements on a quarterly basis. Accordingly, the management has carried out reconciliation of the statements submitted to banks with the books of accounts for the year ended 31 March 2021.

	As at 31 March 2022	As at 31 March 2021
Note 16 Lease liabilities		
Non-current	**62.37**	100.06
Current	**47.20**	38.95
Note : Refer note 38 for Ind AS 116 Leases and the related disclosures.		
Total Lease liabilities	**109.57**	139.01
Note 17 Provisions		
Non-current		
Provision for employee benefits (Refer note 33)		
- Gratuity	**19.07**	99.61
Total non-current provisions	**19.07**	99.61
Current		
Provision for employee benefits (Refer note 33)		
- Gratuity	**6.00**	6.00
- Compensated absences	**20.70**	6.98
Total current provisions	**26.70**	12.98
Total provisions	**45.77**	112.59

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Note 18 Income tax liabilities (net)

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

	As at 31 March 2022	As at 31 March 2021
a) Income tax liabilities	313.05	145.26
b) Income tax assets	(298.52)	(132.56)
Net Income tax liabilities	**14.53**	**12.70**

ii. The gross movement in the current income tax (assets)/liabilities is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Net current income tax liability/ (assets) at the beginning	12.70	(78.78)
Income refund received / (tax paid) [net]	(165.95)	67.70
Current tax expense	165.12	22.60
Interest on tax payable	2.66	1.18
Net current income tax liability at the end	14.53	12.70

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

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax expenses	165.12	22.60
Deferred tax credit	8.86	(19.06)
Income tax expenses [net] in Statement of Profit and Loss	173.98	3.54
Deferred tax credit in other comprehensive income	-	(0.94)
Income tax expenses [net]	173.98	2.60

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 2022	Year ended 31 March 2021
Profit /(Loss) before income tax	662.55	(2.79)
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense/ (credit)	166.76	(0.70)
Effect of expenses that are not deductible for determining taxable profits	1.90	2.15
Effect of deferred tax asset written-off	5.32	-
	173.98	1.45
Earlier year tax adjustments (current tax and deferred tax)	-	2.09
Income tax expense charged to the Statement of Profit and Loss	173.98	3.54

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

	As at 31 March 2022	As at 31 March 2021
(a) Deferred tax liabilities		
- Timing difference on tangible and intangible assets depreciation and amortisation	274.38	275.76
	274.38	275.76
(b) Deferred tax assets		
- Expenses allowable on payment basis	40.39	47.87
- Impairment allowable on financials assets	28.75	27.13
- Others	36.63	41.01
	105.77	116.01
Total deferred tax liabilities (net)	168.61	159.75

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

	Timing difference on tangible and intangible assets depreciation (A)	Expenses allowable on payment basis (B)	Unused Tax Losses (C)	Others (D)	Total (E)=(A)-(B)-(C)-(D)
As at 1 April 2020	305.34	41.58	21.70	62.31	179.75
Charged / (credited)					
- to profit or loss	(29.58)	5.35	5.43	(21.30)	(19.06)
- to other comprehensive income	-	0.94	-	-	(0.94)
At 31 March 2021	275.76	47.87	27.13	41.01	159.75
Charged / (credited)					
- to profit or loss	(1.38)	(7.48)	1.62	(4.38)	8.87
At 31 March 2022	274.38	40.39	28.75	36.63	168.61

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	As at 31 March 2022	As at 31 March 2021
Note 19 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 19.2)	3.95	9.19
Total outstanding dues of creditors other than micro, small and medium enterprises	631.25	508.38
Total trade payables	635.20	517.57

Note 19.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 19.2 : Dues to micro, small and medium enterprises to the extent information available with the Company is given below:

	As at 31 March 2022	As at 31 March 2021
(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	3.95	9.19
- Interest due	0.00*	0.02
(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.	0.31	0.65
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.31	0.67
(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	2.29	1.98

* Represents less than ₹ 10,000

Note 19.3: Trade Payable ageing schedule

As at 31 March 2022

Particulars	Outstanding from following period from the transaction date						
	Not due	Unbilled Dues	Less than one year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	3.95	-	-	-	3.95
(ii) Others	-	184.02	438.40	2.94	1.73	3.85	630.94
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	0.18	0.13	0.31
	-	184.02	442.35	2.94	1.91	3.98	635.20

As at 31 March 2021

Particulars	Outstanding from following period from the transaction date						
	Not due	Unbilled Dues	Less than one year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	9.19	-	-	-	9.19
(ii) Others	-	93.45	390.01	10.37	4.58	9.60	508.01
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	0.18	0.06	0.13	0.37
	-	93.45	399.20	10.55	4.64	9.73	517.57

	As at 31 March 2022	As at 31 March 2021
Note 20 Other current financial liabilities		
Interest accrued and due	2.29	1.98
Interest accrued but not due	12.78	15.66
Others		
- Liability for capital goods	19.58	35.00
- Security deposits	31.63	29.38
- Due to employees	57.30	61.11
Total other current financial liabilities	123.58	143.13
Other financial liabilities carried at amortised cost	123.58	143.13
Other financial liabilities carried at FVTPL	-	-
Note 21 Other current liabilities		
Advance from customers	11.88	10.36
Statutory dues payable	162.56	138.90
Total other liabilities	174.44	149.26

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Note 22 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Sale of products (including excise duty)	3,491.92	2,919.44
(b) Sale of services	335.29	181.38
(c) Other operating revenues	366.97	278.49
Total revenue from operations	4,194.18	3,379.31

Note 22.1: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service:

(a) Sale of products		
- Manufactured goods	3,359.32	2,716.81
- Traded goods	132.60	202.63
	3,491.92	2,919.44
(b) Sale of services	335.29	181.38
(c) Other operating revenues		
- Government grant	343.53	273.42
- Provisions/ balances no longer required written back (net)	18.34	3.25
- Others	5.10	1.82
	366.97	278.49
Total revenue from operations	4,194.18	3,379.31

(B) Based on timing of revenue recognition:

Products transferred at a point of time	3,491.92	2,919.44
Services transferred at a point of time	335.29	181.38

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 46).

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

Contract price	4,689.04	3,859.97
Less: Items offset against revenue from customers	(861.83)	(759.15)
	3,827.21	3,100.82

Note 22.2: The following table gives details in respect of contract revenues generated from the top customer and top 5 customers

Revenue from top customer	609.66	539.94
Revenue from top five customers	1,623.96	1,280.89

For the year ended 31 March 2022 one(1) [31 March 2021: one (1)] customer individually accounted for more than 10% of the total revenue.

Note 23 Other income

(a) Interest income		
- on financial assets carried at amortised cost	34.95	37.36
- on bank deposits	1.53	2.53
- income tax refund	-	4.28
- on others	2.64	2.81
	39.12	46.98
(b) Other non-operating income:		
- Insurance claim	2.47	1.05
- Exchange gain (net)	-	1.86
- Rent income	3.36	2.64
- Profit on disposal/ cancellation of lease agreement	0.40	2.31
- Miscellaneous income	0.45	2.92
	6.68	10.78
Total other income	45.80	57.76

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	Year ended 31 March 2022	Year ended 31 March 2021
Note 24 Cost of materials consumed		
(a) Stock at beginning of the year		
- Raw materials	-	-
- Packing materials	57.94	66.89
	57.94	66.89
(b) Add: Purchases		
- Raw materials	671.12	390.10
- Packing materials	402.94	264.37
	1,074.06	654.47
(c) Less: Stock at the end of the year		
- Raw materials	-	-
- Packing materials	72.21	57.94
	72.21	57.94
(d) Total cost of materials consumed (a+b-c)		
- Raw materials	671.12	390.10
- Packing materials	388.67	273.32
Total cost of materials consumed	1,059.79	663.42
Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening stock		
- Finished goods	150.87	206.22
- Work-in-progress	1,045.99	1,088.56
- Stock-in-trade	71.79	181.44
	1,268.65	1,476.22
(b) Closing stock		
- Finished goods	211.33	150.87
- Work-in-progress	1,145.17	1,045.99
- Stock-in-trade	38.88	71.79
	1,395.38	1,268.65
(c) Increase / (decrease) in excise duty on finished goods	14.56	(22.02)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	(112.17)	185.55
Note 26 Employee benefits expense		
Salaries, wages and bonus	566.82	495.80
Contribution to provident and other fund (Refer note 33)	17.42	11.80
Gratuity (Refer note 33)	18.98	17.58
Share based payment expenses	18.61	4.10
Staff welfare	16.50	9.55
Total employee benefits expense	638.33	538.83
Note 27 Selling, distribution and marketing expenses		
Sales promotion expenses	305.39	319.77
Commission expenses	70.95	82.86
Marketing expenses	47.84	41.94
Total Selling, distribution and marketing expenses	424.18	444.57

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	Year ended 31 March 2022	Year ended 31 March 2021
Note 28 Other expenses		
Consumables, chemicals, stores and spares consumed	96.95	64.31
Power and fuel	74.18	51.63
Repairs and maintenance:		
- Building	11.18	8.59
- Others	66.29	53.73
Rates and taxes	103.42	81.45
Insurance	9.24	8.63
Security charges	16.51	13.21
Travelling and conveyance	34.06	27.00
Rent (Refer note 38)	5.36	19.40
Payment to auditors:	-	-
- statutory audit fees	2.71	2.71
- limited review and tax audit fees	1.06	1.06
- other services	0.16	0.16
- reimbursement of expenses	0.04	0.04
Legal and professional fees	35.33	51.41
Director sitting fees (Refer note 35)	4.06	2.73
Restaurant expenses	54.46	27.46
Resort maintenance expenses	46.51	28.74
Sulafest expenses	-	-
Freight and handling charges	81.33	67.06
Sundry balances written off	-	-
Impairment allowance on financial assets (refer notes 6 and 10)	46.62	1.67
Impairment allowance on assets classified as hold for sale (Refer note 13.2)	-	11.80
Exchange loss (net)	0.93	-
Loss on disposal of property, plant and equipment (net) (Refer note 13.2)	17.52	29.41
Impairment Loss on assets classified as held for sale	-	-
Write off of property,plant and equipment	-	-
Corporate social responsibility expenses (Refer note 42)	8.82	4.15
Printing, stationary, postage and telephone expenses	14.83	9.94
Office expense	17.86	10.79
Miscellaneous expenses	35.98	28.75
Total other expenses	785.41	605.83
Note 29 Finance costs		
Interest on:		
- loan from banks	182.68	273.93
- lease liabilities (Refer note 38)	11.45	14.69
- cash credit facilities	3.01	12.93
- income tax	2.66	1.17
- others	2.90	4.96
	202.70	307.68
Other borrowing costs	10.55	14.92
Total finance costs	213.25	322.60
Note 30 Depreciation and amortisation expense		
Depreciation on tangible assets (Refer note 3)	176.69	194.68
Depreciation on right-of-use assets (Refer note 3A)	44.20	49.85
Amortisation of intangible assets (Refer note 4)	3.25	9.11
Total depreciation and amortisation expense	224.14	253.64
Note 30.1 Exceptional item		
Impairment loss on asset classified as held for sale (Refer note 13.1)	-	23.75
	-	23.75

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Note 31 Earnings/ (loss) per share (EPS)	Year ended 31 March 2022	Year ended 31 March 2021
Basic and diluted EPS		
A. Profit/ (Loss) computation for basic earnings per share of ₹ 2 each		
Net Profit/ (Loss) as per the Statement of Profit and Loss available for equity shareholders (₹ million)	**488.57**	(6.33)
B. Weighted average number of equity shares for EPS computation (Nos)	**7,67,71,141**	7,52,75,764
Nominal Value	**2**	2
C. EPS - Basic EPS (₹)	**6.36**	(0.08)
- Diluted EPS (₹)	**6.36**	(0.08)

Notes:

(a) Pursuant to the approval of the members at the 18th Annual General Meeting of the Company held on 30 July 2021 to the sub-division of the Equity Shares of the Company, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was 30 July 2021. Consequent to the share split, earnings per share for the comparative period has been retrospectively adjusted.

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

Note 32 Contingent liabilities and commitments

A. Contingent liabilities	As at 31 March 2022	As at 31 March 2021
i) Guarantees issued by banks on behalf of the Company	**148.26**	135.63
ii) Income tax liability that may arise in respect of which the Company is in appeal	-	46.89
iii) Stamp duty liability that may arise in respect of matter for which the Company is in appeal	**15.41**	15.41
iv) Corporate guarantee given on behalf of subsidiary	**174.63**	75.04
v) Others	**1.01**	1.01

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

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

B. Commitments

Capital commitment (net of advances)	**14.13**	4.66

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

I Defined benefit obligations - Gratuity (funded)

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

	31 March 2022	31 March 2021
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	119.78	108.02
Current service cost	12.58	12.18
Past service cost	-	-
Interest cost	6.87	6.40
Remeasurements - Net actuarial losses	1.61	3.78
Benefits paid	(3.98)	(10.17)
Liability assumed on account of group transfer		(0.43)
Present value of the obligation as at the end of the year	136.86	119.78
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the period	14.17	22.08
Interest income	0.47	1.00
Contribution by employer	100.16	1.19
Benefits paid	(3.98)	(10.16)
Remeasurements - Net actuarial gain	0.97	0.06
Fair value of the plan assets at the end of the year	111.79	14.17
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost (net)	6.40	5.40
Current service cost	12.58	12.18
	18.98	17.58
d) Remeasurement losses recognised in OCI		
Remeasurement - Net actuarial losses on defined benefit obligations	1.61	3.78
Remeasurement - Net actuarial gain on planned assets	(0.97)	(0.06)
Total	0.64	3.72

e) Actuarial assumptions	31 March 2022	31 March 2021
Discount rate	6.90%	6.25%
Salary escalation rate	Staff: 12%, Director: 0.00%	Staff: 11%, Director: 0.00% until year 2 inclusive, then 11%
Mortality rate	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)
Attrition rate :		
- For ages 21-30 years	24.00% p.a.	24.00% p.a.
- For ages 31-40 years	12.00% p.a.	12.00% p.a.
- For ages 41-50 years	14.00% p.a.	14.00% p.a.
- For ages 51-57 years	24.00% p.a.	24.00% p.a.

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

f) Investment details of plan assets

Major Categories of Plan Assets:	31 March 2022	31 March 2021
Insurer managed funds	100%	100%

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

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 2022	Year ended 31 March 2021
	0.50% increase	
i. Discount rate	**(3.95)**	(3.43)
ii. Salary escalation rate	**3.31**	3.28
	0.50% decrease	
i. Discount rate	**4.16**	3.62
ii. Salary escalation rate	**(3.23)**	(3.17)

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 2022	As at 31 March 2021
h) Maturity analysis of defined benefit obligation		
Within the next 12 months	**21.52**	19.28
Between 2 and 5 years	**73.01**	65.68
Beyond 5 years	**130.53**	100.99
Total expected payments	**225.06**	185.95

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 2022	Year ended 31 March 2021
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	**16.67**	10.56
(ii) Contribution to ESIC	**0.75**	1.24
	17.42	11.80

b) The leave obligations cover the Company's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is ₹ 20.70 million (31 March 2021 : ₹ 6.98 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The expense recognised during the year towards leave encashment is ₹ 14.55 million [31 March 2021 : ₹ (5.67) million]

	As at 31 March 2022	As at 31 March 2021
III Current/ non-current classification		
a) Gratuity		
Current	**6.00**	6.00
Non-current	**19.07**	99.61
	25.07	105.61
b) Compensated absences		
Current	**20.70**	6.98
	20.70	6.98

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Note 34 Financial instruments

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

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

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

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 are as follows:

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Assets:					
Investments in equity shares	5A	-	-	0.03	0.03
Loans	6	310.17	-	-	310.17
Other financial assets	7	928.89	-	-	928.89
Trade receivables	10	905.92	-	-	905.92
Cash and cash equivalents	11	94.44	-	-	94.44
Bank balances other than cash and cash equivalents	12	53.14	-	-	53.14
Liabilities:					
Borrowings	15	2,146.99	-	-	2,146.99
Lease liabilities	16	109.57	-	-	109.57
Trade payables	19	635.20	-	-	635.20
Other financial liabilities	20	123.58	-	-	123.58

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

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Assets:					
Investments in equity shares	5A	-	-	0.03	0.03
Loans	6	258.84	-	-	258.84
Other financial assets	7	703.85	-	-	703.85
Trade receivables	10	1,098.41	-	-	1,098.41
Cash and cash equivalents	11	404.19	-	-	404.19
Bank balances other than cash and cash equivalents	12	49.00	-	-	49.00
Liabilities:					
Borrowings	15	2,961.94	-	-	2,961.94
Lease liabilities	16	139.01	-	-	139.01
Trade payables	19	517.57	-	-	517.57
Other financial liabilities	20	143.13	-	-	143.13

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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

Particulars	31 March 2022			31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares	-	-	0.03	-	-	0.03

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(Amount in ₹ million, unless otherwise stated)

Note 35 Disclosure in accordance with Ind AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

Name of the entity	Company's holding as at (%) 31 March 2022	31 March 2021
(a) Holding Company (having control over the entity)		
Verlinvest Group SA		
(b) Subsidiary company		
Artisan Spirits Private Limited	100	100
Progressive Alcobev Distributors Private Limited (till 1 April 2021)	-	51
Sula International Limited	100	100

(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	Chief Executive Officer and Managing Director
Chetan Desai	Chairman and Independent Director
Nicholas Peter Y Cator	Director (resigned w.e.f. 03 December 2020)
Deepak Shahdapuri	Director (resigned w.e.f. 1 July 2021)
Hank Uberoi	Director (resigned w.e.f. 1 July 2021)
J. A. Moos	Director (resigned w.e.f. 14 May 2020)
Kerry Damskey	Director (resigned w.e.f. 29 September 2021)
Alok Vajpeyi	Independent Director (appointed w.e.f. 2 December 2020)
Shagun Tiwari	Director (resigned w.e.f. 5 October 2021)
Arjun Anand	Independent Director
Gayatri Yadav	Director (appointed w.e.f. 14 May 2020 and resigned w.e.f. 19 July 2020)
Roberto Italia	Director (appointed w.e.f. 15 July 2021)
Sangeeta Pendurkar	Independent Director (appointed w.e.f. 15 December 2021)
Bittu Varghese*	Chief Financial Officer
Ruchi Sathe*	Company Secretary
Chaitanya Rathi*	Chief Operating Officer

(e) Relatives of Key Management Personnel:

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

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

Summerlab Private Limited	Margarita Andronova, Director (wife of Managing Director)

* Pursuant to the board meeting of the Holding Company held on 23 February 2022, Chaitanya Rathi, Bittu Varghese and Ruchi Sathe have been designated as key managerial personnel. Therefore, only transactions entered after 23 February 2022 have been disclosed.

B. Nature of Transactions

Transactions with related parties:	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Progressive Alcobev Distributors Private Limited	-	153.63
Artisan Spirits Private Limited	39.61	64.28
Rajeev Samant	0.43	0.14
Suresh Samant	0.34	0.19
Bharat Samant	-	0.04
	40.38	218.28
Interest income		
Artisan Spirits Private Limited	20.51	23.88
Sula International Limited	0.19	-
	20.70	23.88
Interest expense		
Rajeev Samant	0.05	-
Rent income		
Artisan Spirits Private Limited	0.39	0.24

(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of Raw materials		
Artisan Spirits Private Limited	4.62	-
Rajeev Samant	5.01	6.74
Suresh Samant	4.98	5.58
Sulabha Samant	0.03	0.47
Bharat Samant	1.40	1.62
	16.04	14.41
Purchase of finished goods		
Artisan Spirits Private Limited	44.04	9.73
Progressive Alcobev Distributors Private Limited	-	0.22
	44.04	9.95
Purchase of property, plant and equipment		
Rajeev Samant	166.93	55.00
Suresh Samant	23.65	-
Artisan Spirits Private Limited	0.01	0.91
	190.59	55.91
Sale of property, plant and equipment		
Artisan Spirits Private Limited	6.74	-
Conversion of warrants into equity shares		
Rajeev Samant	216.45	17.38
Director's sitting fees paid/payable		
Deepak Shahdadpuri	-	0.15
Kerry Damskey	0.07	0.15
J. A. Moos	-	0.04
Hank Uberoi	-	0.15
Nicholas Peter Y Cator	-	0.08
Arjun Anand	0.89	0.30
Chetan Desai	1.30	0.74
Alok Vajpeyi	1.20	0.60
Ashit Lilani	-	0.28
Gayatri Yadav	-	0.04
Shagun Tiwari	0.30	0.20
Sangeeta Pendurkar	0.30	-
	4.06	2.73
Reimbursement of expenses		
Artisan Spirits Private Limited	173.76	76.43
Repayment of Lease Liability		
Rajeev Samant	2.00	2.46
Suresh Samant	1.49	2.16
	3.49	4.62
Commission expense		
Chetan Desai	1.20	-
Legal and professional expenses		
Summerlab Private Limited	-	1.10
Dividend		
Rajeev Samant	48.23	-
Suresh Samant	1.69	-
Kerry Damskey	0.09	-
Sulabha Samant	3.74	-
Verlinvest Asia	44.11	-
Verlinvest SA	17.98	-
Verlinvest France	16.45	-
Cofintra SA	17.98	-
Daisy Damskey	0.95	-
Sangeeta Pendurkar	0.31	-
	151.53	-

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(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
Loan taken		
Rajeev Samant	20.00	-
Loan taken repaid		
Rajeev Samant	20.00	-
Loan given		
Artisan Spirits Private Limited	504.28	517.26
Sula International Limited	0.25	2.17
	504.53	519.43
Repayment of loan		
Artisan Spirits Private Limited	458.97	558.60
Sula International Limited	-	0.53
	458.97	559.13
Receipt of interest on loan		
Artisan Spirits Private Limited	40.54	47.83
	40.54	47.83
Compensation to key managerial person (including share based payments)^		
Rajeev Samant	28.27	30.00
Chaitanya Rathi	2.21	-
Bittu Varghese	0.98	-
Ruchi Sathe	0.20	-
	31.66	30.00
Corporate guarantee given on behalf of subsidiary		
Artisan Spirits Private Limited	159.57	75.04

C) Outstanding balances:	As at 31 March 2022	As at 31 March 2021
Trade payables		
Rajeev Samant	1.46	6.54
Suresh Samant	2.13	5.38
Sulabha Samant	0.01	0.47
Bharat Samant	0.49	1.58
Chetan Desai	1.08	-
	5.17	13.97
Trade receivables		
Progressive Alcobev Distributors Private Limited	-	56.69
Money received against share warrants		
Rajeev Samant	2.19	6.49
Loan given outstanding		
Artisan Spirits Private Limited	279.70	234.39
Progressive Alcobev Distributors Private Limited	-	0.25
Sula International Limited^^	2.59	2.22
	282.29	236.86

^^ During the current year, loan given to Sula International has been fully provided (Refer note 6).

Interest accrued		
Artisan Spirits Private Limited	-	22.09
Compensation to key managerial person (including share based payments)^		
Rajeev Samant	1.76	1.24
Chaitanya Rathi	2.76	-
Bittu Varghese	1.81	-
Ruchi Sathe	0.34	-
	6.67	1.24
Corporate guarantee given on behalf of subsidiary		
Artisan Spirits Private Limited	174.63	75.04

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

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Note 36 Financial risk management objectives and policies

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

i Market risk

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

a. Interest rate risk

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

Interest rate sensitivity

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

	As at 31 March 2022		As at 31 March 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on profit / loss before tax	10.73	(10.73)	14.80	(14.80)

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 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 2022:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	8.02	5.38	0.83	-	-
Loan to subsidiary	-	-	2.45	-	-
Advance to suppliers	0.18	-	-	-	-
Capital advance	-	0.43	-	-	-
	8.20	**5.81**	**3.28**	-	-
Liabilities					
Trade payables	9.73	19.82	-	0.03	0.48
Liability for capital goods	-	0.16	-	-	-
	9.73	**19.98**	-	**0.03**	**0.48**
Net assets / (liabilities)	**(1.53)**	**(14.17)**	3.28	**(0.03)**	**(0.48)**

The following table analysis foreign currency risk from financial instruments as at 31 March 2021:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	5.59	3.62	0.83	-	-
Capital advances	-	0.54	-	-	-
Loan to subsidiary	-	-	2.22	-	-
Advance to suppliers	0.77	0.21	-	-	-
	6.36	4.37	3.15	-	-
Liabilities					
Trade payables	9.80	2.69	-	0.01	1.08
Liability for capital goods	-	8.08	-	-	-
	9.80	10.77	-	0.01	1.08
Net assets / (liabilities)	(3.44)	(6.40)	3.15	(0.01)	(1.08)

* Includes Canadian Dollar,Russian Rubel and Emirati Dirham

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Sensitivity analysis

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

Particulars	Impact on profit / loss before tax for the year ended	
Currencies	**31 March 2022**	31 March 2021
USD	**0.08**	0.17
EUR	**0.71**	0.32

c. Equity price risk

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

ii Credit risk

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

a Trade receivables

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

	As at 31 March 2022		As at 31 March 2021	
	₹ million	**%**	₹ million	%
Trade receivables				
- from government corporation	**556.64**	**61.44%**	706.89	64.36%
- from private parties	**349.28**	**38.56%**	391.52	35.64%
Total trade receivables (Refer note 10)	**905.92**	**100.00%**	1,098.41	100.00%

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

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	**27.05**	25.38
Impairment allowance	**43.94**	1.67
Balance at the end of the year	**70.99**	27.05

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents, government grant receivables and loan to subsidiaries / employees. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Based on the Company's historical experience, the credit risk on the above mentioned financial assets is also assessed to be low.

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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	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2022					
Borrowings	1,262.50	505.88	378.61	-	2,146.99
Trade payables	-	635.20	-	-	635.20
Lease liabilities	-	54.79	67.05	-	121.84
Other financial liabilities	-	123.58	-	-	123.58
	1,262.50	**1,319.45**	**445.66**	**-**	**3,027.61**
As at 31 March 2021					
Borrowings	1,672.94	697.81	591.19	-	2,961.94
Trade payables	-	517.57	-	-	517.57
Lease liabilities	-	49.41	113.23	0.33	162.97
Other financial liabilities	-	143.13	-	-	143.13
	1,672.94	**1,407.92**	**704.42**	**0.33**	**3,785.61**

Note 37 Capital management

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

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

	As at 31 March 2022	As at 31 March 2021
Total debt	2,146.99	2,961.94
Total equity	4,149.27	3,276.14
Total debts to equity ratio (Gearing ratio)	**0.52**	**0.90**

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.

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Note 38 Leases - Ind AS 116

Right-of-use Assets:

The net carrying value of right-of-use assets as at 31 March 2022 amounts to ₹ 92.81 million (31st March 2021: ₹125.25 million) have been disclosed on the face of the balance sheet (Also refer note 3A).

Lease liabilities:

As at 31 March 2022, the obligations under finance leases amounts to ₹ 109.57 million (31 March 2021: ₹ 139.01 million which have been classified to lease liabilities, under financial liabilities.

Particulars	As at 31 March 2022	As at 31 March 2021
Current Lease liabilities	47.20	38.95
Non-Current Lease liabilities	62.37	100.06
Total Lease liabilities	**109.57**	**139.01**

(i) The following is the movement in lease liabilities for the year ended 31 March 2022

Opening Balance	**139.01**	245.00
Additions during the year	18.34	1.90
Finance cost accrued during the year	11.45	14.69
Payment of lease liabilities	(53.39)	(56.78)
Termination during the year	(5.84)	(65.80)
Closing Balance	**109.57**	**139.01**

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

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2022	**109.57**	**121.84**	**54.79**	**67.05**	-
31 March 2021	139.01	162.97	49.41	113.23	0.33

The Company recognised the following in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expenses on right-of-use assets (Refer notes 3A and 30)	**44.20**	49.85
Finance cost on lease liabilities (Refer note 29)	**11.45**	14.69
Rent expense pertaining to leases of low-value assets	-	-
Rent expense pertaining to leases with less than 12 months of lease included under other expenses (Refer note 28)	**5.36**	19.40

Note 39 Dividend on equity shares

Dividend on equity shares declared and paid during the year		
Interim dividend of ₹ 2.5 per share of ₹ 2 Face value (Year ended 31 March 2021: Nil)	**194.49**	-
Proposed dividend on equity shares not recognised as liability*		
Final dividend of ₹ 2.4 per share of ₹ 2 Face value for year ended 31 March 2022 (Year ended 31 March 2021 : Nil)	**195.84**	-

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

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Note 40 Disclosure of ratios

	Particulars	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31 March 2022	As at and for the year ended 31 March 2021
a	Current Ratio	Current assets / Current liabilities	Times	1.20	1.06
b	Debt Equity Ratio	Debt / Net worth	Times	0.52	0.90
c	Debt Service coverage Ratio	EBITDA / (Finance costs + Principal repayment of long term borrowings within one year)	Times	2.04	0.79
d	Return on Equity	Profit after tax / Net worth	Percentage	11.77%	-0.19%
e	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	0.70	0.63
f	Trade Receivable Turnover Ratio	Revenue from sale of product and services /Average trade receivables	Times	3.82	2.55
g	Trade Payable Turnover Ratio	Purchases / Average Trade Payables	Times	1.95	1.10
h	Net Capital Turnover Ratio	Revenue from operations / Working capital	Times	7.58	16.64
i	Net Profit Ratio	Profit after tax / Revenue from operations	Percentage	11.65%	-0.19%
j	Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	19.34%	8.27%
k	Return on Investment (ROI)	Not applicable	Percentage	N.A.	N.A.

Notes:
1 Debt = Non-current borrowings + Current borrowings
2 Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
3 EBITDA = Earnings before finance costs, depreciation expense and tax and exceptional items
4 Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress
5 Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials and packing materials - Opening inventory of raw materials and packing materials
6 Working Capital = Current assets - Current liabilities
7 EBIT = Earnings before interest and tax and exceptional items
8 Capital employed = Total equity + Non-current borrowings

Disclosure of change in ratio by more than 25%

	Particulars	% Variance in ratio between 31 March 2022 and 31 March 2021	Reason for Variance in excess of 25%
a	Current Ratio	13%	Refer note below
b	Debt Equity Ratio	-43%	Owing to decrease in debt
c	Debt Service coverage Ratio	158%	Owing to increase in EBIDTA due to better margin and decrease in debt
d	Return on Equity	6194%	Increase in the revenue with fixed cost being constant leading to increase in Profit after Tax
e	Inventory Turnover Ratio	10%	Refer note below
f	Trade Receivable Turnover Ratio	50%	Owing to improved collection
g	Trade Payable Turnover Ratio	77%	Owing to timely payment of trade payables
h	Net Capital Turnover Ratio	-54%	Owing to increase in the working capital compared to revenue
i	Net Profit Ratio	6319%	Owing to increase in revenue followed by increase in profit with fixed cost being constant
j	Return on Capital Employed (ROCE)	134%	Owing to increase in EBIT and decrease in borrowing
k	Return on Investment (ROI)	N.A.	N.A.

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.

Note 41 Unhedged foreign currency exposure

Particulars	Currencies	As at 31 March 2022 Foreign currency	As at 31 March 2022 ₹ in million	As at 31 March 2021 Foreign currency	As at 31 March 2021 ₹ in million
Trade receivables	USD	1,05,615	8.02	76,386	5.59
	EUR	63,895	5.38	42,102	3.62
	GBP	8,268	0.83	8,268	0.83
Trade payables	USD	1,28,152	9.73	1,33,954	9.80
	EUR	2,35,356	19.82	29,330	2.69
	AUD	550	0.03	89	0.01
	Others *	43,177	0.48	82,956	1.08
Liability for capital goods	EUR	1,914	0.16	93,994	8.08
Advance to suppliers	USD	2,405	0.18	10,571	0.77
	EUR	-	-	2,449	0.21
Capital advances	EUR	5,152	0.43	6,247	0.54
Loan to subsidiary	GBP	24,500	2.45	22,000	2.22
Investment in subsidiary	GBP	1,000	0.10	1,000	0.10

* Includes Canadian Dollar,Russian Rubel and Emirati Dirham

Note 42 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: ₹ 2.82 million (31 March 2021 : ₹ 4.11 million)

b. Amount spent during the year on CSR activities: ₹ 8.82 million (31 March 2021 : ₹ 4.15 million) the details of which is as given below:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Infrastructure and Social Support in Nasik	1.85	1.53
Plantation Afforestation and Maintenance of Existing Plantation Project	0.97	1.02
Contribution to Prime Ministers National Relief Fund	3.00	1.60
Chief Ministers' Disaster Management Fund	3.00	-
Total	**8.82**	**4.15**

Note 43 Disclosures required pursuant to Ind AS 102 - Share Based Payment

The Company has granted stock options under the employee stock option schemes. During the year ended 31 March 2022 employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS COO & CFO 2019), Employee stock option scheme (ESOS 2020) and Employee stock option scheme (ESOS 2021) are in existence. These options would vest based on the vesting conditions as per letter of grant executed between the Company and the employee of the Company or its subsidiaries. Each option when exercised would be converted into one fully paid-up equity share of ₹2 each of the Company. 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 2020	111,479	856.04
Options granted during the year	64,812	944.86
Options forfeited/lapsed/expired during the year	(10,000)	850.00
Options outstanding as at 31 March 2021	**166,291**	**891.02**
Options exercised during the period *	(30,000)	631.00
Total outstanding options before share split	136,291	850.00
Add: Impact of share split on 30 July 2021 [refer note 14(h)]	545,164	(680.00)
Total outstanding options post share split	**681,455**	**170.00**
Options granted during the year	2,153,055	170.00
Options forfeited/lapsed/expired during the year	(23,000)	170.00
Options outstanding as at 31 March 2022^	**2,811,510**	170.00

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* The weighted average share price at the date of exercise of option was 122.8

^ The options outstanding as at 31 March 2022 are with the weighted average exercise price of ₹ 170.00 per share (31 March 2021: ₹891.02). The weighted average of the remaining contractual life is 1 year.

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

Particulars	ESOS 2018 (2)	ESOS 2019		ESOS 2019 (2)	
	3 years Vesting Period	CFO - 24 months vesting period	COO - 15 months vesting period	CFO - 12 months vesting period	COO - 12 months vesting period
Date of Grant	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020
Market Price (₹)	76.25	76.25	76.25	76.25	76.25
Expected life (in years)	3	3	3	3	3
Volatility*	46.00%	46.00%	46.00%	46.00%	46.00%
Risk Free rate (%)	5.41%	5.41%	5.41%	5.41%	5.41%
Exercise Price	170	170	170	170	170
Dividend Yield (%)	1.31%	1.31%	1.31%	1.31%	1.31%
Option Fair Value (₹)	7.25	11.87	7.32	7.69	7.69

	ESOS 2020	ESOS 2019 (3)		ESOS 2020 (2)	ESOS 2021
	1 Year Vesting Period	CFO - 12 months vesting period	COO - 12 months vesting period	1 Year Vesting Period	1 Year Vesting Period
Date of Grant	29 Sep 2020	15 July 2021	15 July 2021	15 July 2021	30 July 2021
Market Price (₹)	76.25	122.8	122.8	122.8	122.8
Expected life (in years)	3	1.09	1.09	1.17	1.61
Volatility*	46.00%	42.76%	42.76%	43.03%	43.07%
Risk Free rate (%)	5.41%	3.78%	3.78%	3.78%	4.15%
Exercise Price	170	170	170	170	170
Dividend Yield (%)	1.31%	2.44%	2.44%	2.44%	2.44%
Option Fair Value (₹)	7.06	8.85	8.85	9.68	13.54

*Expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome

Note 44 As at 31 March 2022, the Company has non-current investments and non-current loans amounting to ₹ 269.86 million and ₹ 279.70 million, respectively, in its wholly owned subsidiary Artisan Spirits Private Limited ('ASPL'). As at 31 March 2022, ASPL has accumulated losses and its net-worth has been substantially eroded. However, 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 and loans due to which these are considered as good and recoverable.

Note 45 There is a disputed excise duty demand of ₹ 1,158.95 million, against which a stay has been granted. The outcome of the Company's appeal is pending. The Company has been legally advised that the matter is reasonable likely to be settled in favour of the Company. Consequently, the possibility of any outflow of resources embodying economic benefits is remote.

Note 46 Segment reporting

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

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	India	Outside India	India	Outside India
Revenue from operations	4,115.50	78.68	3,276.79	102.52
Non-current assets	3,954.85	-	3,687.29	-

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Note 47 Government grants

The disclosures pursuant to Ind AS 20 'Accounting for Government Grant and Disclosure of Government Assistance' are as follows:

	31 March 2022	31 March 2021
Government grants at the beginning of the year	**653.94**	796.64
Add: Government grant accrued during the year	**343.53**	273.42
Less: Government grant received during the year	**130.51**	416.12
Government grants at the end of the year	**866.96**	653.94
Current	**704.38**	464.19
Non-current	**162.58**	189.75

Government grants related to Wine Incentive Promotion Subsidy (WIPS) scheme launched by the state of Maharashtra. Under the scheme, VAT paid by Company on wine manufactured from grapes produced in Maharashtra and subsequently sold in Maharashtra is eligible for 80% refund. The Company being involved in the business of wine manufacturing, avails WIPS incentive. There are no unfulfilled conditions or contingencies attached to these grants.

Note 48 Events after the reporting period

(i) Subsequent to the reporting date all the outstanding warrants at 31 March 2022, have been converted into 3,002,784 equity share of ₹2 each. Accordingly, there are no warrants outstanding as on the date of adoption of the financial statement of the Company.

(ii) Sula International Limited, a wholly owned subsidiary has been struck off w.e.f. 19 April 2022. Accordingly, Impairment loss on Investment/advances amounting to ₹ 2.69 million is recognized during the year ended 31 March 2022.

Note 49 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

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Note 50 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

For and on behalf of Board of Directors of Sula Vineyards Limited
(Formerly Sula Vineyards Private Limited)

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED
MUMBAI

Place: Mumbai
Date : 19 May 2022

AUDITED CONSOLIDATED

BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2022

SULA VINEYARDS LIMITED
(FORMERLY SULA VINEYARDS PRIVATE LIMITED)

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Independent Auditor's Report

To the Members of Sula Vineyards Limited (Formerly known as 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 Limited (formerly known as Sula Vineyards Private Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at **31 March 2022**, 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 the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Chartered Accountants

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

4. 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

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. 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.

7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

   - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

10. 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.

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Other Matter

11. We did not audit the financial statements of one (1) subsidiary, whose financial statements reflects total assets of ₹ 0.09 million and net liabilities of ₹ 2.42 million as at 31 March 2022, total revenues of NIL and net cash outflows amounting to ₹ 0.38 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Holding Company has paid or provided remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one (1) subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company..

13. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

14. 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 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;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, and taken on record by the Board of Directors of the Holding Company and its subsidiary company, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

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f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

g) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Notes 33(A)(iii) and 49 to the consolidated financial statements;

ii. 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 2022;

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 company covered under the Act, during the year ended 31 March 2022;

iv.

a. The respective management of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 52(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Group to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 52(vi) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend paid by the Holding Company during the year ended 31 March 2022 is in compliance with section 123 of the Act.

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

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJFPHK7417

Place: Mumbai
Date: 19 May 2022

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Annexure I

List of entities

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

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Annexure II to the Independent Auditor's Report of even date to the members of Sula Vineyards Limited (Formerly known as Sula Vineyards Private Limited) on the consolidated financial statements for the year ended 31 March 2022.

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

1. In conjunction with our audit of the consolidated financial statements of **Sula Vineyards Limited (formerly known as 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 2022**, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company 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 company 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 company, 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 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 company as aforesaid.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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Annexure II (Contd)

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.

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 Holding Company and its subsidiary company, 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 2022, based on the internal financial controls with respect to financial statements criteria established by the Holding Company and its subsidiary 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 R. Agarwal
Partner
Membership No:109632

UDIN:22109632AJFPHK7417

Place: Mumbai
Date: 19 May 2022

Chartered Accountants

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Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Consolidated Balance Sheet as at 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	**3,444.13**	3,040.23
Right-of-use assets	3A	**93.05**	125.25
Capital work-in-progress	3B	**9.80**	1.07
Goodwill	4	**8.54**	0.11
Other intangible assets	4	**66.78**	11.95
Financial assets			
Investments	5	**0.03**	0.03
Loans	6	**19.21**	10.90
Other financial assets	7	**209.68**	218.24
Non-current tax assets (net)	8	**2.11**	1.39
Other non-current assets	9	**26.85**	37.43
Total non-current assets		**3,880.18**	3,446.60
Current assets			
Inventories	10	**1,622.62**	1,439.32
Financial assets			
Trade receivables	11	**1,093.94**	1,236.17
Cash and cash equivalents	12	**101.99**	407.91
Bank balances other than cash and cash equivalents	13	**93.85**	109.71
Loans	6	**11.51**	11.35
Other financial assets	7	**736.21**	468.87
Other current assets	9	**45.31**	75.19
		3,705.43	3,748.52
Non-current assets and assets of a disposal group classified as held for sale	14	**-**	320.84
Total current assets		**3,705.43**	4,069.36
TOTAL ASSETS		**7,585.61**	7,515.96
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**157.20**	150.80
Other equity		**3,795.39**	2,896.59
Total equity		**3,952.59**	3,047.39
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	**480.67**	591.19
Lease liabilities	17	**62.43**	100.06
Provisions	18	**19.92**	99.61
Deferred tax liabilities (net)	8	**168.61**	159.74
Total non-current liabilities		**731.63**	950.60
Current liabilities			
Financial liabilities			
Borrowings	16	**1,808.64**	2,421.37
Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		**4.78**	9.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**669.67**	573.62
Lease liabilities	17	**47.39**	38.95
Other financial liabilities	20	**142.29**	144.71
Other current liabilities	21	**186.86**	168.07
Provisions	18	**27.23**	12.98
Current tax liabilities (net)	8	**14.53**	12.70
		2,901.39	3,382.11
Liabilities of a disposal group classified as held for sale	14.1	**-**	135.85
Total current liabilities		**2,901.39**	3,517.96
TOTAL EQUITY AND LIABILITIES		**7,585.61**	7,515.96

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS MUMBAI

SULA VINEYARDS LIMITED MUMBAI

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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

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

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED
MUMBAI

Place: Mumbai
Date : 19 May 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	22	4,539.16	4,179.59
Other income	23	27.84	35.73
Total income		4,567.00	4,215.32
Expenses			
Cost of materials consumed	24	1,114.18	669.12
Purchase of stock-in-trade		204.30	752.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(147.00)	153.69
Excise duty on sales		295.04	320.19
Employee benefits expense	26	653.40	555.01
Selling, distribution and marketing expense	27	445.45	466.95
Other expenses	28	840.92	653.23
		3,406.29	3,570.20
Earnings Before Interest, Depreciation, Tax, Amortisation and Exceptional items (EBIDTAE)		1,160.71	645.12
Finance costs	29	229.23	333.86
Depreciation and amortisation expense	30	236.11	256.99
Profit before tax and exceptional item		695.37	54.27
Exceptional item	31	-	(22.41)
Profit before tax		695.37	31.86
Tax expense	8		
Current tax		165.12	22.67
Deferred tax		8.86	(18.86)
		173.98	3.81
Net profit for the year (A)		521.39	28.05
Other comprehensive loss (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss			
- Loss on remeasurement of defined benefit plans (net of taxes)	34	(1.47)	(2.56)
Items that will be reclassified subsequently to statement of profit or loss			
- Cash flow hedge reserve		-	(0.21)
Other comprehensive loss for the year, net of tax (B)		(1.47)	(2.77)
Total comprehensive income for the year, net of tax (A+B)		519.92	25.28
Net profit for the year attributable to:			
Owners of the parent		521.39	27.80
Non-controlling interest		-	0.25
Other comprehensive loss for the year attributable to:			
Owners of the parent		(1.47)	(2.82)
Non-controlling interest		-	0.05
Total comprehensive income for the year attributable to:			
Owners of the parent		519.92	24.98
Non-controlling interest		-	0.30
Earnings per equity share of nominal value ₹ 2 each			
Basic (in ₹)	32	6.79	0.37
Diluted (in ₹)	32	6.79	0.37

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

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

SULA VINEYARDS LIMITED MUMBAI

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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

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

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

SULA VINEYARDS LIMITED
MUMBAI

Place: Mumbai
Date : 19 May 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Consolidated Cash Flow Statement for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**695.37**	31.86
Adjustments for		
Depreciation and amortisation expense	**236.11**	256.99
Interest expenses	**214.20**	316.52
Interest income	**(21.53)**	(26.50)
Provisions/ balances no longer required written back	**(23.02)**	(6.81)
Profit on disposal/ cancellation of lease agreement	**(0.40)**	(2.31)
Share based payment to employees	**18.61**	4.10
Impairment allowance on financial and other assets	**46.39**	2.94
Impairment loss on assets classified as held for sale (Refer note 28)	**17.05**	11.80
Exceptional item - loss on disposal group classified as held for sale	**-**	22.41
Unrealised exchange loss on foreign currency translations (net)	**0.39**	0.12
Loss on disposal of property, plant and equipment (net)	**0.47**	31.93
	488.27	611.19
Operating profit before working capital changes	**1,183.64**	643.05
Adjustments for changes in working capital:		
(Increase) / Decrease in inventories	**(146.46)**	209.31
Decrease in trade receivables	**163.76**	191.77
(Increase) / Decrease in current/ non-current financial and other assets	**(206.76)**	208.71
Increase / (Decrease) in trade payables and other financial / other liabilities	**46.88**	(129.00)
	(142.58)	480.79
Cash generated from operations	**1,041.06**	1,123.85
Direct taxes - refund received/ (paid) [net]	**(166.67)**	71.56
Net cash generated from operating activities	**874.39**	1,195.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (refer note 2 below)	**(549.77)**	(164.51)
Payment in relation to purchase consideration on business combination	**(161.65)**	-
Proceeds from sale of property, plant and equipment (Including assets held for sale)	**90.85**	8.66
Proceeds from sale of investment of subsidiary	**29.69**	-
Net proceeds from bank deposits with original maturity of more than three months	**(0.04)**	(85.70)
Interest received	**23.00**	24.52
Net cash used in investing activities	**(567.92)**	(217.03)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	**561.08**	15.64
Proceeds from long-term borrowings	**306.67**	217.52
Repayment of long-term borrowings	**(417.19)**	(414.58)
Repayment of short-term borrowings (net)	**(612.73)**	(391.20)
Repayment of lease liabilities	**(53.50)**	(56.78)
Interest paid	**(202.36)**	(315.39)
Dividend paid (including taxes)	**(194.49)**	-
Net cash used in financing activities	**(612.52)**	(944.79)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(306.05)**	33.59
Cash and cash equivalents at the beginning of the year	**407.91**	374.72
Cash and cash equivalents at the end of the year	**101.86**	408.31
Less: Transfer to assets of a disposal group classified as held for sale (Refer note 14)	**-**	(0.40)
Add: Cash and cash equivalents acquired in business combination (refer note 45)	**0.13**	-
Cash and cash equivalents at the end of the year (refer note 12)	**101.99**	407.91

Notes:

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 consolidated financial statements

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

SULA VINEYARDS LIMITED MUMBAI

This 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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

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

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 19 May 2022

SULA VINEYARDS LIMITED
MUMBAI

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Consolidated Statement of Changes in Equity as at and for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

a) Equity share capital

Particulars	Number	₹ million
Equity shares of ₹ 2 per share (₹10 per share until 30 July 2021) issued, subscribed and paid up		
As at 1 April 2020	1,50,44,188	150.44
Issued during the year [refer notes 15(e)]	2,012	0.02
Shares warrants converted during the year [Refer note 15(f)]	34,174	0.34
As at 31 March 2021	**1,50,80,374**	**150.80**
Employee Stock Options exercised until 30 July 2021 (refer note 43)	30,000	0.30
Total outstanding shares as at 30 July 2021, before share split	1,51,10,374	151.10
Impact of share split [refer note 15(h)]	6,04,41,496	-
Total outstanding shares post share split	7,55,51,870	151.10
Equity shares issued during the year [refer note 15(e)]	13,75,000	2.75
Shares warrants converted during the year [refer note 15(f)]	16,71,221	3.35
As at 31 March 2022	**7,85,98,091**	**157.20**

b) Other Equity

Particulars	Reserves and surplus (A)				Other reserve (B)			Total (A+B)	Non-controlling interest
	Securities premium	Share option outstanding reserve	General reserve	Retained earnings	Money received against share warrants [Refer Note 15(f)]	Currency fluctuation reserve	Cash flow hedge reserve		
As at 1 April 2020	1,624.78	2.73	35.95	1,179.41	8.23	-	-	2,851.10	24.01
Net profit for the year	-	-	-	27.80	-	-	-	27.80	0.25
Conversion of warrants into equity shares [Refer note 15(f)]	17.05	-	-	-	(1.74)	-	-	15.31	-
Issue of equity shares [Refer note 15]	1.43	-	-	-	-	-	-	1.43	-
Share based payment expense	-	4.10	-	-	-	-	-	4.10	-
Cancellation of employee stock options	-	(0.20)	-	-	-	-	-	(0.20)	-
Other comprehensive loss for the year	-	-	-	(2.61)	-	-	(0.21)	(2.82)	0.05
Currency Translation difference	-	-	-	-	-	(0.13)	-	(0.13)	-
Transfer to liabilities of a disposal group classified as held for sale (Refer notes 14 and 31)	-	-	-	-	-	-	-	-	(24.31)
As at 31 March 2021	**1,643.26**	**6.63**	**35.95**	**1,204.60**	**6.49**	**(0.13)**	**(0.21)**	**2,896.59**	-
Net profit for the year	-	-	-	521.39	-	-	-	521.39	-
Other comprehensive loss for the year	-	-	-	(1.47)	-	-	-	(1.47)	-
Conversion of warrants into equity shares [Refer note 15(f)]	213.10	-	-	-	(4.30)	-	-	208.80	-
Issue of equity shares [Refer note 15]	347.58	-	-	-	-	-	-	347.58	-
Share based payment expense	-	18.61	-	-	-	-	-	18.61	-
Exercise of employee stock options		(1.70)	-	-	-	-	-	(1.70)	-
Other comprehensive loss items reclassified to statement of profit and loss	-	-	-	(0.21)	-	-	0.21	-	-
Currency Translation difference	-	-	-	-	-	0.07		0.07	-
Payment of dividend (refer note 48)	-	-	-	(194.49)	-	-	-	(194.49)	-
As at 31 March 2022	**2,203.94**	**23.54**	**35.95**	**1,529.82**	**2.19**	**(0.06)**	-	**3,795.39**	-

Nature and purpose of reserves

i. Securities premium

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

ii. Share option outstanding reserve

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

iii. General reserve

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

iv. Retained earnings

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

v. Money received against share warrants

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

vi. Currency fluctuation reserve

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

vii. Cash flow hedge reserve

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

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

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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 R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place: Mumbai
Date : 19 May 2022

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

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

SULA VINEYARDS LIMITED * MUMBAI

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 19 May 2022

Note 1 Corporate Information

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) (the "Holding Company", the "Company" or the "Parent Company") is a Company domiciled and headquartered in Mumbai, India and was incorporated under the provisions of the erstwhile Companies Act, 1956, has been converted from Private Limited Company to Unlisted Public Limited Company pursuant to special resolution passed at the Extraordinary General Meeting of the shareholders held on 30 December 2021 and consequently the name has been changed to Sula Vineyards Limited and a revised certificate of incorporation dated 11 February 2022, consequent to the aforementioned change, has been issued by the Ministry of Corporate Affairs. The Holding Company having CIN U15549MH2003PLC139352 is located at 901 Hubtown Solaris N.S. Phadke Marg, Andheri East, Mumbai-400069.

The Holding Company and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as the "Group"). The Group is principally engaged in the business of manufacture, purchase and sale of premium wine and other alcoholic beverages. This consolidated financial statements of the Group for the year ended 31 March 2022 were authorised for issue in accordance with resolution of Board of Directors on 19 May 2022.

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 million (INR 000,000), except when otherwise indicated.

ii. Principles of Consolidation

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

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

d. The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

e. The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

f. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated 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 consolidated financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

g. Notes to the consolidated 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 this consolidated 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 consolidated 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

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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) Impact of COVID-19 on the business operations and consolidated financial statements of the Group

The outbreak of COVID-19 had disrupted business operations of the Group in earlier periods due to the lock down restrictions and other emergency measures imposed. The Group's business operations have continued with certain restrictions in line with guidelines laid down by the respective Governments from time to time. The overall operations of the group have significantly recovered from the economic slowdown caused by COVID-19 pandemic and largely reached normalcy.

The Group management has also taken into account the possible impacts of known events, upto the date of the approval of this Consolidated Financial Statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2022. The Group management does not forsee any significant impact of the of COVID-19 pandemic but will continue to closely monitor any potential impact given the uncertainties associated with its nature and duration.

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.

c) 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.

d) Provision and Contingencies

Contingent Liability may arise from the ordinary course of business in relation to claims against the Group. 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.

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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 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.

f) Impairment of financial/ non-financial assets

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

vi. Fair Value Measurement

The Group measures financial instruments, at fair value at each balance sheet date. (Refer note 35).

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 consolidated 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 consolidated 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.

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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 consolidated financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Bearer plants comprising of grapevines are stated at cost less accumulated depreciation and accumulated impairment losses. Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants.

viii. Capital work-in-progress

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

ix. Goodwill and Other Intangible Assets

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

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

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

x. Investment Property

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

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

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

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable. The appropriate level of management must be committed to sell the asset or disposal group expected within one year from the date of classification. Non-current assets or disposal group (along with associated assets and liabilities) classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The

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determination of fair value less costs to sell includes use of management estimates and assumptions. Once classified as held for sale, the assets are no longer amortized or depreciated.

xii. Depreciation and Amortisation

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

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

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

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

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

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

Amortisation on Intangible Assets

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

Asset category	Useful life (in years)	Basis of determination of useful lives
Brand	5 – 10	Management estimate
Computer software	3 – 6	Assessed to be in line with Schedule II to the Act

xiii. Financial Instruments

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

a. Financial Assets

(i) Initial Recognition

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

(ii) Subsequent Measurement

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

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- **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) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to restated consolidated statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the restated consolidated statement of profit and loss.

The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

(iv) Impairment of Financial Assets

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

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.

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

(v) De-recognition of Financial Assets

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

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

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

b) Equity Instruments and Financial Liabilities

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

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the 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.

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c) Cash flow hedge

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

d) Offsetting Financial Instruments

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

xiv. Employee Benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

c) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. However, as the Company does not have an unconditional right to defer settlement for these obligations, the above liabilities are presented as current. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term benefits

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

xv. Inventories

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

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

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

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

xvi. Cash and Cash Equivalents

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

xvii. Segment Reporting

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

xviii. Foreign currency transactions and balances

(a) Initial Recognition

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

(b) Conversion

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

(c) Treatment of Exchange Difference

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

xix. Revenue Recognition

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

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

(a) Revenue from sale of products

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

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(b) Revenue from services

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

(c) Interest Income

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

(d) Dividend Income

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

(e) Other Income

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

xx. Government Grants

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

xxi. Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment. Trade receivables ageing has been presented based on the date of transaction. Further, in respect of trade receivables from Government Corporations, payments are received on lump-sum basis instead of an invoice-by-invoice settlement. Accordingly, the collections/ realisations from corporation trade receivables are accounted against the earliest outstanding invoice.

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. Trade payables ageing has been presented based on the date of transaction.

xxiii. Income Tax

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

a) Current Income Tax

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

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

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

xxiv. Share Based Payments

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

xxv. Leases

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.

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

xxvi. Business Combinations

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

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

xxvii. Impairment of Non-Financial Assets

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

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

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

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

xxviii. Provisions, Contingent Liabilities and Contingent Assets

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

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

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recognised because it cannot be measured reliably. Contingent assets are disclosed where an inflow of economic benefits is probable.

xxix. Earnings per share

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

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

xxx. Exceptional Items

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

Note 2.2 Recent accounting pronouncements

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

Amendment to Ind AS 109, Financial Instruments

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf

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Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

Note 3 Property, plant and equipment

Particulars	Freehold 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 2020	626.70	1,533.52	1,256.95	153.89	75.59	83.00	37.49	59.50	3.85	3,830.49
Additions	57.23	16.41	30.64	7.41	6.94	7.53	4.74	10.65	-	141.55
Transfer to assets of a disposal group classified as held for sale (refer note 14.1)	-	(18.80)	-	(0.35)	(6.40)	(0.20)	(0.20)	-	-	(25.95)
Transfer to non-current assets classified as held for sale (refer note 14.2)	-	(111.86)	(3.34)	(6.58)	-	-	-	-	-	(121.78)
Disposals/ write-off	-	(0.09)	(47.86)	(22.05)	(9.98)	(15.93)	(8.54)	(3.48)	-	(107.93)
As at 31 March 2021	**683.93**	**1,419.18**	**1,236.39**	**132.32**	**66.15**	**74.40**	**33.49**	**66.67**	**3.85**	**3,716.38**
Additions	266.24	76.04	119.99	12.65	6.86	12.87	5.32	23.49	-	523.46
Acquisition on business combination (refer note 45)	-	49.68	20.93	0.68	0.33	1.13	0.04	1.86	-	74.65
Disposals/ Adjustments		(11.94)	(9.93)	(0.17)	(8.75)	(0.94)	(2.59)	(0.09)	(0.98)	(35.39)
As at 31 March 2022	**950.17**	**1,532.96**	**1,367.38**	**145.48**	**64.59**	**87.46**	**36.26**	**91.93**	**2.87**	**4,279.10**
Accumulated depreciation										
As at 1 April 2020	-	166.67	222.41	48.84	32.88	43.24	23.03	29.28	1.63	567.98
Depreciation charge	-	62.67	78.11	16.38	9.31	12.79	6.50	12.11	0.16	198.03
Accumulated depreciation on assets of a disposal group classified as held for sale (refer note 14.1)	-	(3.41)	-	(0.24)	(4.98)	(0.19)	(0.19)	-	-	(9.01)
Accumulated depreciation on non-current assets classified as held for sale (refer note 14.2)	-	(9.00)	(1.65)	(2.63)	-	-	-	-	-	(13.28)
Accumulated depreciation on disposals/ write-off	-	(0.02)	(23.62)	(15.31)	(5.93)	(13.66)	(7.20)	(1.83)	-	(67.57)
As at 31 March 2021	-	**216.92**	**275.25**	**47.04**	**31.29**	**42.17**	**22.14**	**39.56**	**1.79**	**676.15**
Depreciation charge	-	52.57	80.78	14.38	7.03	11.81	6.15	10.82	0.16	183.70
Accumulated depreciation on disposals	-	(11.94)	(3.64)	(0.06)	(4.94)	(0.82)	(2.47)	(0.03)	(0.98)	(24.88)
As at 31 March 2022	-	**257.55**	**352.39**	**61.36**	**33.38**	**53.16**	**25.82**	**50.35**	**0.97**	**834.97**
Net carrying value										
As at 31 March 2021	683.93	1,202.27	961.14	85.28	34.86	32.23	11.35	27.11	2.06	3,040.23
As at 31 March 2022	**950.17**	**1,275.42**	**1,014.99**	**84.12**	**31.21**	**34.30**	**10.44**	**41.58**	**1.90**	**3,444.13**

Notes:

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

(ii) Refer note 33(B) for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) The title deeds of all immovable properties (other than properties where Group is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Group.

Note 3A Right to use asset (ROU)

Particulars	Land	Building	Vehicles	Total
Gross carrying value				
As at 1 April 2020	61.95	216.83	3.43	282.21
Additions	0.95	0.95	-	1.90
Disposals	(9.24)	(77.96)	(1.81)	(89.01)
As at 31 March 2021	53.66	139.82	1.62	195.10
Additions	6.66	12.02	-	18.68
Disposals	(5.94)	(1.07)	-	(7.01)
As at 31 March 2022	**54.38**	**150.77**	**1.62**	**206.77**
Accumulated depreciation				
As at 1 April 2020	12.79	30.98	1.53	45.30
Depreciation charge	13.88	34.83	1.14	49.85
Accumulated depreciation on disposals	(3.39)	(20.50)	(1.41)	(25.30)
As at 31 March 2021	23.28	45.31	1.26	69.85
Depreciation charge	13.10	31.08	0.12	44.30
Accumulated depreciation on disposals	(0.43)	-	-	(0.43)
As at 31 March 2022	**35.95**	**76.39**	**1.38**	**113.72**
Net carrying value				
As at 31 March 2021	30.38	94.51	0.36	125.25
As at 31 March 2022	**18.43**	**74.38**	**0.24**	**93.05**

Note: Refer note 40 for the disclosures under Ind AS 116 - Leases.

Note 3B **Capital work-in-progress (CWIP) ageing schedule**

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	9.78	0.98
1-2 years	-	0.09
2-3 years	0.02	-
> 3 years	-	-
Total	9.80	1.07

Note: CWIP does not include any project temporarily suspended

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Note 4 **Intangible assets**

Particulars	Brands (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 2020	161.63	53.07	214.70	31.91	246.61
Additions	-	1.17	1.17	-	1.17
Disposals	-	(3.11)	(3.11)	-	(3.11)
Transfer to assets of a disposal group classified a held for Sale (refer note 14.1)	-	-	-	(26.80)	(26.80)
As at 31 March 2021	161.63	51.13	212.76	5.11	217.87
Additions	-	2.64	2.64		2.64
Acquisition on business combination (refer note 45)	60.30	-	60.30	8.43	68.73
Reversal on disposal of assets	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**221.93**	**51.88**	**273.81**	**13.54**	**287.35**
Accumulated amortisation					
As at 1 April 2020	161.63	32.97	194.60	5.00	199.60
Amortisation charge	-	9.11	9.11	-	9.11
Reversal on disposal of assets	-	(2.90)	(2.90)	-	(2.90)
As at 31 March 2021	161.63	39.18	200.81	5.00	205.81
Amortisation charge	4.86	3.25	8.11	-	8.11
Reversal on disposal of assets	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**166.49**	**40.54**	**207.03**	**5.00**	**212.03**
Net carrying value					
As at 31 March 2021	-	11.95	11.95	0.11	12.06
As at 31 March 2022	**55.44**	**11.34**	**66.78**	**8.54**	**75.32**

Note: Impairment testing

Brand / Goodwill is tested for impairment periodically 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 of Goodwill is determined based on discounted cash flow projections and the value of Brand is determined based on Royalty Relief method.

Key assumptions used for value in use :

- Rate of royalty
- Discount rate
- Growth rate used to extrapolate cash flows
- Terminal growth rate

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	As at 31 March 2022	As at 31 March 2021
Note 5 Investments		
Non-current		
Investments in equity shares valued at fair value through other comprehensive income, unquoted fully paid		
The Saraswat Co-operative Bank	0.03	0.03
2,500 (31 March 2021: 2,500) equity shares of ₹ 10 each		
Total	0.03	0.03
Details:		
Aggregate of non-current investments:		
(i) Aggregate value of quoted investments and market value thereof	-	-
(ii) Aggregate value of unquoted investments	0.03	0.03
(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	0.03	0.03
(iv) Investments carried at fair value through profit and loss	-	-
	0.03	0.03

Note 6 Loans		
Non-current		
Loans		
- to employees	16.19	10.90
- to others ^	3.02	-
Total non-current loans	19.21	10.90
Current		
Loans		
- to employees	11.51	11.35
Total current loans	11.51	11.35
Total loans	30.72	22.25

^ Secured by way of personal guarantee from the Director of Flamingo Wines Company Private Limited

Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable considered good - unsecured	30.72	22.25
Loans receivable which have significant increase in credit risk	-	-
Loans receivable - credit impaired	-	-
Total	30.72	22.25

Note 6.1 Disclosure under Section 186(4) of the Companies Act, 2013		
Loan given to others during the year:		
Flamingo Wines Company Private Limited	3.02	-

The above loan is for the purpose of meeting the working capital requirement.

Note 7 Other financial assets		
Non-current		
Government grants receivable	163.72	189.75
Security deposits	29.54	27.97
Banks deposits with maturity of more than 12 months (pledged with excise authorities or earmarked against bank guarantees taken)	16.42	0.52
Total non-current financial assets	209.68	218.24
Current		
Government grants receivable	713.16	464.19
Security deposits	1.14	1.02
Interest accrued	2.19	3.66
Others	19.72	-
Total current financial assets	736.21	468.87
Total other financial assets	945.89	687.11

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Note 8 Income tax liabilities (net)

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

	As at 31 March 2022	As at 31 March 2021
(a) Income tax liabilities	313.05	12.70
(b) Income tax assets	(300.63)	(1.39)
Net Income tax liabilities	12.42	11.31
Current income tax liabilities in case of an entity	14.53	12.70
Non-current tax assets in case of an entity	(2.11)	(1.39)
Net Income tax liabilities	12.42	11.31

ii. The gross movement in the current Income tax assets/ (liabilities) is as follows:

Net current income tax liability / (assets) at the beginning	11.31	(93.91)
Income tax refund received / (tax paid) [net]	(166.67)	71.56
Current tax expense	165.12	22.67
Interest on tax payable	2.66	1.17
Transferred to assets of a disposal group classified as held for sale (refer note 14.1)	-	9.82
Net current income tax liabilities at the end	12.42	11.31

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

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax expense	165.12	22.67
Deferred tax credit	8.86	(18.86)
Income tax expenses [net]	173.98	3.81

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

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before income tax	695.37	31.86
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense	175.03	8.02
Effect of expenses that are not deductible for determining taxable profits	1.95	2.39
Effect of deferred tax asset written-off	5.32	-
Effect of deferred tax assets not created on losses of subsidiary	(4.33)	(6.19)
Tax Impact on consolidated adjustment	(3.98)	(2.35)
	173.98	1.85
Earlier year tax adjustments	-	1.96
Income tax expense charged to the Statement of Profit and Loss	173.98	3.81

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

	As at 31 March 2022	As at 31 March 2021
(a) Deferred tax liabilities		
- Timing difference on tangible and intangible assets depreciation and amortisation	277.60	275.75
	277.60	275.75
(b) Deferred tax assets		
- Expenses allowable on payment basis	40.39	47.87
- Business loss / unabsorbed depreciation	3.22	-
- Impairment allowable on financials assets	28.76	27.14
- Others	36.63	41.00
	108.99	116.01
Total deferred tax liabilities (net)	168.61	159.74

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

	Timing difference on tangible and intangible assets depreciation and amortisation (A)	Expenses allowable on payment basis (B)	Business loss / unabsorbed depreciation (C)	Impairment allowable on financials assets (D)	Others (E)	Total E=(A)-(B)-(C)-(D)
As at 1 April 2020	305.04	119.33	-	6.25	0.14	179.32
- to profit or loss	(29.15)	(72.07)	-	20.89	40.86	(18.63)
- to other comprehensive income	-	0.94	-	-	-	(0.94)
- transferred to asset held for sale	(0.14)	(0.33)	-	-	-	0.19
As at 31 March 2021	275.75	47.87	-	27.14	41.00	159.74
- to profit or loss	1.85	(7.48)	3.22	1.62	(4.37)	8.86
As at 31 March 2022	277.60	40.39	3.22	28.76	36.63	168.61

	As at 31 March 2022	As at 31 March 2021
Note 9 Other assets		
Non-current		
Capital advances	2.64	0.78
Balances with government authorities	23.70	34.01
Prepaid gratuity (refer note 34)	-	0.42
Prepaid expenses	0.51	2.22
Total other non-current assets	26.85	37.43
Current		
Advance to suppliers	131.82	161.72
Less: Impairment provision	(123.72)	(122.36)
	8.10	39.36
Balances with government authorities	13.27	9.74
Prepaid expenses	23.94	26.09
Total other current assets	45.31	75.19
Total other assets	72.16	112.62

Note 10 Inventories

Work-in-progress / Semi-finished goods	1,202.42	1,045.99
Finished goods	212.69	150.87
Stock-in-trade [including goods-in-transit of ₹ 11.68 million (31 March 2021 :₹ 7.43 million)]	86.46	157.29
Consumables, chemicals, stores and spares [including goods-in-transit: Nil (31 March 2021: ₹ 0.99 million)]	42.91	27.23
Packing materials [including goods-in-transit: Nil (31 March 2021: ₹ 0.99 million)]	78.14	57.94
Total inventories	1,622.62	1,439.32

Note 10.1

Stock-in-trade [including goods-in-transit of ₹ 11.68 million (31 March 2021:₹ 7.43 million)]	86.46	222.06
Less: Transfer to assets of a disposal group classified as held for sale (refer note 14.1)	-	(64.77)
	86.46	157.29
Less: Intercompany stock margin elimination (Refer note 14.1)		(14.26)
	86.46	143.03

Note 11 Trade receivables

Trade receivables	1,093.94	1,236.17
Total trade receivables	1,093.94	1,236.17
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,093.94	1,236.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	78.35	33.32
Total	1,172.29	1,269.49
Impairment allowance:		
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(78.35)	(33.32)
Total trade receivables	1,093.94	1,236.17

Notes:

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

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.

11.3 Trade receivable ageing schedule

As at 31 March 2022	Outstanding for following periods from the transaction date						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	-	972.59	31.27	76.03	10.58	3.48	1,093.94
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	6.05	0.15	0.68	0.11	0.03	7.03
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	21.03	16.06	5.72	6.05	22.46	71.32
	-	999.67	47.48	82.43	16.74	25.97	1,172.29

Note: There are no unbilled dues for the reporting period.

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As at 31 March 2021	Outstanding for following periods from the transaction date						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	-	1,065.95	82.55	77.34	8.13	2.20	1,236.17
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	3.26	0.37	0.28	0.03	-	3.94
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	1.44	0.18	3.73	11.70	12.33	29.38
	-	1,070.65	83.10	81.35	19.86	14.53	1,269.49

Note: There are no unbilled dues for the reporting period.

	As at 31 March 2022	As at 31 March 2021
Note 12 Cash and cash equivalents		
Balances with banks in current accounts	101.67	407.59
Cash on hand	0.32	0.32
Total cash and cash equivalents	101.99	407.91

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	93.85	109.71
Earmarked balances in bank (held as margin money or security against borrowings, guarantee and other commitments)		
Total bank balances other than cash and cash equivalents	93.85	109.71
Note 14 Non-current assets and disposal group classified as held for sale		
Assets of a disposal group classified as held for sale (refer note 14.1 below)	-	224.14
Office premises along with plant and equipment and furniture/ fixtures (refer note 14.2 below)	-	96.70
	-	320.84

Note 14.1: The Holding Company in March 2021 entered into a Memorandum of Understanding ('MOU') for sale of its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') were classified as held for sale and the resultant impairment loss of ₹ 22.41 million was recognised against the goodwill as at 31 March 2021. On 1 April 2021, the sale has been concluded and sale consideration has been received. Also refer note 31.

Particulars	₹ million	₹ million
Assets		
Property, plant and equipment	-	16.94
Loans and advances	-	1.78
Investments	-	0.76
Inventories	-	79.02
Trade receivable	-	112.58
Cash and cash equivalents	-	0.40
Bank balances other than cash and cash equivalents	-	11.25
Income tax assets	-	9.82
Deferred tax assets	-	0.18
Other current assets	-	1.28
Goodwill (net of loss on disposal group classified as held for sale aggregating ₹ 22.41 million. Also refer note 31)	-	4.39
Total	-	238.40
Less: intercompany elimination	-	(14.26)
Assets of a disposal group classified as held for sale	-	224.14

Particulars	₹ million	₹ million
Liabilities		
Trade and other payables	-	102.42
Short-term borrowings	-	81.98
Non-controlling interest	-	24.31
Total	-	208.71
Less: intercompany elimination	-	(72.86)
Liabilities of a disposal group classified as held for sale	-	135.85

Note 14.2: Basis the intention to dispose an office premises, certain plant and equipment and furniture/ fixtures along with the office premises with an aggregate carrying value ₹ 108.50 million, were classified as "Non-current asset as held for sale" as at 31 March 2021. Based on valuation of the aforesaid assets by an independent valuer, the fair value less cost to sell was determined as ₹ 96.70 million. Accordingly, an impairment loss of ₹ 11.80 million was recognized during year ended 31 March 2021.

During the current year, the Holding Company has completed the sale of the premises for an aggregate consideration of ₹ 79.65 million (net of cost to sell). As a result, an additional loss of ₹ 17.05 million has been recognised in the financial statement for the year ended 31 March 2022.

Particulars	As at 31 March 2022	As at 31 March 2021
Building	102.86	102.86
Plant and equipment	1.69	1.69
Furniture and fixtures	3.95	3.95
Carrying value (WDV) of assets held for sale	108.50	108.50
Impairment loss on classification of assets classified as held for sale (refer note 28)	(28.85)	(11.80)
Less: Sales consideration (net off cost to sales)	(79.65)	-
Fair value (less cost to sell)	-	96.70

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	As at 31 March 2022	As at 31 March 2021
Note 15 Equity share capital		
Authorised share capital		
10,10,30,000 Equity shares of ₹ 2 each [Refer note 15(h)] (31 March 2021: 20,206,000 equity shares of ₹ 10 each)	202.06	202.06
Total authorised share capital	202.06	202.06
Issued, subscribed and paid-up equity share capital:		
7,85,98,091 Equity shares of ₹ 2 each fully paid up (31 March 2021: 15,080,374 equity shares of ₹ 10 each)	157.20	150.80
Total issued, subscribed and paid-up equity share capital	157.20	150.80

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

	Number	₹ million
As at 1 April 2020	1,50,44,188	150.44
Issued during the year [refer note 15(e)]	2,012	0.02
Shares warrants converted during the year [Refer note 15(f)]	34,174	0.34
As at 31 March 2021	1,50,80,374	150.80
Employee stock options exercised during the year [refer note 43]	30,000	0.30
Total outstanding shares before share split	1,51,10,374	151.10
Impact of share split [refer note 15(h)]	6,04,41,496	-
Total outstanding shares post share split	7,55,51,870	151.10
Issued during the year (Refer note below)	13,75,000	2.75
Shares warrants converted during the year [Refer note 15(f)]	16,71,221	3.35
As at 31 March 2022	7,85,98,091	157.20

Note: During the year ended 31 March 2022, the Holding Company has issued 1,375,000 equity shares of ₹ 2 each issued at premium of ₹ 238 per share on preferential basis.

b. Terms/rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share (₹ 10 per share until 30 July 2021) . Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

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

c. Shareholding of more than 5%:

	As at 31 March 2022*		As at 31 March 2021	
Name of the Shareholder	No. of shares	% held	No. of shares	% held
Rajeev Samant	2,00,91,660	25.56%	36,12,621	23.96%
Verlinvest Asia Pte Ltd.	1,76,42,275	22.45%	35,28,455	23.40%
Verlinvest S.A	71,91,835	9.15%	14,38,367	9.54%
Cofintra S.A.	71,91,835	9.15%	14,38,367	9.54%
M/s. Verlinvest France S.A	65,79,565	8.37%	13,15,913	8.73%
Ruta Samant	44,77,240	5.70%	4,87,724	3.23%

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

* Refer note 15(h)

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

As at 31 March 2022, the Holding Company has issued 2,811,510 (31 March 2021: 166,291) employee stock options under the Employee stock option scheme of the Holding Company to its employees. (refer note 43)

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 - Nil

FY 2020-21: 2,012 equity shares (of face value ₹ 10 per share) at a premium of ₹ 716.93 per share
FY 2019-20 : 2,746 equity shares (of face value ₹ 10 per share) at a premium of ₹ 921.76 per share
FY 2018-19 : 2,441 and 2,118 equity shares (of face value ₹ 10 per share) at a premium of ₹ 750 and ₹ 840 per share respectively.

(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

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f. **Share warrants issued and converted**

(i) As at 31 March 2021 the Company had issued convertible equity shares as follows

Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2020	Exercise price	Number of warrants converted	No of warrants outstanding as at 31 March 2021	No of equity shares to be issued post exercise of share warrants by the holder
2014-15	57,500	509	34,174	23,326	23,326
2016-17	75,200	584	-	75,200	75,200
2017-18	1,50,400	631	-	1,50,400	1,50,400
2018-19	75,200	760	-	75,200	75,200
2018-19	2,29,070	850	-	2,29,070	2,29,070
Total	5,87,370		34,174	5,53,196	5,53,196

(ii) As at 31 March 2022 the Company has issued convertible equity shares as follows

Financial year in which warrants have been issued	Pre share split		Post share split^		Number of warrants converted (b)	No of warrants outstanding as at 31 March 2022^^ [(c) = (a) - (b)]	No of equity shares to be issued post exercise of share warrants by the holder (d)
	Number of warrants outstanding as at 1 April 2021	Exercise price	Number of warrants outstanding (a)	Exercise price			
2014-15	23,326	509	116,630	102	116,630	-	-
2016-17	75,200	584	376,000	117	376,000	-	-
2017-18	150,400	631	752,000	126	752,000	-	-
2018-19	75,200	760	376,000	152	376,000	-	-
2018-19	229,070	850	1,145,350	170	50,591	1,094,759	1,094,759
2021-22	-	-	1,908,025	170	-	1,908,025	1,908,025
Total	553,196		4,674,005		1,671,221	3,002,784	3,002,784

^ refer note 15(h)

(ii) The share warrants for financial year 2014-15 have been issued on payment of 10% amount of exercise price 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 to financial year 2018-19 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) During the year ended 31 March 2022, share warrants have been issued at Nil at the time of subscription. The entire amount 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.

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

^^ The holders of the aforesaid share warrants have exercised their right to convert these warrants after the reporting date i.e. 31 March 2022. Since exercise of share warrants have taken after the reporting date, in accordance with the requirements of Ind AS, no adjustments are required to be made to the financial statements as at and for the year ended 31 March 2022, including earnings per share and other accounting ratios stated elsewhere in these financial statements (Refer note 51)

g. **Shareholding of promoters:**

As on 31 March 2022

Particulars	Promoter's Name	No. of shares at the beginning of	% of total shares	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 2 each, fully paid up	Mr. Rajeev Samant	18,063,105	23.96%	20,091,660	25.56%	1.60%

*after considering impact of share split [Refer note 15(h)]

As on 31 March 2021

Particulars	Promoter's Name	No. of shares at the beginning of the year	% of total shares	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 10 each, fully paid up	Mr. Rajeev Samant	3,578,447	23.79%	3,612,621	23.96%	0.17%

h. Pursuant to the resolution passed by the Board of Directors of the Holding Company and approval of the members at the 18th Annual General Meeting of the Holding Company held on 30 July 2021, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was 30 July 2021. The impact of share split of shares has been accordingly considered for the computation of Earning Per Share as per the requirements of Ind AS 33. Further, the outstanding number of share warrants and their respective exercise prices have also been revised accordingly.

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	As at 31 March 2022	As at 31 March 2021
Note 16 Borrowings		
I Non-current borrowings		
Secured		
Term loan from banks (refer note 16.1 below)	820.64	990.91
Unsecured		
Deferred sales tax liabilities (refer note 16.2 below)	0.37	2.33
	821.01	993.24
Less: Current maturities of long-term borrowings	(340.34)	(402.05)
	480.67	591.19
II Current borrowings		
Secured		
Loans from banks		
- Working capital demand loans (repayable on demand) (refer note 16.3 below)	1,287.50	1,671.50
- Cash credit facilities (repayable on demand) (refer note 16.3 below)	-	1.44
- Buyer's credit (refer note 16.4 below)	-	50.62
- Current maturities of long-term borrowings	339.97	400.09
	1,627.47	2,123.65
Unsecured		
- Other bank loans (refer note 16.5 below)	180.80	295.76
- Current maturities of long term borrowings	0.37	1.96
	181.17	297.72
Total current borrowings	1,808.64	2,421.37
Total borrowings (I+II)	2,289.31	3,012.56

Note 16.1: Details of security and terms of repayment of non-current borrowings

As at 31 March 2022

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee term loan	1 quarterly installment	14.44	7.7%	Exclusive charge on Holding Company's immovable assets - commercial unit premises (building).
Rupee term loan	10 quarterly installments	10.31	7.75%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	6 quarterly installments	11.24	7.35% to 7.40%	First pari passu on Holding Company's existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
Rupee term loan	8 quarterly installments	6.25	6.95% to 7.80%	Fixed Deposit of 0.35x and subservient charge on current assets of Holding Company.
Rupee term loan	2 quarterly installments	5.21	7.35% to 7.4%	Exclusive charge on immovable assets - commercial unit premises (building) of Holding Company.
Rupee term loan	8 quarterly installments	12.50	7.7% to 7.75%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	10 quarterly installments	7.50	7.75% to 8.00%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	10 quarterly installments	6.88	7.80% to 8.05%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	2 monthly installments	11.11	7.65% to 7.75%	Exclusive charge on Holding Company's immovable assets and Wine Industry Production Subsidy receivable ageing more than 180 days
Rupee term loan	18 monthly installments	5.56	7.20%	Exclusive charge on Holding Company's immovable assets and Wine Industry Production Subsidy receivable ageing more than 180 days
Rupee term loan	16 quarterly installments	10.94	7.80%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	16 quarterly installments	0.20	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 quarterly installments	0.39	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 quarterly installments	1.53	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 quarterly installments	5.21	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.

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As at 31 March 2021

Particulars	Number of installments Outstanding	Amount per Installment	Rate of Interest	Security
Rupee term loan	5 quarterly installments	14.44	8.85% to 9.60%	Exclusive charge on immovable assets - commercial unit premises (building) of Holding Company.
Rupee term loan	14 quarterly instalments	10.31	8.00%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	10 quarterly instalments	11.24	7.65%	First pari passu on Holding Company's existing and future movable property, plant and equipment. and exclusive charge on immovable assets - commercial unit premises (building).
Rupee term loan	6 quarterly installments	12.50	7.80%	Fixed deposit of 0.35x and subservient charge on current assets of Holding Company.
Rupee term loan	6 quarterly instalments	5.21	7.65% to 8.00%	Exclusive charge on immovable assets - commercial unit premises (building) of Holding Company.
Rupee term loan	12 quarterly instalments	12.50	8.65%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	14 quarterly instalments	7.50	8%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	14 quarterly instalments	6.88	8.05%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	18 quarterly installments	11.11	7.75%	Exclusive charge on Holding Company's Immovable assets and Wine Industry Promotion Subsidy receivable (ageing more than 180 days)

Note 16.2: Deferred sales tax loan is interest free and repayable in remaining 1 year as at 31 March 2022.

Note 16.3: Working capital demand loans and cash credit facilities of Holding Company are repayable on demand. They carry interest rate ranging from 7.20% to 12.00% (31 March 2021 : 7.50% to 11.00%) and are secured by all existing and future current assets, movable and immovable property, plant and equipment.

Working capital demand loans of Subsidiary Company are repayable on demand. They carry interest rate of 8.60% p.a. and are secured by first pari passu on entire Property, Plant and Equipment and current assets, including trade receivables both present and future.

Note 16.4: Buyer's credit of Subsidiary Company carried an effective interest rate of 7.35% p.a. and was repayable in 180 days. This is secured by first charge on current assets and collateral of 0.4x fixed deposits placed with the bank. This has been fully repaid during the year.

Note 16.5: Other Bank loans of Holding Company carry interest ranging from 7.20% to 7.30% p.a. (31 March 2021: 7.20% to 7.30%) and are repayable withing 1 year. Other bank loans includes short-term loan of Nil (31 March 2021: ₹ 110.00 million) carrying an interest rate of Nil (31 March 2021: 9.25%) and are repayable within 180 days. These have been fully repaid during the year.

Note 16.6 Net debt reconciliation

An analysis of net debt of the Group and the movement in net debts for the years ended 31 March 2022 and 31 March 2021 is as follows:

	As at 31 March 2022	As at 31 March 2021
(A) Cash and cash equivalents	**(101.99)**	(407.91)
(B) Non-current borrowings	**480.67**	591.19
(C) Current borrowings	**1,808.64**	2,421.37
(D) Interest payable	**13.74**	16.03
Net debt (E)=(A-B-C-D)	**2,201.06**	2,620.68

	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 debt as at 1 April 2020	(374.72)	788.25	2,894.19	30.76	3,338.48
Net increase in cash and cash equivalents	(33.59)	-	-	-	(33.59)
Proceeds from long-term borrowings	-	217.52	-	-	217.52
Repayment of long-term borrowings	-	(414.58)	-	-	(414.58)
Net repayment of short-term borrowings	-	-	(391.20)	-	(391.20)
Exchange rate fluctuations	-	-	0.36	-	0.36
Interest expense	-	-	-	300.66	300.66
Interest paid	-	-	-	(315.39)	(315.39)
Less: Transferred to assets/ liabilities of a disposal group classified as held for sale	0.40	-	(81.98)	-	(81.58)
Net debt as at 31 March 2021	**(407.91)**	**591.19**	**2,421.37**	**16.03**	**2,620.68**
Net decrease in cash and cash equivalents	306.05	-	-	-	306.05
Proceeds from long-term borrowings	-	306.67	-	-	306.67
Repayment of long-term borrowings	-	(417.19)	-	-	(417.19)
Net repayment of short-term borrowings	-		(612.73)	-	(612.73)
Interest expense	-	-	-	200.07	200.07
Interest paid	-	-	-	(202.36)	(202.36)
Cash and cash equivalents acquired in business combination (refer note 45)	(0.13)	-	-	-	(0.13)
Net debt as at 31 March 2022	**(101.99)**	**480.67**	**1,808.64**	**13.74**	**2,201.06**

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Note 16.7: Reconciliations of stock statement submitted to banks with books of accounts where borrowings have been availed based on security of current assets

Sula Vineyards Limited

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material variances
March 2021	HDFC Bank Kotak Mahindra Bank	Inventory	1,353.82	1,351.41	(2.41)	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Saraswat Bank Axis Bank Yes Bank	Trade Receivables	1,098.41	1,187.09	88.68	The submissions to the Banks were made before financial reporting closure process
June 2021	HDFC Bank Axis Bank	Inventory	1,306.12	1,304.12	(2.00)	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	911.45	904.30	(7.16)	The difference is due to the submissions to the Banks were made before financial reporting closure process
September 2021	HDFC Bank Axis Bank	Inventory	1,197.90	1,163.02	(34.88)	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	1,102.21	1,099.06	(3.15)	The difference is due to the submissions to the Banks were made before financial reporting closure process
December 2021	HDFC Bank Axis Bank	Inventory	915.94	925.69	9.74	The difference is due to the submissions to the Banks were made before financial reporting closure process
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	1,514.11	1,515.00	0.89	The difference is due to the submissions to the Banks were made before financial reporting closure process
March 2022	HDFC Bank Kotak Mahindra Bank	Inventory	1,508.51	1,508.51	-	-
	Saraswat Bank Axis Bank Yes Bank	Trade Receivables	905.92	905.92	-	-

Artisan Spirits Private Limited

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material variances
March 2021	ICICI Bank	Inventory	86.13	80.24	5.89	The difference is primarily on account of goods in transit included in the quarterly return.
		Trade Receivables	210.37	224.02	(13.65)	The difference is due to the submissions to the Banks were made before financial reporting closure process
June 2021	ICICI Bank	Inventory	57.63	57.63	-	-
		Trade Receivables	184.15	186.57	(2.42)	The difference is mainly due to provision for doubtful debt not considered while submitting stock statement
September 2021	SBM Bank	Inventory	106.54	103.52	3.02	The difference is due to the submissions to the Banks were made before financial reporting closure process
		Trade Receivables	191.25	189.92	1.32	The difference is due to the submissions to the Banks were made before financial reporting closure process
December 2021	SBM Bank	Inventory	118.04	118.65	(0.61)	The difference is due to the submissions to the Banks were made before financial reporting closure process
		Trade Receivables	199.71	211.04	(11.33)	The difference is due to the submissions to the Banks were made before financial reporting closure process
March 2022	SBM Bank	Inventory	115.53	115.53	-	-
		Trade Receivables	188.02	188.02	-	-

Notes:

a) For the quarters ended 30 June 2020, 30 September 2020, 31 December 2020; the Group submitted quarterly reports to banks based on internal operational reports since the companies were not required to prepare financial statements on a quarterly basis. Accordingly, Group management has carried out reconciliation of the statements submitted to banks with the books of accounts for the year ended 31 March 2021.

b) No loan availed by Sula International Limited.

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	As at 31 March 2022	As at 31 March 2021
Note 17 Lease Liabilities		
Non-current	62.43	100.06
Current	47.39	38.95
Total lease liabilities	109.82	139.01

Note: Refer note 40 for Ind AS 116 Leases and related disclosures

	As at 31 March 2022	As at 31 March 2021
Note 18 Provisions		
Non-current		
Provision for employee benefits (Refer note 34)		
- Gratuity	19.92	99.61
Total non-current provisions	19.92	99.61
Current		
Provision for employee benefits (Refer note 34)		
- Gratuity	6.00	6.00
- Compensated absences	21.23	6.98
Total current provisions	27.23	12.98
Total provisions	47.15	112.59

	As at 31 March 2022	As at 31 March 2021
Note 19 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 19.2)	4.78	9.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	669.67	573.62
Total trade payables	674.45	583.33

Note 19.1 : Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 19.2 : Dues to micro, small and medium enterprises to the extent information available with the Group is given below:

	As at 31 March 2022	As at 31 March 2021
(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	4.78	9.71
- Interest due	0.07	0.09
(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 period) but without adding the interest specified under the MSMED Act, 2006.	0.35	0.65
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.42	0.74
(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	2.49	2.07

Note 19.3: Trade Payable ageing schedule

As at 31 March 2022	Outstanding from following period from the transaction date						
	Not due	Unbilled Dues	Less than one year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	4.63	0.10	0.05	-	4.78
(ii) Others	-	191.37	467.99	4.27	1.82	3.91	669.36
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	0.18	0.13	0.31
	-	191.37	472.62	4.37	2.05	4.04	674.45

As at 31 March 2021	Outstanding from following period from the transaction date						
	Not due	Unbilled Dues	Less than one year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	9.30	0.26	0.12	0.02	9.71
(ii) Others	-	98.76	426.32	33.59	4.66	9.92	573.25
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	0.18	0.06	0.13	0.37
	-	98.76	435.62	34.03	4.85	10.07	583.33

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	As at 31 March 2022	As at 31 March 2021
Note 20 Other current financial liabilities		
Current		
Interest accrued and due	2.49	2.07
Interest accrued but not due	13.74	16.03
Others		
- Liability for capital goods	21.92	35.00
- Security deposits	35.39	29.95
- Due to employees	58.75	61.66
- Purchase consideration payable for acquisition of York Winery (Refer note 45)	10.00	-
Total other current financial liabilities	142.29	144.71
Other financial liabilities carried at amortised cost	142.29	144.71
Other financial liabilities carried at FVTPL	-	-
Note 21 Other current liabilities		
Advance from customers	11.87	10.36
Statutory dues payable	174.99	157.71
Total other current liabilities	186.86	168.07

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	Year ended 31 March 2022	Year ended 31 March 2021
Note 22 Revenue from operations		
(a) Sale of products (including excise duty)	3,812.82	3,710.82
(b) Sale of services	346.21	181.38
(c) Other operating revenues	380.13	287.39
Total revenue from operations	4,539.16	4,179.59

Note 22.1: Information of disaggregated revenue as per Ind AS 115

(A) Based on nature of product or service:

(a) Sale of products		
- Manufactured goods	3,379.41	2,599.58
- Traded goods	433.41	1,111.24
	3,812.82	3,710.82
(b) Sale of services	346.21	181.38
(c) Other operating revenues		
- Government grant	353.45	273.42
- Provisions/ balances no longer required written back	23.02	6.81
- Others	3.66	7.16
	380.13	287.39
Total revenue from operations	4,539.16	4,179.59

(B) Based on timing of revenue recognition:

Products transferred at a point of time	3,812.82	3,710.82
Services transferred at a point of time	346.21	181.38

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. Further, the Group's entire business falls under one operational segment of 'manufacture, purchase and sale of alcoholic beverages (refer note 44).

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

Contract price	5,109.45	4,669.67
Less: Items offset against revenue from customers	(950.42)	(777.47)
	4,159.03	3,892.20

Note 22.2: The following table gives details in respect of contract revenues generated from the top customer and top 5 customers

Revenue from top customer	605.51	629.39
Revenue from top five customers	1,690.76	1,494.43

For the year ended 31 March 2022 one (1) customer [(31 March 2021: one (1) customer)], individually accounted for more than 10% of the total revenue.

Note 22.3: Refer note 46 for disclosure on government grants

Note 23 Other Income

(a) Interest income		
- on financial assets carried at amortised cost	14.48	13.53
- on bank deposits	4.20	4.37
- on tax refund	0.38	4.28
- on others	2.47	4.32
	21.53	26.50
(b) Other non-operating income		
- Insurance claim	2.49	1.05
- Rent Income	2.97	2.40
- Profit on disposal/ cancellation of lease agreement	0.40	2.31
- Miscellaneous income	0.45	3.47
	6.31	9.23
Total other income	27.84	35.73

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	Year ended 31 March 2022	Year ended 31 March 2021
Note 24 Cost of materials consumed		
(a) Stock at beginning of the year		
- Raw materials	-	5.70
- Packing materials	57.94	66.89
	57.94	72.59
(b) Add: Purchases		
- Raw materials	717.50	390.10
- Packing materials	416.88	264.37
	1,134.38	654.47
(c) Less: Stock at the end of the year		
- Raw materials	-	-
- Packing materials	78.14	57.94
	78.14	57.94
(d) Total cost of materials consumed (a+b-c)		
- Raw materials	717.50	395.80
- Packing materials	396.68	273.32
Total cost of materials consumed	1,114.18	669.12

Note 25 Changes in inventories of finished goods, work-in-progress / semi finished goods and stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Opening stock		
- Finished goods	150.87	206.22
- Work-in-progress	1,045.99	1,090.64
- Stock-in-trade	143.04	297.77
	1,339.90	1,594.63
(b) Closing stock		
- Finished goods	212.69	150.87
- Work-in-progress	1,202.42	1,045.99
- Stock-in-trade	86.46	222.06
	1,501.57	1,418.92
(c) Increase / (decrease) in excise duty on finished goods	14.67	(22.02)
	14.67	(22.02)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	(147.00)	153.69

	Year ended 31 March 2022	Year ended 31 March 2021
Note 26 Employee benefits expense		
Salaries, wages and bonus	580.57	510.28
Contribution to provident and other fund (refer note 34)	18.03	12.45
Gratuity (refer note 34)	19.53	17.86
Share based payment expenses	18.61	4.10
Staff welfare	16.66	10.32
Total employee benefits expense	653.40	555.01

	Year ended 31 March 2022	Year ended 31 March 2021
Note 27 Selling, distribution and marketing expenses		
Sales promotion expenses	324.02	342.04
Commission expenses	73.59	82.97
Marketing expense	47.84	41.94
Total selling, distribution and marketing expenses	445.45	466.95

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	Year ended 31 March 2022	Year ended 31 March 2021
Note 28 Other expenses		
Consumables, stores and spares consumed	99.38	64.35
Power and fuel	76.05	52.35
Repairs and maintenance		
- Building	12.37	8.59
- Others	69.88	55.17
Rates and taxes	118.58	91.87
Insurance	9.46	9.40
Security charges	17.58	13.37
Travelling and conveyance	34.35	29.01
Rent (refer note 40)	11.53	27.18
Payment to auditors:		
- Statutory audit fees	3.65	3.77
- Limited review and tax audit fees	1.18	1.36
- other services	0.20	0.20
- reimbursement of expenses	0.05	0.04
Legal and professional fees	39.96	53.95
Director sitting fees (refer note 36)	4.06	3.03
Restaurant expenses	62.49	27.46
Resort maintenance expenses	46.51	28.74
Freight and handling charges	90.57	80.07
Impairment allowance on financial and non-financial assets (refer notes 9 and 11)	46.39	2.94
Exchange loss (net)	0.72	2.05
Loss on disposal of property, plant and equipment (net)	0.47	31.93
Impairment allowance on assets classified as held for sale (refer note 14.2)	17.05	11.80
Corporate social responsibility expenses (refer note 42)	8.82	4.15
Printing, stationary, postage and telephone expenses	15.12	10.65
Office expenses	17.86	10.79
Miscellaneous expenses	36.64	29.01
Total other expenses	840.92	653.23
Note 29 Finance costs		
Interest on:		
- loan from banks	192.83	276.00
- lease liabilities (refer note 40)	11.47	14.69
- cash credit facilities	4.18	12.93
- income tax	2.66	1.17
- others	3.06	11.73
	214.20	316.52
Other borrowing costs	15.03	17.34
Total finance costs	229.23	333.86
Note 30 Depreciation and amortisation expense		
Depreciation on tangible assets (refer note 3)	183.70	198.03
Depreciation on right-of-use assets (refer note 3A)	44.30	49.85
Amortisation of intangible assets (refer note 4)	8.11	9.11
Total depreciation and amortisation expense	236.11	256.99
Note 31 Exceptional item		
Impairment loss on disposal group classified as held for sale (Refer note 14.1)		22.41
	-	22.41

The Holding Company in March 2021 entered into a Memorandum of Understanding ('MOU') for sale of its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') were classified as held for sale as at 31 March 2021. Also, the resultant impairment loss of ₹ 22.41 million were recognised against the goodwill as at 31 March 2021 as mentioned below:

(a) Net assets of PADPL as at 31 March 2021	-	49.61
(b) Non-controlling interest in PADPL	-	(24.31)
(c) Net identifiable assets apportioned to holding company (51%) (c = a-b)	-	25.30
(d) Goodwill on acquisition of PADPL	-	26.80
(e) Net assets of a disposal group classified as held for sale as at 31 March 2021 (e = c+d)	-	52.10
(f) Fair value less cost to sell	-	(29.69)
(g) Impairment loss on disposal group classified as held for sale (g = e-f)	-	22.41

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Note 32 Earnings per share (EPS)

Basic and diluted EPS

	Year ended 31 March 2022	Year ended 31 March 2021
A. Profit computation for basic earnings per share of ₹ 2 each		
Net profit as per the Statement of Profit and Loss available for equity shareholders (₹ million)	**521.39**	27.80
B. Weighted average number of equity shares for EPS computation (Nos) [Refer note 15(h)]	**7,67,71,141**	7,52,75,764
Nominal Value	**2**	2
C. EPS - Basic EPS (₹)	**6.79**	0.37
- Diluted EPS (₹)	**6.79**	0.37

Notes :

(a) Pursuant to the approval of the members at the 18th Annual General Meeting of the Holding Company held on 30 July 2021 to the sub-division of the Equity Shares of the Holding Company, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was 30 July 2021. Consequent to the share split, earnings per share for the comparative period have been retrospectively adjusted.

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

Note 33 Contingent liabilities and commitments

A. Contingent liabilities	As at 31 March 2022	As at 31 March 2021
i) Guarantees issued by banks on behalf of the group	**177.56**	164.03
ii) Income tax liability that may arise in respect of which the Group is in appeal	-	46.89
iii) Stamp duty liability that may arise in respect of matter for which the Group is in appeal	**15.41**	15.41
iv) Others	**1.01**	1.01

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

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

B. Commitments		
Capital commitments (net of capital advances)	**14.87**	4.66

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(Amount in ₹ million, unless otherwise stated)

Note 34: 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.

	31 March 2022	31 March 2021
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	120.55	110.42
Current service cost	12.96	12.37
Interest cost	7.07	6.51
Remeasurements - Net actuarial losses	2.50	3.78
Benefits paid	(4.26)	(10.46)
Liability assumed on account of group transfer	2.71	-
Liability of a disposal group classified as held for sale	-	(2.07)
Present value of the obligation as at the end of the year	141.53	120.55
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the year	15.36	23.04
Interest income	0.54	1.02
Contribution by employer	100.18	1.70
Benefits paid	(4.26)	(10.46)
Remeasurements - Net actuarial gain	3.79	0.06
Fair value of the plan assets at the end of the year	115.61	15.36
c) Expenses recognised in the Consolidated Statement of Profit and Loss		
Interest cost (net)	6.53	5.49
Current service cost	13.00	12.37
Total	19.53	17.86
d) Remeasurement losses recognised in OCI		
Remeasurement - Net actuarial losses on defined benefit obligations	2.50	3.78
Remeasurement - Net actuarial gain on planned assets	(0.97)	(0.05)
Adjustment to recognize asset ceiling	(0.06)	(0.26)
Total	1.47	3.47
e) Movement in asset ceiling		
Opening value of asset ceiling	0.03	0.27
Interest on opening balance of asset ceiling	0.00*	0.02
Remeasurements due to changes in surplus / (deficit)	(0.06)	(0.26)
Closing value of asset ceiling	(0.03)	0.03

* represents less than ₹ 10,000

	As at 31 March 2022	As at 31 March 2021
f) Actuarial assumptions		
Discount rate	6.90%	6.25% to 6.95%
Salary escalation rate	Staff: 12%, Director: 0.00%	Staff: 7% to 11.00%, Director: 0.00% until year 2 inclusive, then 11.00%
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate
Attrition rate:		
- For ages 21-30 years	13.50% p.a.	19.00% p.a.
- For ages 31-40 years	8.50% p.a.	9.00% p.a.
- For ages 41-50 years	8.50% p.a.	9.00% p.a.
- For ages 51-57 years	12.00% p.a.	13.00% p.a.

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

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g) Investment details of plan assets

Major Categories of Plan Assets:	31 March 2022	31 March 2021
Insurer managed funds	100%	100%

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

h) Quantities sensitivity analysis for significant assumption is as below:
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

	Year ended 31 March 2022	Year ended 31 March 2021
	0.50% increase	
i. Discount rate	(4.29)	(3.58)
ii. Salary escalation rate	3.66	3.40
	0.50% decrease	
i. Discount rate	4.55	3.79
ii. Salary escalation rate	(3.54)	(3.29)

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 2022	As at 31 March 2021
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	21.64	19.42
Between 2 and 5 years	73.71	66.11
Beyond 5 years	146.18	107.51
Total expected payments	241.53	193.04

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 period towards defined contribution plans are as follows.

	Year ended 31 March 2022	Year ended 31 March 2021
a) Following amounts have been charged in the Consolidated Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	17.19	11.17
(ii) Contribution to ESIC	0.84	1.28
	18.03	12.45

b) The leave obligations cover the Groups's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is ₹ 21.23 million (31 March 2021 : ₹ 6.98 million) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The expense recognised during the year towards leave encashment is ₹ 15.09 million [31 March 2021 : ₹ (5.67) million].

	As at 31 March 2022	As at 31 March 2021
III **Current/ non-current classification**		
a) Gratuity		
(i) Current	6.00	6.00
	6.00	6.00
(ii) Non-current	19.92	99.61
	19.92	99.61
(iii) Non-current prepaid gratuity	-	(0.42)
	25.92	105.19
b) Compensated absences		
Current	21.23	6.98
	21.23	6.98

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Note 35 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 2022 were as follows:

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments in equity shares	5	-	-	0.03	-	0.03
Loans	6	30.72	-	-	-	30.72
Trade receivables	11	1,093.94	-	-	-	1,093.94
Cash and cash equivalents	12	101.99	-	-	-	101.99
Bank balances other than cash and cash equivalents	13	93.85	-	-	-	93.85
Other financial assets	7	945.89	-	-	-	945.89
Liabilities:						
Borrowings	16	2,289.31	-	-	-	2,289.31
Lease Liabilities	17	109.82	-		-	109.82
Trade payables	19	674.45	-	-	-	674.45
Other financial liabilities	20	142.29	-	-	-	142.29

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

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments in equity shares	5	-	-	0.03	-	0.03
Loans	6	22.25	-	-	-	22.25
Trade receivables	11	1,236.17	-	-	-	1,236.17
Cash and cash equivalents	12	407.91	-	-	-	407.91
Bank balances other than cash and cash equivalents	13	109.71	-	-	-	109.71
Other financial assets	7	687.12	-	-	-	687.12
Liabilities:						
Borrowings	16	2,964.15	-	-	48.41	3,012.56
Lease Liabilities	17	139.01	-		-	139.01
Trade payables	19	583.33	-	-	-	583.33
Other financial liabilities	20	144.71	-	-	-	144.71

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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

Particulars	31 March 2022			31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares	-	-	0.03	-	-	0.03

C Impact of hedging activities

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

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

	Nominal value in USD	Carrying amount (₹ in million)		Maturity Date	Hedge ratio	Strike price/ rate	Change in fair value of hedging instrument (₹ in million)	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31 March 2022								
Cash flow hedge - Foreign currency forward contract								
USD/INR	-	-	-	-	-	-	-	-
As at 31 March 2021								
Cash flow hedge - Foreign currency forward contract	6,50,000	-	48.41	February 2021 to May 2021	1:1	73.93	0.35	0.21
USD/INR								

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

(₹ in million)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit or loss
For the year ended 31 March 2022		
Cash flow hedge	-	-
For the year ended 31 March 2021		
Cash flow hedge	(0.21)	(0.14)

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Note 36 Disclosure in accordance with Ind AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

(a) **Ultimate Parent Company (having control over the entity)**
Verlinvest Group SA

(b) **Entities under common control (with whom transactions have taken place during the year or in the previous year)**
Verlinvest Asia Pte Ltd.
Verlinvest S.A
Cofintra S.A.
Verlinvest France S.A

(c) **Key management personnel (KMP)**

Rajeev Samant	Chief Executive Officer and Managing Director
Chetan Desai	Chairman and Independent Director
Nicholas Peter Y Cator	Director (resigned w.e.f. 3 December 2020)
Deepak Shahdapuri	Director (resigned w.e.f. 1 July 2021)
Hank Uberoi	Director (resigned w.e.f. 1 July 2021)
J.A. Moos	Director (resigned w.e.f. 14 May 2020)
Kerry Damskey	Director (resigned w.e.f. 29 September 2021)
Alok Vajpeyi	Independent Director (appointed w.e.f 2 December 2020)
Shagun Tiwari	Director (resigned w.e.f. 5 October 2021)
Arjun Anand	Independent Director
Roberto Italia	Director (appointed w.e.f. 15 July 2021)
Sangeeta Pendurkar	Independent Director (appointed w.e.f. 15 December 2021)
Chaitanya Rathi*	Chief Operating Officer
Bittu Varghese*	Chief Financial Officer
Ruchi Sathe*	Company Secretary

(d) **Relatives of Key Management Personnel:**

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

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

Summerlab Private Limited	Margarita Andronova, Director (wife of Managing Director)

* Pursuant to the board meeting of the Holding Company held on 23 February 2022, Chaitanya Rathi, Bittu Varghese and Ruchi Sathe have been designated as key managerial personnel. Therefore, only transactions entered after 23 February 2022 have been disclosed.

B. Nature of Transactions

Transactions with related parties:	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Rajeev Samant	0.43	0.14
Suresh Samant	0.34	0.19
Bharat Samant	-	0.04
	0.77	0.37
Purchase of property, plant and equipment		
Rajeev Samant	166.93	55.00
Suresh Samant	23.65	-
	190.58	55.00
Purchase of raw materials		
Rajeev Samant	5.01	6.74
Suresh Samant	4.98	5.58
Sulabha Samant	0.03	0.47
Bharat Samant	1.40	1.62
	11.42	14.41
Interest expense		
Rajeev Samant	0.05	-
Conversion of share warrants into equity shares		
Rajeev Samant	216.45	17.38

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Note 36 Disclosure in accordance with Ind AS 24 Related Party Disclosures

	Year ended 31 March 2022	Year ended 31 March 2021
Director's sitting fees paid/payable		
Deepak Shahdadpuri	-	0.15
Kerry Damskey	0.07	0.15
J. A. Moos	-	0.04
Hank Uberoi	-	0.15
Nicholas Peter Y Cator	-	0.08
Arjun Anand	0.89	0.30
Chetan Desai	1.30	1.04
Alok Vajpeyi	1.20	0.60
Ashit Lilani	-	0.28
Gayatri Yadav	-	0.04
Shagun Tiwari	0.30	0.20
Sangeeta Pendurkar	0.30	-
	4.06	3.03
Lease rentals		
Rajeev Samant	2.00	2.16
Suresh Samant	1.49	2.46
	3.49	4.62
Legal and professional expenses		
Summerlab Private Limited	-	1.10
Commission expense		
Chetan Desai	1.20	-
Dividend		
Verlinvest Asia Pte Ltd.	44.11	-
Verlinvest S.A	17.98	-
Cofintra S.A.	17.98	-
Verlinvest France S.A	16.45	-
Rajeev Samant	48.23	-
Suresh Samant	1.69	-
Sulabha Samant	3.74	-
Daisy Damskey	0.95	-
Kerry Damskey	0.09	-
Sangeeta Pendurkar	0.31	-
	151.53	-
Loan taken		
Rajeev Samant	20.00	-
Loan repaid		
Rajeev Samant	20.00	-
Compensation to key managerial person^		
Rajeev Samant	28.27	30.00
Chaitanya Rathi	2.21	-
Bittu Varghese	0.98	-
Ruchi Sathe	0.20	-
	31.66	30.00

C) Outstanding balances:	As at 31 March 2022	As at 31 March 2021
Trade payables		
Rajeev Samant	1.46	6.54
Suresh Samant	2.13	5.38
Sulabha Samant	0.01	0.47
Bharat Samant	0.49	1.58
Chetan Desai	1.08	-
	5.17	13.97
Money received against share warrants		
Rajeev Samant	2.19	6.49
Compensation to key managerial person (including share based payments)^		
Rajeev Samant	1.76	1.24
Chaitanya Rathi	2.76	-
Bittu Varghese	1.81	-
Ruchi Sathe	0.34	-
	6.67	1.24

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

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Note 37 Financial risk management objectives and policies

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

I Market risk

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

a. Interest rate risk

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

Interest rate sensitivity

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

(₹ in million)

	As at 31 March 2022		As at 31 March 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on profit before tax	11.44	(11.44)	15.05	(15.05)

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 in recent years, it has not affected the results of the Group. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table presents the foreign currency risk from financial instruments (excluding those covered through hedged instruments) as at 31 March 2022:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	AED	Others *
Assets						
Trade receivables	25.48	5.38	0.83	-	-	-
Capital advances	-	0.43	-	-	-	-
Advance to suppliers	0.27	-	-	-	-	-
	25.75	**5.81**	**0.83**	-	-	-
Liabilities						
Trade payables	19.18	20.01	-	0.03	0.46	0.02
Liability for capital goods	-	0.16	-	-	-	-
	19.18	**20.17**	-	**0.03**	**0.46**	**0.02**
Net assets / (liabilities)	**6.57**	**(14.36)**	**0.83**	**(0.03)**	**(0.46)**	**(0.02)**

The following table analysis foreign currency risk from financial instruments as at 31 March 2021:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	29.80	3.62	0.83	-	-
Capital advances	-	0.54	-	-	-
Advance to suppliers	0.77	0.21	-	-	-
	30.57	**4.37**	**0.83**	-	-
Liabilities					
Borrowings	2.21	-	-	-	-
Liability for capital goods	-	8.08	-	-	-
Trade payables	11.98	47.80	0.01	-	1.08
	14.18	**55.88**	**0.01**	-	**1.08**
Net assets / (liabilities)	**16.39**	**(51.51)**	**0.82**	-	**(1.08)**

* Includes Canadian Dollar, Russian Rubel and Emirati Dirham

Sensitivity analysis

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

Particulars	Impact on profit before tax for the year	
	31 March 2022	31 March 2021
Currencies		
USD	0.33	0.82
EURO	0.72	2.58

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. Holding 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 third parties. A substantial portion of the Group's trade receivables are from government corporation customers having strong credit worthiness. Further, Group's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets.

	As at 31 March 2022		As at 31 March 2021	
	₹ million	%	₹ million	%
Trade receivables				
- from government corporation	611.34	55.88%	763.58	61.77%
- from private parties	482.60	44.12%	472.59	38.23%
Total trade receivables (refer note 11)	1,093.94	100.00%	1,236.17	100.00%

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

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	33.32	30.38
Impairment allowance	45.03	2.94
Balance at the end of the year	78.35	33.32

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

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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 as at 31 March 2022

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2022					
Borrowings	1,287.50	521.14	480.67	-	2,289.31
Trade payables	-	674.45	-	-	674.45
Lease liabilities	-	50.21	61.30	-	111.51
Other financial liabilities	-	142.29	-	-	142.29
	1,287.50	**1,388.09**	**541.97**	-	**3,217.56**
As at 31 March 2021					
Borrowings	1,672.94	748.43	591.19	-	3,012.56
Trade payables	-	583.33	-	-	583.33
Lease liabilities	-	49.41	113.23	0.33	162.97
Other financial liabilities	-	144.71	-	-	144.71
	1,672.94	**1,525.88**	**704.42**	**0.33**	**3,903.57**

Note 38 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 2022	As at 31 March 2021
Total debt	2,289.31	3,012.56
Total equity	3,952.59	3,047.39
Total debts to equity ratio (Gearing ratio)	**0.58**	**0.99**

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

Note 39 Interest in other entities - Subsidiaries

The Group's subsidiaries as at 31 March 2022 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 March 2022	31 March 2021	31 March 2022	31 March 2021	
Artisan Spirits Private Limited	India	100.00%	100.00%	-		Business of manufacturing of wines and Trading of wines and spirits
Progressive Alcobev Distributors Private Limited^ (w.e.f. 14 November 2018)	India	-	51.00%	-	49.00%	Business of Trading of wines and spirits
Sula International Limited^^	United Kingdom	100.00%	100.00%	-	-	Business of Trading of wines and spirits

^ The Holding company has sold its investment in Progressive Alcobev Distributors Private Limited (51%), effective 1 April 2021 for a total consideration of ₹29.69 million. Consequently, with effect from 1 April 2021, PADPL ceased to be its subsidiary company [Refer note 47]

^^Sula International Limited, a wholly owned subsidiary has been struck off w.e.f 19 April 2022 .

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Note 40 Leases - Ind AS 116

Right-of-use Assets:

(i) The net carrying value of right-of-use assets as at 31 March 2022 amounts to ₹ 93.05 million (31 March 2021: ₹ 125.25 million) have been disclosed on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

(i) As at 31 March 2022, the obligations under finance leases amounts to ₹ 109.82 million (31 March 2021 : ₹ 139.01 million) which have beer classified to lease liabilities, under financial liabilities. (Also refer note 17)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Lease liabilities	47.39	38.95
Non-Current Lease liabilities	62.43	100.06
Total Lease liabilities	**109.82**	139.01

(ii) The following is the movement in lease liabilities for the year ended 31 March 2022:

	As at 31 March 2022	As at 31 March 2021
Opening balance	139.01	245.00
Additions during the year	18.68	1.90
Finance cost accrued during the year	11.47	14.69
Payment of lease liabilities	(53.50)	(56.78)
Termination during the year	(5.84)	(65.80)
Closing balance	**109.82**	**139.01**

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

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2022	**109.82**	**111.51**	**50.21**	**61.30**	**-**
31 March 2021	139.01	162.97	49.41	113.23	0.33

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expenses on right-of-use assets (refer notes 3A and 30)	**44.30**	49.85
Finance cost on lease liabilities (refer note 29)	**11.47**	14.69
Rent expense pertaining to leases of low-value assets	-	-
Rent expense pertaining to leases with less than 12 months of lease included under rent expenses (refer note 28)	**11.53**	27.18

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Note 41 Unhedged foreign currency exposure

Particulars		As at 31 March 2022		As at 31 March 2021	
	Currencies	Foreign currency	Amount in ₹	Foreign currency	Amount in ₹
Trade receivables	USD	3,35,655	25.48	4,04,252	29.80
	EUR	63,895	5.38	42,102	3.62
	GBP	8,268	0.83	8,268	0.83
Trade payables	USD	2,52,663	19.18	1,59,360	11.98
	EUR	2,37,616	20.01	6,45,822	47.80
	GBP	-	-	89	0.01
	AUD	550	0.03	-	-
	AED	22,177	0.46		
	Others*	21,000	0.02	82,956	1.08
Borrowings	USD	-	-	30,000	2.21
Liability for capital Goods	EUR	1,944	0.16	93,994	8.08
Advance to suppliers	USD	3,605	0.27	10,571	0.77
	EUR	-	-	2,449	0.21
Capital advances	EUR	5,152	0.43	6,247	0.54

* Includes Canadian Dollar, Russian Rubel and Emirati Dirham

Note 42 Corporate social responsibility expenditure

As per the Section 135 of the Companies Act, 2013, every year the companies are required to spend at least 2% of their respective 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 by the Group.
a. Gross amount required to be spent by the Group during the year: ₹ 2.82 million (31 March 2021: ₹ 4.11 million)
b. Amount spent during the year on CSR activities: ₹ 8.82 million (31 March 2021 : ₹ 4.15 million) the details of which is as given below:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Infrastructure and Social Support in Nasik	1.85	1.53
Plantation Afforestation and Maintenance of Existing Plantation Project	0.97	1.02
Contribution to Prime Ministers National Relief Fund	3.00	1.60
Chief Minister Disaster Management Fund	3.00	-
Total	**8.82**	**4.15**

Note 43 Disclosures required pursuant to Ind AS 102 - Share Based Payment

The Holding Company has granted stock options under the employee stock option schemes. During the year ended 31 March 2022, employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS COO & CFO 2019), Employee stock option scheme (ESOS 2020) and Employee stock option scheme (ESOS 2021) are in existence. These options would vest based on the vesting conditions as per letter of grant executed between the Holding Company and the employee of the Holding Company or its subsidiaries. Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Holding Company. 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 2020	111,479	856.04
Options granted during the year	64,812	944.86
Options forfeited/lapsed/expired during the year	(10,000)	850.00
Options outstanding as at 31 March 2021	**166,291**	**891.02**
Options exercised during the year *	(30,000)	631.00
Total outstanding options before share split	136,291	850.00
Add: Impact of share split on 30 July 2021 [Refer note 15(h)]	545,164	(680.00)
Total outstanding options post share split	**681,455**	**170.00**
Options granted during the year	2,153,055	170.00
Options forfeited/lapsed/expired during the year	(23,000)	170.00
Options outstanding as at 31 March 2022^	**2,811,510**	**170.00**

* The weighted average share price at the date of exercise of option was ₹ 122.8 per share.

^ The options outstanding as at 31 March 2022 are with the weighted average exercise price of ₹ 170.00 per share (31 March 2021 ₹ 891.02 per share). The weighted average of the remaining contractual life is 1 year.

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

Particulars	ESOS 2018 (2)	ESOS 2019		ESOS 2019 (2)	
	3 years Vesting Period	CFO - 24 months vesting period	COO - 15 months vesting period	CFO - 12 months vesting period	COO - 12 months vesting period
Date of Grant	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020
Market Price (₹)	76.25	76.25	76.25	76.25	76.25
Expected life (in years)	3	3	3	3	3
Volatility*	46.00%	46.00%	46.00%	46.00%	46.00%
Risk Free rate (%)	5.41%	5.41%	5.41%	5.41%	5.41%
Exercise Price	170	170	170	170	170
Dividend Yield (%)	1.31%	1.31%	1.31%	1.31%	1.31%
Option Fair Value (₹)	7.25	11.87	7.32	7.69	7.69

	ESOS 2020	ESOS 2019 (3)		ESOS 2020 (2)	ESOS 2021
	1 Year Vesting Period	CFO - 12 months vesting period	COO - 12 months vesting period	1 Year Vesting Period	1 Year Vesting Period
Date of Grant	29 Sep 2020	15 July 2021	15 July 2021	15 July 2021	30 July 2021
Market Price (₹)	76.25	122.8	122.8	122.8	122.8
Expected life (in years)	3	1.09	1.09	1.17	1.61
Volatility*	46.00%	42.76%	42.76%	43.03%	43.07%
Risk Free rate (%)	5.41%	3.78%	3.78%	3.78%	4.15%
Exercise Price	170	170	170	170	170
Dividend Yield (%)	1.31%	2.44%	2.44%	2.44%	2.44%
Option Fair Value (₹)	7.06	8.85	8.85	9.68	13.54

* Expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 44 Segment reporting

The Group is engaged in the business of manufacture, purchase and sale of alcoholic beverage (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	For the year ended 31 March 2022		For the year ended 31 March 2021	
	India	Outside India	India	Outside India
Revenue from operations	4,444.38	94.78	3,906.75	272.84
Non-current assets	3,880.15	-	3,446.57	-

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Note 45 Business Combination

a. Summary of acquisition

Artisan Spirits Private Limited (ASPL) a wholly owned subsidiary of the Holding Company w.e.f. 1 August 2021, has acquired the business operations of York Winery Private Limited ('YWPL'), together with all the brands, infrastructures in relation to the winery and as a going concern on a slump sale basis for a total consideration of ₹ 171.65 million.

York winery is engaged in the business of manufacturing and sale of domestic wines from its winery in Nashik, India. It also has small set up for tasting room and restaurant within winery. The acquisition will help the Group in expanding the market share in Maharashtra and other states. The wine tourism at the winery will help in creating awareness about the wine which will in turn boost the growth in the wine market. The details of net assets acquired and purchase consideration are as follows.

Particulars	As at 31 March 2022	As at 31 March 2021
Property plant and equipment	74.65	-
Inventories	36.84	-
Loans and advance	3.71	-
Trade receivables	9.32	-
Cash and cash equivalents	0.13	-
Brand	60.30	-
Trade payables	(16.00)	-
Other current liabilities	(5.73)	-
Net identifiable assets at fair value	163.22	-
Goodwill arising on acquisition (refer note 4)	8.43	-
Purchase consideration pursuant to Business Transfer Agreement	171.65	-
Cash flow on acquisition		
Purchase consideration paid	161.65	-

- Pursuant to business transfer agreement, deferred consideration of ₹ 10.00 million shall be payable after realisation of certain assets acquired.
- There were no contingent consideration arrangement involved in relation to above acquisition.
- The transaction did not involve any inheritance of contingent liability.
- This acquisition gave rise to goodwill amounting to ₹ 8.43 million, being excess of consideration amount over fair value of assets under acquisition. The said goodwill being capital in the nature is not eligible to be deducted for tax purposes.

b. Revenue and Profit contribution

The acquired business contributed to the Group's revenue from operation to the tune of ₹ 68.54 million and earned profit before tax of ₹ 7.93 million to the group for the period 1 August 2021 to 31 March 2022.

If the acquisition had taken place on 1 April 2021, then contribution of York to the revenue from opration and profit for the period 1 April 2021 to 31 March 2022 would have been ₹ 102.81 million and ₹ 11.90 million and the resultant pro-forma revenue and profit of the group would have been ₹ 4,573.43 million and ₹ 699.34 million respectively.

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Note 46: Government grants

The disclosures pursuant to Ind AS 20 'Accounting for Government Grant and Disclosure of Government Assistance' are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Government Grants at the beginning of the year	653.94	796.64
Add: Government grant accrued during the year	353.45	273.42
Less: Government Grant received during the year	130.51	416.12
Government Grants at the end of the year	876.88	653.94
Current	713.16	464.19
Non-current	163.72	189.75

Government Grants related to Wine Incentive Promotion Subsidy (WIPS) scheme launched by the state of Maharashtra. Under the scheme, VAT paid by Group on wine manufactured from grapes produced in Maharashtra and subsequently sold in Maharashtra is eligible for 80% refund. The Group being involved in the business of wine manufacturing, avails WIPS incentive. There are no unfulfilled conditions or contingencies attached to these grants.

Note 47: Loss of control in subsidiary

The Holding Company in March 2021 had entered into an MOU to sell its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') were classified as held for sale and the resultant impairment loss of ₹ 22.41 million had been recognised during the year ended 31 March 2021. During the year the Holding Company has completed the sale of its investment in PADPL effective 1 April 2021. Consequently, with effect from 1 April 2021, PADPL ceased to be its subsidiary company.

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Note 48 Dividend on equity shares

	As at 31 March 2022	As at 31 March 2021
Dividend on equity shares declared and paid during the year		
Interim dividend of ₹ 2.5 per share of Face value ₹ 2 (Year ended 31 March 2021: Nil)	194.49	-
Proposed dividend on equity shares not recognised as liability*		
Final dividend of ₹ 2.4 per share of ₹ 2 Face value for year ended 31 March 2022 (Year ended 31 March 2021 : Nil)	195.84	-

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

Note 49 There is a disputed excise duty demand of ₹ 1,158.95 million, against which a stay has been granted. The outcome of the Holding Company's appeal is pending. The Holding Company has been legally advised that the matter is reasonable likely to be settled in favour of the Holding Company. Consequently, the possibility of any outflow of resources embodying economic benefits is remote.

Note 50A Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2022	Net assets i.e. total assets less total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
			Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated total Comprehensive income/ (loss)
Parent Company										
Sula Vineyards Limited	India	-	4,149.27	104.98%	488.57	93.70%	(0.64)	43.54%	487.93	93.85%
Subsidiaries										
Artisan Spirits Private Limited	India	100%	74.18	1.88%	16.99	3.26%	(0.83)	56.46%	16.16	3.11%
Sula International Limited	United Kingdom	100%	(2.61)	-0.07%	(0.35)	-0.07%	-	-	(0.35)	-0.07%
Total			**4,220.84**	**106.78%**	**505.21**	**96.90%**	**(1.47)**	**100.00%**	**503.74**	**96.89%**
a) Adjustments arising out of consolidation			(268.25)	-6.78%	16.18	3.10%	-	-	16.18	3.11%
b) Non-controlling interest in subsidiary			-	-	-	-	-	-	-	-
			3,952.59	**100.00%**	**521.39**	**100.00%**	**(1.47)**	**100.00%**	**519.92**	**100.00%**

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2021	Net assets i.e. total assets less total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
			Amount	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated total Comprehensive income
Parent Company										
Sula Vineyards Private Limited	India	-	3,276.14	107.51%	(6.33)	-22.77%	(2.78)	98.66%	(9.11)	-36.46%
Subsidiaries										
Artisan Spirits Private Limited	India	100%	(1.98)	-0.06%	26.74	96.19%	(0.09)	3.06%	26.66	106.74%
Progressive Alcobev Distributors Private Limited	India	51%	49.62	1.63%	0.52	1.87%	0.10	-3.39%	0.62	2.48%
Sula International Limited		100%	(2.33)	-0.08%	(2.29)	-8.24%	-	0.00%	(2.29)	-9.19%
Total			**3,321.44**	**108.99%**	**18.66**	**67.12%**	**(2.77)**	**98.33%**	**15.89**	**63.61%**
a) Adjustments arising out of consolidation			(274.06)	-8.99%	9.39	33.78%	-	0.00%	9.39	37.59%
b) Non-controlling interest in subsidiary			-	0.00%	(0.25)	-0.90%	(0.05)	1.68%	(0.30)	-1.20%
			3,047.39	**100.00%**	**27.80**	**100.00%**	**(2.82)**	**100.00%**	**24.98**	**100.00%**

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Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Summary of significant accounting policies and other explanatory information to the consolidated financials statement as at and for the year ended 31 March 2022
(Amount in ₹ million, unless otherwise stated)

Note 50B Disclosure of ratios

	Particulars	Formula for computation	Measure (In times / percentage)	As at 31 March 2022	As at 31 March 2021
a	Current Ratio	Current assets / Current liabilities	Times	1.28	1.16
b	Debt Equity Ratio	Debt / Net worth	Times	0.58	0.99
c	Debt Service coverage Ratio	EBITDAE / (Finance costs + Principal repayment of long term borrowings within one year)	Times	2.04	0.88
d	Return on Equity	Profit after tax / Net worth	Percentage	13.19%	0.91%
e	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	0.77	1.00
f	Trade Receivable Turnover Ratio	Revenue from sale of product and services / Average trade receivables	Times	3.57	2.83
g	Trade Payable Turnover Ratio	Purchases / Average Trade Payables	Times	2.13	1.99
h	Net Capital Turnover Ratio	Revenue from operations / Working capital	Times	5.65	7.58
i	Net Profit Ratio	Profit after tax / Revenue from operations	Percentage	11.49%	0.67%
j	Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	20.86%	10.67%
k	Return on Investment (ROI)	Not Applicable	N.A.	N.A.	N.A.

Notes:

1 Debt = Non-current borrowings + Current borrowings
2 Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
3 EBITDA = Earnings before finance costs, depreciation expense and tax and exceptional items
4 Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress
5 Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials and packing materials - Opening inventory of raw materials and packing materials
6 Working Capital = Current assets - Current liabilities
7 EBIT = Earnings before interest and tax and exceptional items
8 Capital employed = Total equity + Non-current borrowings

Disclosure of change in ratio by more than 25%

	Particulars	% Variance in ratio between 31 March 2022 and 31 March 2021	Reason for Variance
A	Current Ratio	10%	Refer note below
B	Debt Equity Ratio	-41%	Owing to reduction in borrowings
C	Debt Service coverage Ratio	132%	Owing to increase in EBIDTA due to better margin and decrease in debt
D	Return on Equity	1346%	Increase in the revenue with fixed cost being constant leading to increase in Profit after Tax
E	Inventory Turnover Ratio	-23%	Refer note below
F	Trade Receivable Turnover Ratio	26%	Owing to decrease in debtors due to improved collection
G	Trade Payable Turnover Ratio	7%	Refer note below
H	Net Capital Turnover Ratio	-26%	Owing to increase in Revenue from operations
I	Net Profit Ratio	1611%	Owing to increase in revenue followed by increase in profit with fixed cost being constant
J	Return on Capital Employed (ROCE)	96%	Owing to increase in EBIT and decrease in borrowing
K	Return on Investment (ROI)	N.A.	N.A.

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.

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Note 51 Events after the reporting period

(i) Subsequent to the reporting date all the outstanding warrants at 31 March 2022, has been converted into 3,002,764 equity share of ₹2 each. Accordingly, there are no warrants outstanding as on the date of adoption of the financial statement of the Company.

(ii) Sula International Limited, a wholly owned subsidiary has been struck off w.e.f 19 April 2022 .

Note 52 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding have been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

Note 53 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 19 May 2022

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

Rajeev Samant
CEO and Managing Director
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Arjun Anand
Director
DIN: 07639288

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 19 May 2022

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