SULA
VINEYARDS

PIONEER. INNOVATOR. LEADER.

Leading India's wine industry with quality and sustainability

Sula Vineyards Ltd
Annual Report 2022-23

WHAT'S INSIDE

Corporate Overview

Statutory Reports

Financial Statements

Notice to Annual General Meeting

To know more about the company, log on to https://sulavineyards.com

Scan the QR Code to view the report online

PIONEER. INNOVATOR. LEADER.

Expanding India's wine industry with sustainable practices

Sula has poineered the growth and expansion of Indian wine industry for more than two decades and continues to lead from the front.

Over the years, we have evolved considerably — producing our first bottle of wine in the year 2000 to becoming the finest wine brand in the country, preferred by consumers of fine wine. We have also put India on the global wine map.

Each bottle of Sula wine is a labour of love demonstrating sheer craftsmanship. With our meticulously prepared variety of wines, we have set new benchmarks of quality and premiumisation in the market.

Making great wine is our passion and commitment, but we make sure to put the environment's well-being alongside of what we do. We are one of the most eco-friendly companies in India, with a significant amount of our resources committed to sustainable vineyards and winemaking practices; and also ensuring fair livelihoods for our community of farmers.

We are passionate about making excellent wines that delight our consumers and promote the rich style of Indian winemaking.

1,050,000+

Cases produced and sold of our Own Brands

ABOUT US

Sula Vineyards is India's leading wine producer, with a passion for creating premium wines. Sula has wineries in Maharashtra and Karnataka, India's premier grape growing regions. The Company has achieved significant success in the Indian wine industry and is widely recognised for its excellent quality, innovation and sustainable practices.

Rajeev Samant set up the first vineyard in Nashik in 1996 and has played a pivotal role in revolutionising India's wine industry. Over the years, the Company has grown into a global brand, with an extensive range of award-winning wines, including red, white, rosé and sparkling wines.

Sula's vineyards are spread over 2800+ acres in Nashik and Bangalore. These regions have a unique climate and soil composition, which is ideal for growing premium wine grapes. The Company is committed to sustainable viticulture practices and has implemented numerous initiatives to reduce its carbon footprint, conserve water and protect the environment.

At Sula, we are dedicated to producing excellent wines that bring immense joy to our valued consumers while honoring and celebrating the rich style of Indian winemaking. With a dedicated team of expert winemakers, viticulturists and hospitality professionals, we strive to deliver an unparalleled wine experience to all our consumers.

Key highlights

2,800+
Acres of vineyards

16.7
Million litres winery Capacity

52%+
Of energy consumed comes from our own solar installations

300K+
Followers across social media, making us the most followed wine company in India and one of the top globally

60%
Market share in India in Grape wine under Elite and Premium category
(Source: 'Industry Report on Indian wine Retail', Technopak)

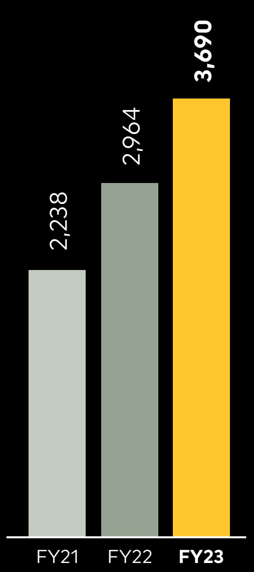
Only
Indian wine company currently listed on stock exchanges

24,000
Points of Sale across India

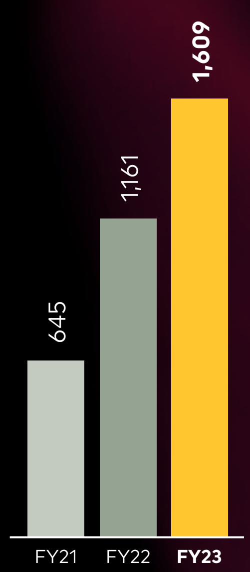
Present across
All
non-dry States and Union Territories in India

FINANCIAL PERFORMANCE OVER THE YEARS

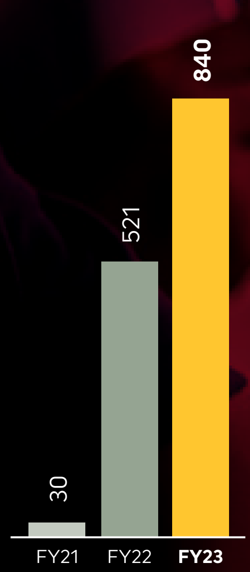
Gross Profit
(INR million)



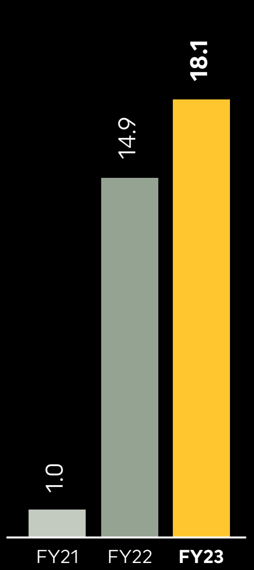
EBITDA
(INR million)



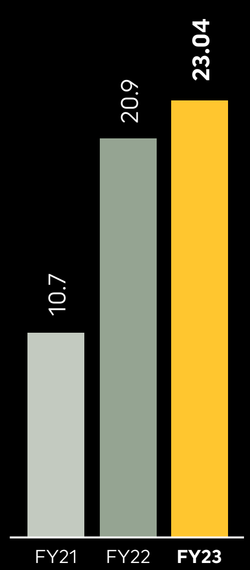
PAT
(INR million)



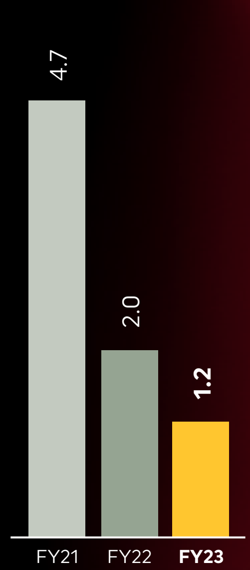
ROE
(%)



ROCE
(%)

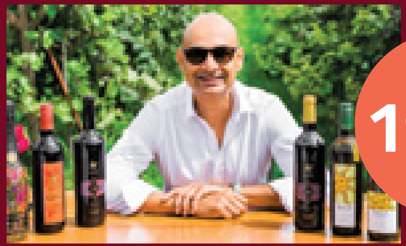


Debt to EBITDA
(In times)



29.10%
EBITDA Margin

OUR JOURNEY



1996

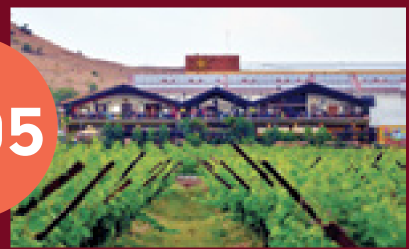
Rajeev setup the first vineyard in Nashik

2000

Produced Sula's **first bottle of wine**

2005

Built **India's first wine tasting room** at our Nashik winery



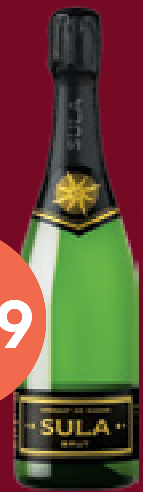
2008

Organised **SulaFest** -India's first wine themed music festival

Opened the country's **first vineyard resort**

2009

Became the **market leader** in the Indian wine industry in terms of sales volume as well as value



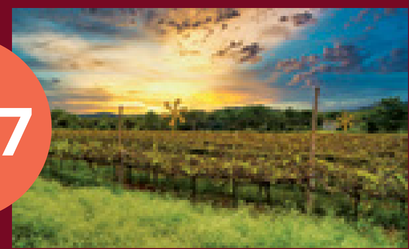
2012

Crossed 50% market share in domestic 100% grape wine market

2016

Sula's **Shiraz Cabernet became India's best-selling** domestic 100% grape wine

2017



Acquired Heritage Winery (based in Karnataka)

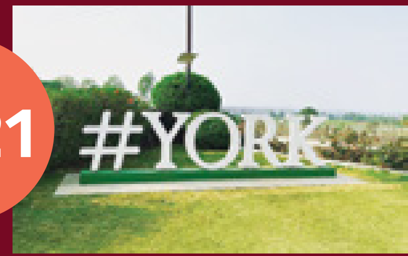
2019

Crossed 60% market share by value in Elite and Premium wines category

2020

Launched Dia, India's first wine-in-a-can

2021



Acquired York Winery (based in Maharashtra)

Got listed on NSE and BSE, only Indian wine company currently listed on stock exchanges

2022

Q & A WITH FOUNDER AND CEO

Rajeev Samant
Founder and CEO

DEAR SHAREHOLDERS

It is with immense pleasure that I present to you our first annual report following a highly successful initial public offering and stock exchange listing in December 2022. I would like to extend my sincere gratitude to all our stakeholders for having faith in our capabilities and vision.

In what ways do you engage with your consumers to deepen their appreciation for wine?

Sula has been at the forefront of fostering a positive wine culture in India ever since we sold our first bottle in the year 2000. Since then we've responsibly led the industry by proactively engaging with our consumers via wine tastings, vineyard and winery tours and by our presence in various marquee events across the country. Our own wine tourism offerings provide an immersive experience at our estates in Nashik and Bangalore, providing a behind the scenes glimpse into our craft and the opportunity to indulge in tasting our wines at source. Tastings are one of our arrows to build a wine culture in India and the thirst for wine knowledge has never been more pronounced. We have also partnered with prestigious organisations like WSET (wine and Spirits Education Trust) and various HORECA institutions to promote wine tastings and trainings across cities, bringing wine closer to home for our consumers. From elegant and complex reds to crisp and refreshing whites, and from sparkling wines to celebrate special moments to delightful rosés, our collection offers a wine for every discerning taste, leaving a lasting impression with every bottle consumed and every sip relished!

What are some of the strengths that enable the Company to sustain its competitive edge?

Since inception, we have differentiated ourselves from the rest of the industry by our unwavering focus on the quality of wines we produce, and through experiences via our stunning wine tourism offerings. Sula has always been ahead of the curve whether it is about bringing popular grape varietals to India or by leading innovation in tropical winemaking and investing in sustainable business practices. Now over two decades, our trusted relations and long-term contracts with our grape farmers have ensured a stable supply of quality grapes at favorable prices each harvest. To bring wine to every part of the country we have built a robust distribution network with over 24,000 points of sale and is at par with the best in the business. Our product portfolio covers a diverse range of wines, each thoughtfully crafted to cater to different palates, occasions and budgets and we continue to enhance our portfolio by adding Elite wines such as RASA, The Source and Dindori. Today, the brand Sula is synonymous with wine in India and that summarises our competitive edge and solid moat in this industry.

After a very successful IPO listing, how would you like to describe your journey so far?

I am proud of the journey we have embarked on over the past two decades, especially after our successful IPO listing in 2022.

When I founded Sula I had a vision to make quality Indian wines and build a proud Indian brand and today we have cemented our position as the most recognised wine brand of the country.

We have and will continue to focus on first principles for our business while leading the wine industry to the bigger milestone of doubling the share of throat across alcobev categories. My entrepreneurial journey, with it's ups and downs, has been immensely rewarding for myself as well as our stakeholders who have partnered with us over time. I firmly believe the best is yet to come for Indian wine with the Sula sun leading the way!

How would you summarize your performance for FY23?

> FY23 has been a landmark year for us on many fronts with record business performance and a successful IPO.

We achieved an all-time high EBITDA of INR 1,609 million and a PAT of INR 840 million, growing at 61% YoY. Our Own Brands have been the stars of the show, now accounting for over 86% of our revenue. Led by our successful focus on premiumisation, revenues from Elite and Premium wines have grown by 170bps in value and 230bps in volume. Our wine tourism revenue grew by 30% and continues to be one of the most visited vineyards in the world, and indubitably the place where most consumers taste their first glass of wine! I am particularly pleased that our Experiences team has conducted over 1.7 lakh wine tastings across the country, an impressive 80% growth from the year before. We were also recognised as a Great Place To Work® for the second year in a row, a strong testament to the people-first culture of Sula. As we step into FY24 we look forward to raise a toast (or two) to celebrate another exciting year ahead!

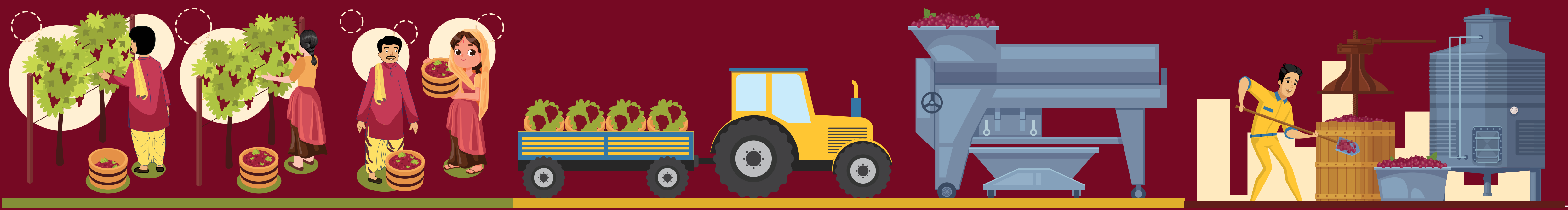
What is your vision for the future?

My long-term vision is to establish Indian wine as a globally recognized symbol of quality, innovation, and sustainability and by consistently producing excellent wines that reflect our unique climate and terroir. I envision to put India firmly on the global wine map. We aim to continue to enhance our wines by embracing new technologies and techniques and meeting and exceeding the expectations of our consumers. We would be pursuing premiumisation as a conscious strategy, while bringing lakhs of Indian consumers into the wine-fold.

What steps do you take to ensure sustainability and environmental responsibility in your winemaking practices?

Sustainability is a core tenet at Sula. Making premium wines is our passion, and doing it in a sustainable manner is our responsibility. We've imbibed the culture of sustainability throughout our business practices and it can be seen across our facilities as we generate almost 4 million kWh of solar energy, conserve water through rainwater harvesting, reduce waste by using recyclable packaging, and cut down emissions by moving towards electric transportation. We're proud to be the only Asian winery to be accepted as a member of the International Wineries for Climate Action (IWCA), a prestigious group of like-minded wineries globally. Our commitment to sustainability not only aligns with our values but also contributes to the excellent quality and character of our wines.

OUR WINEMAKING PROCESS



Harvesting

Harvest period is December to March. All the wines for the subsequent FY are made in this period.

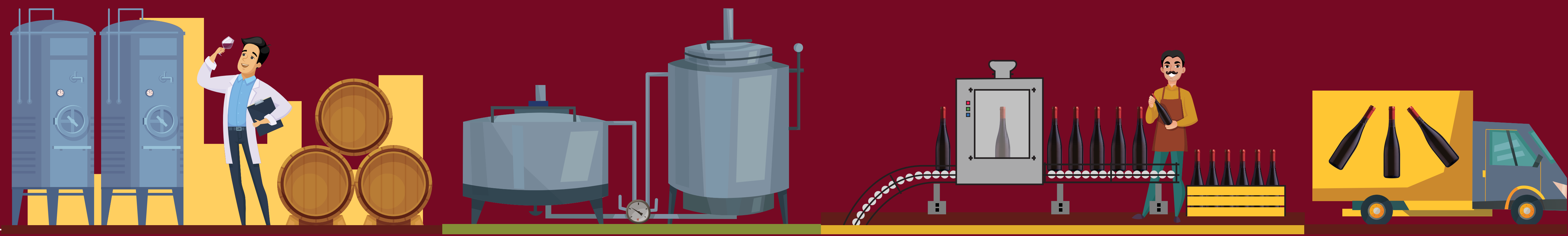
Processing and Fermentation

Harvest occurs at 4 owned and 2 leased facilities. Processing varies as per wine type.

- Red wine: Grapes fermented with skins.
- White wine: Juice fermented, no skin contact.
- Rosé wine: Juice fermented after limited skin contact initially.

Blending

Blends are finalized in Q1/Q2 and are bottled throughout the year.



Ageing

Over 90% of wines are aged in stainless steel tanks. Only few elite wines aged in barrels.

Stabilization and Filtration

Wines are heat and cold stabilized as well as filtered prior to bottling.

Bottling and Labelling

Bottling occurs at 3 owned facilities: 2 in Maharashtra (DD and York) and 1 in Karnataka (DS). It occurs throughout the year as per sales requirements.

Dispatch and Distribution

We have 24,000+ points of sale across India.

OUR WINES

Sula offers a range of exquisite wines under its distinguished 'Elite' and 'Premium' categories. The wines under these labels are specifically curated to captivate the discerning palates of our diverse consumers.

Our innovative journey saw the launch of 'The Source', expanding with four exceptional labels between FY18 and FY22, and the masterful rebranding of our 'RASA' collection in the FY22. As a pioneer in the flourishing Indian wine market, we have meticulously designed a consumer-centric strategy that fits various budgets and consumer preferences, inspiring a smooth transition towards exclusive experiences.

RASA

The pinnacle of Indian red wines, the RASA range is made from the very best vineyards with artisan winemaking and is a showcase for the potential of our terroir.

THE SOURCE

The Source range aims to introduce consumers to new types of wines. Launched in FY18 with the Grenache Rosé, India's first high end Rosé, it now comprises 5 wines, the most recent of which is the highly successful Source Moscato - India's first Muscat based sparkling wine.

DINDORI

Our Reserve tier, the iconic Dindori range comprises some of India's most loved wines. Our Dindori Reserve Shiraz is the highest selling Indian wine with an MRP of over INR 1,000 (Maharashtra). The Dindori Chardonnay, the most recent addition to the range is India's best and highest selling Chardonnay.

SULA CLASSICS

The core of our portfolio and the starting point in the wine journey for most Indian consumers, the classic series wines are approachable, fruit forward and easy drinking.

YORK

Acquired in FY23 the York wines are fresh and vibrant and offer consumers alternative expressions of the most popular grape varieties.

PROVIDING AN UNFORGETTABLE EXPERIENCE

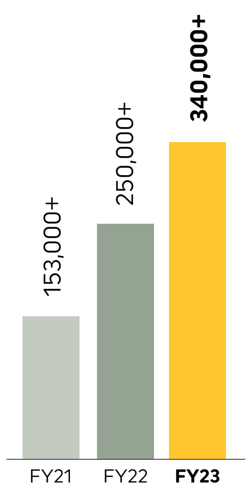
As the pioneers of wine tourism in India, we are committed to providing our visitors with an unforgettable experience.

Our resorts, tasting rooms and restaurants have contributed to the development of a unique wine culture in India. We take pride in having established the first wine tasting room in India in the FY05 and have since built another one in FY17.

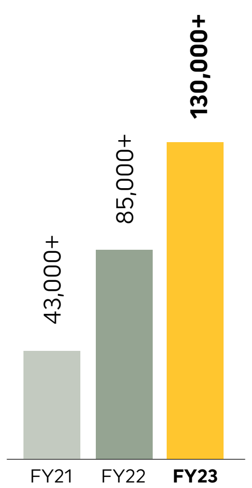
Immersive guest experiences

We own and operate two wine tourism resorts, 'The Source at Sula' and 'Beyond by Sula', located in Nashik, Maharashtra, where visitors can indulge in a plethora of wine experience events, including wine tasting, vineyard tours and wine-making classes. The resorts have recorded an upward trend in terms of revenue per room over the previous years, showcasing our commitment to constantly enhancing our guests' experiences.

Total visitors to our Vineyards



In person tastings over the years



Growing demand

With our direct-to-consumer channel, our wines are in high and consistent demand. By introducing new wine experiences and adding more rooms to our resorts, we are consistently expanding our wine tourism business and bolstering our resolve to enhance the guest experience, which has been a driving force in the growth of our Company.

310,000+

Bottles sold via D2C channel

DELIGHTING CONSUMERS ACROSS GEOGRAPHIES

World

We have a presence in over 20 countries over the globe.

20+
Countries

United States of America
United Kingdom
Austria
United Arab Emirates
Oman
New Zealand
China
France
Italy
Spain
Japan
Australia
Singapore
Belgium
Switzerland
Maldives
Sweden
Holland
Norway
Poland
South Korea
Portugal
Luxembourg
Germany
Czech Republic

India

We have the largest distribution network and sales presence in India, serving 25 states and 6 Union Territories.

25
States

Andhra Pradesh
Arunachal Pradesh
Assam
Chhattisgarh
Goa
Haryana
Himachal Pradesh
Jharkhand
Karnataka
Kerala
Maharashtra
Madhya Pradesh
Mizoram
Meghalaya
Odisha
Punjab
Rajasthan
Sikkim
Tamil Nadu
Tripura
Telangana
Uttar Pradesh
Uttarakhand
West Bengal
Gujrat

6
Union Territories

Chandigarh
Dadra and Nagar Haveli and Daman and Diu
Delhi [National Capital Territory (NCT)]
Jammu and Kashmir
Andaman and Nicobar Islands
Puducherry

Sula's distribution presence
Corporate office
Owned production facility
Regional offices
Leased production facility

STRENGTHENING OUR MARKET LEADERSHIP

Sula Vineyards has established itself as the largest wine producer and seller in India.

Our vineyard is the largest in the country, surpassing the size of the next largest by more than four times. Our extensive network and our ability to provide innovative and high-quality products have led to our success in the industry.

For our consumers

Our commitment to providing our consumers with the best products and services has allowed us to service several hotels, restaurants, and caterers across the country. Our wine tasting sessions exceeded the previous year in terms of quantity, indicating an increasing interest in and dedication to the art of wine appreciation. We have made significant strides in the wine tourism sector, welcoming lakhs of visitors to our vineyards, making us the largest wine tourism destination in India.

Social media presence

Our social media following is the strongest in our industry space in India, with a significant presence on Instagram, Facebook, and Twitter. These numbers speak volumes about our ability to effectively connect with our consumers and keep them engaged. Through our social media platforms, we aim to create a community of wine enthusiasts, share our latest news and updates, and showcase our passion for winemaking.

Among

Top 15

most followed vineyards in the world on social media

Pioneering the Indian wine industry

As we reflect on another successful year at Sula we are proud to have continued our legacy as pioneers in the Indian wine industry. Our commitment to innovation and excellence has driven us to introduce new concepts and experiences for wine lovers across the country and beyond.

Wine tasting rooms

In 2022, we celebrated the 17th anniversary of our first wine tasting room in India, which we launched at our winery in Nashik, Maharashtra in 2005. Since then, we have expanded our wine tasting offerings with the addition of a tasting room at our 'Domaine Sula' facility in Karnataka in FY17. Our tasting rooms offer visitors the opportunity to sample a wide range of Sula wines and learn about the nuances of each variety, making it an educational and enjoyable experience.

Vineyard resorts

We also remain proud to be the first to introduce wine resorts in India, with our two vineyard resorts located at and adjacent to our winery in Nashik, Maharashtra. Our 'The Source at Sula' and 'Beyond by Sula' brand names offer visitors an immersive experience in the heart of our vineyards, complete with luxurious accommodations and world-class amenities.

OPERATIONAL EXCELLENCE

Partnering with farmers

We take pride in our supply chain excellence, ensuring that we have a reliable and responsible supply of raw materials for our wine production. With access to over 2800+ acres of vineyards, we have strengthened our partnerships with contract farmers and implemented best practices to improve efficiency and sustainability.

Relationship with farmers

Through our long-term supply arrangements with farmers, we have secured a huge chunk of our vineyard supply, demonstrating our commitment to building lasting and mutually beneficial relationships with our partners. We work closely with them to ensure that our grapes are of the highest quality and are grown sustainably, with a focus on responsible water management and minimising the use of chemicals.

500+

Contract farmers

Cost optimisation in packaging

We have also optimised our use of packaging materials by sourcing them locally and implementing measures to reduce waste. By doing so, we have not only improved our environmental impact but have also reduced our costs. We have additionally optimized our packaging materials by using lightweight bottles.

96%

Of packaging material is sourced locally

Strengthening our manufacturing processes

Sula places a strong emphasis on manufacturing and processing infrastructure to ensure the highest quality of wines. We own multiple wineries in Maharashtra and in Karnataka, all with their respective bottling units. Each winery is equipped with advanced technology and follows a well-defined documented quality control system to ensure the highest standards of production.

4

Wineries in Maharashtra

2

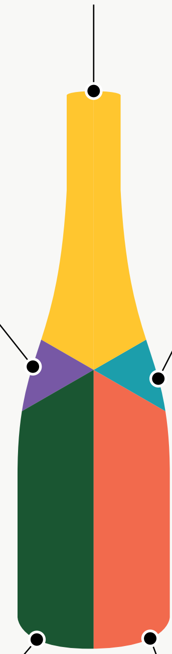
Wineries in Karnataka

Wine production process

Our production process begins with the harvest of wine grapes, which typically runs for four months, from December to March. Once the grapes have been delivered to our wineries, we follow a rigorous process of fermentation, aging, blending, stabilising, filtering and bottling. Our white wines are typically ready for bottling within two months post completion of the fermentation process, while our red wines take around three to four months. Our elite wines, which are aged in oak barrels, require a longer period of aging before bottling.

Our largest winery, Domaine Dindori located around 38 Km from Nashik, has a tank capacity of over **8.74 million litres**, and is responsible for bottling and supplying all our wines (excluding York) to all markets.

We also have two leased wineries with combined tank capacity of over **1.65 million litres**. These wineries are located around 6 km from our Domaine Dindori facility and 750 km from our Domaine Sula facility respectively.



Our Nashik facility, established in 2000, has a tank capacity of over **4.64 million litres**, and comprises a vineyard, a wine tasting room, a boutique vineyard resort, two restaurants and an amphitheatre.

Our York facility acquired in FY22 has a tank capacity of over **0.48 million litres**, and comprises a wine tasting room, a restaurant and a winemaking and production facility.

Our Domaine Sula facility, located between Bengaluru and Mysore in Karnataka, has a tank capacity of over **1.14 million litres**, and comprises a vineyard, a wine tasting room, a restaurant and a production facility where we make our wines for the Karnataka market.

Road ahead

We intend to expand our tank capacity at Domaine Dindori in the future, and we also plan to expand our wine tourism business at our Nashik and York in order to cater to a wider range of consumers with diverse preferences.

Establishing a strong and expansive distribution platform

Sula has established a strong and expansive distribution platform, which has enabled us to reach a diverse range of consumer segments and effectively penetrate the market. With a presence in majority of states and union territories in India, we have solidified our position as a leading player in the wine industry, and we have also made significant strides in exporting to over 20 countries.

We are present in

26
States

6
Union Territories

7
Company Depots

Our partnerships

We have forged valuable partnerships with our distributors, corporations, and licensed resellers, among other key players in the wine distribution chain. These relationships have allowed us to ensure the availability of our products across a wide range of touchpoints, including retail shops, restaurants, hotels, and caterers, ensuring that our consumers can easily access our wines whenever and wherever they need them.

50
Distributors

11
Corporations

14
Licensed resellers

3
Defence Units

Modern trade channels

We have leveraged modern trade channels, such as e-commerce platforms and select supermarkets, to increase our reach and accessibility to consumers. In addition, our products are available at all retail shops. Through these channels, we have been able to streamline our distribution processes and offer a more convenient shopping experience for our consumers.

Direct-to-consumer (D2C) channels

In addition to our strong partnerships and expansive reach, we have also developed a robust direct-to-consumer (D2C) sales channel at our wine tourism facilities in Nashik and Bengaluru. This channel not only provided us with an additional revenue stream but has also allowed us to connect directly with our consumers and provide them with a unique and personalised wine-tasting experience.

Sales performance

Our dedication to distribution excellence has enabled us to achieve impressive sales results in both the Off-trade and On-trade channels. With our Off-trade sales consistently increasing over the last three years, we have proven our ability to meet the demands of our consumers and stay ahead of competition.

Ensuring the highest quality

At Sula, we believe that our commitment to quality is critical to our success as a wine producer. We understand that the quality of our wines is directly linked to our consumers' satisfaction and loyalty. As such, we take every possible measure to ensure that our wines are of the highest quality and meet the expectations of our consumers.

Certifications and quality standards

Our well-defined and documented quality control system is monitored at various stages, from the growing and procurement of grapes to processing, bottling, and dispatch of our wines. Our commitment to quality is reflected in the certifications that our wineries have received.

BRC (AA and A grades)

ISO 9001:2015

FSSAI

Certifications

Quality control and assurance

We conduct numerous technical checks to ensure that the wine meets the set specifications and that it is bottled according to our standard operating procedures (SOPs). All packaging materials, including glass bottles, screw caps, labels, and cartons, are also checked to ensure that they meet the required standards.

Vineyard management

Our viticulture team regularly visits the vineyards to ensure that the grapes are growing in accordance with our guidelines, and our winemakers carefully monitor the maturity of the grapes to determine the optimal harvest date. Once the grapes are harvested, we adhere to high standards of winemaking practices, with regular analytical and sensory checks at each stage to ensure that the quality of the wine meets the prescribed standards.

OUR STRATEGY

Sula Vineyards has always been focused on providing unique and unforgettable experiences to wine enthusiasts, and we continue to work towards strengthening our position as pioneers of wine tourism in India.

Our aim is to create a culture of wine appreciation and consumption in the country by increasing awareness of wine and its benefits, believing that our efforts will help us in increasing our market share in the Indian wine market.

Continuous focus on growth and premiumisation of our own brands

Our unwavering dedication to our own brands over imported 'Third Party Brands' forms the backbone of our strategic direction. These brands, which play a pivotal role in our revenue stream, also reaffirm our commitment to the Indian wine market. We pride ourselves on catering to the discerning Indian wine consumers with the most extensive array of 'Elite' and 'Premium' wines in the country.

As we move forward, we plan to further consolidate our market dominance by leveraging our robust distribution network to introduce novel offerings within these high-end categories. This will not only broaden our portfolio but also enhance our market share.

Our ambition is centred around driving volume growth in the 'Elite' and 'Premium' segments. To achieve this, we intend to undertake a variety of innovative initiatives that tap into the rising demand for premium wines in India. Thus, each step we take is guided by our vision to seize the unfolding opportunities in the premium wine market in India.

Market expansion

While we primarily cater to the top urban centres in India, we intend to increase our focus on under-penetrated markets in major metros such as Chennai and Kolkata, as well as tourist markets like Kerala, Rajasthan, and Goa, and other Tier-1 and 2 cities. As part of our strategy of premiumisation, our 'Elite' and 'Premium' range of wines will continue to be at the forefront when penetrating new markets.

Increasing availability

In our endeavour to increase sales volumes across our geographic footprint, we plan to expand our distribution network, optimise our distribution operations, and increase product supply to the under-penetrated markets. We intend to further expand our distribution platform by engaging additional distributors, consolidating existing ones, and increasing the number of distributors in these under-penetrated markets. These strategic measures will not only enhance the availability of our products but also boost our brand awareness and revenue generation capabilities.

Enhancing social presence

We harness the power of digital marketing and social media to amplify our brand and wine awareness in India. Through collaborations with popular influencers on platforms like Instagram, Facebook, LinkedIn, and YouTube, we extend our reach and message. Sula, our brand, is among the top 15 most followed vineyards globally, with a large presence on social media. Our digital initiatives, coupled with our substantial social media following, significantly boost brand awareness and wine penetration in India.

COMMITTED TO PURPOSE-LED GROWTH

At Sula Vineyards, we make sure 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 alongside.

At Sula, we believe that conducting business sustainably is not only the right thing to do, but also essential for long-term success. We are committed to growing sustainably and having a positive impact on the environment and communities of the regions in which we operate. We recognise that our business activities have an impact on the environment and society, and we are taking steps to minimise that impact while maximising our positive contributions.

Towards a greener future

Energy management

We aim to be a Net – Zero company by 2050, and as part of our commitment to environmental sustainability, we have implemented several initiatives to reduce our carbon footprint. We have installed 2.6 MW of solar PV capacity, which provides more than half of our annual energy needs and generating almost 4 millions of kWh from solar energy at owned and leased facilities in Maharashtra and Karnataka.

2,600 KW

Solar PV capacity

52%+

Of our energy demands are met with our in-house solar power plants

Water management

We have rainwater harvesting reservoirs at all our facilities, with a combined storage capacity of 36.83 million litres, which help reduce our reliance on municipal water supply. Between FY20 and FY22, we have reduced water consumption and we actively recycled processed water. This enabled us to reuse the treated water in various operations at our Nashik facility. We also actively enhanced operational efficiency by using drip irrigation at our vineyards.

Emissions

We are striving to achieve net zero emissions by 2050 as an applicant member of the IWCA. As the first step to tracking progress in achieving emissions reductions over time, we have commissioned a study on greenhouse gas emissions.

Waste management

As promoting sustainability is one of our foremost priorities at Sula, we are always striving to reduce our environmental footprint and promote sustainability in every aspect of our operations, including waste management. As part of this initiative, we have implemented a recyclable packaging system, which ensures that our wine bottles, screw caps and cartons are all fully recyclable.

Steadfast in social stewardship

As a socially responsible corporate citizen, we have adopted a CSR policy in compliance with the Companies Act, 2013 and the rules framed thereunder. Our CSR activities are primarily focused on promoting healthcare, including preventive healthcare and sanitation initiatives, education, gender equality and disaster rehabilitation.

CSR activities

As part of our CSR initiatives, we have undertaken several well-thought-out and precise projects, which include planting trees in Maharashtra and Karnataka, thereby increasing green cover and safeguarding local biodiversity. Our CSR activities are monitored by the CSR Committee of the Board, which makes sure that we are meeting all our social obligations.

Guided by our strong leadership

Our commitment to conducting business in an ethical, transparent, and responsible manner is at the heart of our governance practices. The strong oversight provided by our Board of Directors, consisting of a diverse group of individuals with extensive knowledge and experience, ensures alignment of the Company's interests with stakeholder expectations.

Our governance practices

Board composition and independence

Our Board of Directors, led by our Promoter and Managing Director, Rajeev Samant, comprises professionals with deep understanding and experience in the global alcobev industry. This unique blend of perspectives and expertise enriches our decision-making process, contributing to our competitive advantage.

Risk management

We have a comprehensive risk management framework in place that identifies, assesses and manages risks across all our operations. We regularly review and updates the risk management processes to ensure that they remain effective and aligned with potential risks.

Code of conduct

We adhere to a robust code of conduct, which sets out clear ethical standards for all our employees, directors, and stakeholders. It addresses critical issues like anti-bribery and corruption, conflicts of interest, and insider trading. Our commitment to ethical business extends to our employees' welfare. We were certified as a "Great Place to Work" by the Great Place to Work Institute, India, which speaks volumes about our strong and supportive work environment.

Shareholder engagement

Sula is deeply committed to shareholder engagement. We ensure continuous communication through regular investor meetings, as well as the publication of timely and accurate financial and non-financial information. We understand the importance of keeping our shareholders well-informed about our performance and governance practices.

Sustainability reporting

In terms of sustainability, we follow a structured reporting framework that covers all aspects of our ESG practices. Our ESG report is independently verified and published annually, providing reliable and accurate information to all our stakeholders.

Diversity and inclusion

As an equal opportunity employer, we promote diversity and inclusivity in our workplaces. We take pride in the significant role we play in uplifting local communities and villages, providing them with employment opportunities at our wineries. This commitment to social responsibility further solidifies our ethical and transparent approach to conducting business.

OUR LEADERS

Board of Directors

Chetan Rameshchandra Desai

Chairman and Non-Executive Independent Director

Chetan is a Chartered Accountant. He has previously worked with Haribhakti and Co., LLP, Chartered Accountants for over 39 years. He is also a fellow member of the Institute of Chartered Accountants of India.

Arjun Anand

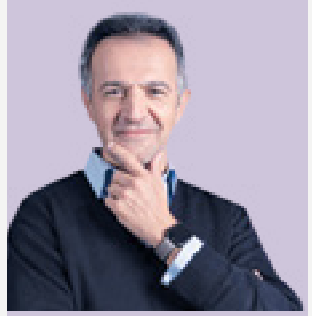
Non-Executive Nominee Director

Arjun has previously worked with A.T. Kearney Australia. He holds a bachelor's degree in mechanical engineering from Birla Institute of Technology and Science, Pilani and a post-graduate diploma in management from Indian Institute of Management, Calcutta.

Sangeeta Pendurkar

Non-Executive Independent Director

Sangeeta is currently serving as the CEO of Pantaloons. She has previously worked with Kellogg India, HSBC, Coca-Cola India, Hindustan Lever and Hindustan CIBA-CEIGY. She holds a bachelor's degree from the University of Bombay and MBA from Savitribai Phule Pune University.



Roberto Italia

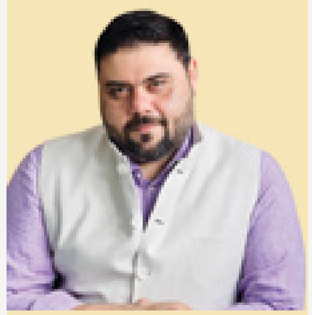
Non-Executive Nominee Director

Roberto is currently serving as the CEO and MD of Verlinvest S.A. He holds a master's degree in economics from Libera Università Internazionale degli Studi Sociali Guido Carli, Italy and an MBA degree from INSEAD, France.

Alok Vajpeyi

Non-Executive Independent Director

Alok has previously worked with Swiss Bank Corporation, Dawnay Day AV Financial Services, Daiwa Capital Markets India, Avendus Capital and British High Commission, New Delhi. He holds a bachelor's degree in economics from the London School of Economics and Political Sciences.



Riyaaz Amlani

Non-Executive Independent Director

Riyaaz is the Managing Director at Impresario Entertainment and Hospitality Pvt. Ltd. (IEHPL). Riyaaz holds a master's degree in Entertainment Management from UCLA. He is the former two-term President of the National Restaurant Association of India (NRAI).

Rajeev Samant

Founder, MD and CEO (Promoter)

Rajeev is the founder of Sula with an extensive experience in Indian wine industry. He studied at California's Stanford University for an undergraduate degree in Economics and a master's degree in science (industrial engineering).

Key Management Personnel and Senior Leadership

Rajeev Samant

Founder, MD and CEO (Promoter)

Rajeev is the founder of Sula with an extensive experience in Indian wine industry. He studied at California's Stanford University for an undergraduate degree in Economics and a master's degree in science (industrial engineering).

Chaitanya Rathi

Chief Operating Officer

Chaitanya has been with Sula since April 2019 as COO and earlier from 2006 to 2013 in various capacities. He has previously worked with Everstone Capital and Mswipe Technologies. He holds an MBA degree from INSEAD, France.

Bittu Varghese

Chief Financial Officer

Bittu has been with Sula since April 2019. He has previously worked with Marico, S.C. Johnson, Hindustan Coca-Cola Beverages and Pernod Ricard India. He is a member of the Institute of Chartered Accountants of India.

Karan Vasani

Chief winemaker

Karan has been with Sula since October 2013 in various capacities. He has previously worked with CRISIL and Cuvaison Estate wines. He holds a graduate diploma in viticulture and oenology from Lincoln University, New Zealand. He has been awarded the WSET Level 3 Advance Certificate.

Monit Dhavale

Senior Vice President – Hospitality Business

Monit has been with Sula since April 2009 in various capacities. He holds a master's degree in personnel management from Savitribhai Phule, Pune University and a bachelor's degree of technology in home science from Nagpur University.

Neeraj Sharma

Senior Vice President – Sales

Neeraj has been with Sula since April 2019 in various capacities. He has previously worked with Jagatjit Industries, William Grant and Sons India, Diageo India and the Times of India Group. He holds a post-graduate diploma in management (agriculture) from IIM, Ahmedabad.

Ruchi Sathe

Company Secretary and Compliance Officer

Ruchi has been with Sula since April 2021. She holds a bachelor's degree in commerce from University of Mumbai. She is a member of the Institute of Company Secretaries of India.

Sanjeev Paithankar

Senior Vice President - Public Affairs

Sanjeev has been with Sula since October 2013. He has over 29 years of strong experience in procurement, production and public affairs. He holds a B.Sc. and a postgraduate diploma in production from Pune University.

AWARDS AND ACCOLADES

DIRECTOR'S REPORT

Dear Members,

Your Board of Directors ("Board") present the Twentieth (20th) Annual Report of Sula Vineyards Limited ("the Company") together with the Audited Financial Statements of the Company, for the Financial Year ended March 31, 2023.

1. Key Financial Highlights (Standalone and Consolidated)

The Company's financial performance, for the year ended March 31, 2023 is summarized below:

(INR millions)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Gross Income	5,567.25	4,567.00	5,354.33	4,239.98
Earnings Before Interest, Depreciation, Tax and Amortization (EBITDA)	1,609.49	1,160.71	1,615.46	1,099.94
Finance Charges	210.84	229.23	194.43	213.25
Provision for Depreciation	258.87	236.11	238.43	224.14
Net Profit / (Loss)Before Tax	1,139.78	695.37	1,182.60	662.55
Provision for Tax	299.44	173.98	299.45	173.98
Other Comprehensive Loss (net of tax)	8.06	(1.47)	7.17	(0.64)
Total Comprehensive Income/(Loss)	848.40	519.92	890.32	487.93
Balance of Profit brought forward	1,529.82	1,204.60	1,726.45	1,433.01
Balance available for appropriation	848.40	519.92	890.32	487.93
Dividend paid on Equity Shares	(454.13)	(194.49)	(454.13)	(194.49)
Currency translation difference	(0.06)	-	-	-
Other comprehensive loss reclassified	-	(0.21)	-	-
Surplus carried to Balance Sheet	1,924.03	1,529.82	2,162.64	1,726.45

2. Business Performance & State of Company Affairs

Key Highlights

FY23 was a landmark year for Sula. We finished the year with the highest EBITDA and EBITDA margin ever, and significantly improved our cash flow.

We achieved a major milestone during the year by going public thus becoming India's only listed wine company. Keeping with our management philosophy, most of our employees received stock options, thus becoming shareholders during the IPO. We have been certified as a 'Great Place to Work' for the second consecutive year, earning a place among India's Top 100 companies. We are committed to creating a positive and supportive work environment that values and cares for our employees.

Entering FY24, the demand for our wines has never been stronger, as more and more Indians move to wine as their preferred alcobev, and Sula is the clear #1 consumers' choice.

Financial Overview

Net Revenues grew by 21.9% to INR 5,567 million in FY23 from INR 4,567 million in FY22, with revenue from our Own Brands jumping 26.2%. EBITDA increased by 38.6% to INR 1,609 million from INR 1,161 million last year with the EBITDA margin increasing to 29.1% from 25.6% last year.

Sales

In FY23, we achieved a significant milestone by crossing 1 million cases produced and sold of our Own Brands. Our focus was on premiumization and increasing the contribution of our Own Brands to total sales and we successfully achieved the same. While we consolidated our leadership position in retail sales, we also witnessed a strong bounce-back in the institutional business.

We continued to pare down our imports portfolio by discontinuing more brands that did not align with our long-term business and profitability goals.

Production and Harvest

Our new 2.2 million litre cellar facility at Domaine Dindori was up and running in time to receive the record grape tonnage of over 14,000 tonnes of which almost 10,000 tonnes were wine grapes.

With a third consecutive excellent harvest, both in terms of quantity as well as quality, we are in a great position to meet the expected increase in demand for our wines in FY24. In addition, to cater to the projected future demand, our growers planted over 500 acres of new wine grape vineyards in Maharashtra and Karnataka in 2022.

Wine Tourism

Our wine tourism business plays a central role in raising awareness and increasing wine consumption in India. This business continues to attract more wine lovers and enthusiasts from across the country and generates brand loyalty for Sula.

Our all-time high room occupancy, on-site wine revenues, and higher AARs have collectively contributed to a 30% increase in our FY23 revenue. In FY23, we also conducted 50% more tastings at our campus, totaling over 0.13 million. We added 10 new keys to our resort taking the total keys to 76.

Marketing

We significantly expanded our brands' digital reach in FY23 primarily through social media platforms such as Facebook, Instagram, and LinkedIn. We also significantly increased our regional language content on YouTube, in order to reach a wider audience.

In-person tastings, which have crossed 0.17 million this year across the country and at our vineyards, have been a key pillar in the wine industry's expansion. We have significantly increased our participation in important events including non-wine events such as India Art Fair and The Lil Flea.

Sustainability

Sustainability continues to be one of the key arrow of our company.

In FY23, we received the IWCA (International Wineries for Climate Action) Silver membership and will continue to focus on improving water conservation, enhanced packaging, and eco-friendly winemaking practices to reduce our carbon footprint even further and move towards our 2050 Net-Zero goal.

We installed almost 400 kW of solar panels across our facilities, taking our total to over 2,600 kW. We significantly reduced both energy and water consumption per case by installing dozens of heat pumps and implementing other measures.

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. Reserves

There is no amount proposed to be transferred to the Reserves.

4. Initial Public Offering

During the year under review, your Company made an Initial Public Offer (IPO) through an offer for sale of 26,900,530 equity shares of face value of INR 2 each of the Company for cash at a price of INR 357 per equity share aggregating to INR 9,603.5 million by the selling shareholders. The issue opened on December 12, 2022 and closed on December 14, 2022. The Company successfully completed the IPO process and the equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") on December 22, 2022.

5. Dividend

The Board of Directors at its meeting held on August 23, 2022, declared an interim dividend of INR 1.05/- per equity share of face value of INR 2/- each aggregating to INR 85,680,918.75 (Rupees Eighty Five Million Six Hundred Eighty Thousand Nine Hundred Eighteen and Seventy Five Paise only). The interim dividend was paid to the shareholders holding shares as on Tuesday, August 23, 2022. The Board of Directors at its meeting held on November 23, 2022, declared an interim dividend of INR 2.05/- per equity share of face value of INR 2/- each aggregating to INR 172,607,433.40 (Rupees One Hundred Seventy Two Million Six Hundred Seven Thousand Four Hundred Thirty Three and Forty Paise only). The interim dividend was paid to the shareholders holding shares as on Wednesday, November 23, 2022.

The Board recommends to declare a final dividend of INR 5.25/- per equity share of face value INR 2/- each for FY22-23 aggregating to INR 442,487,424.75 (Rupees Four Hundred Forty Two Million Four Hundred Eighty Seven Thousand Four Hundred Twenty Four and Seventy-Five Paise only) out of the profits of financial year 2022-23 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company on May 15, 2023.

6. Management Discussion and Analysis

The Management Discussion and Analysis for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report. (Annexure - V)

7. 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

a. Your Company has converted 2,766,959 warrants of Mr. Rajeev Samant, Managing Director and CEO of the Company into 2,766,959 equity shares having face value of INR 2 each.

b. Your Company has converted 225,825 warrants of Mr. Alok Vajpeyi, Independent Director of the Company into 225,825 equity shares having face value of INR 2 each.

c. Your Company has converted 10,000 warrants of Mr. Nirjay Singh into 10,000 equity shares having face value of INR 2 each.

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

III. Your company listed its equity shares on National Stock Exchange of India Limited and BSE Limited on December 22, 2022.

IV. 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.

8. Extract of Annual Return

The Annual Return of the Company as on March 31, 2023 in Form MGT-7 in accordance with Section 92(3) and Section 134 (3) (a) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at https://sulavineyards.com/investor-relations.php#AnnualReturn.

9. Directors and Key Managerial Personnel

During the year under review, there was no change in the composition of the Board of Directors and Key Managerial Personnel of the Company.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act read with provisions contained in the Articles of Association of the Company, Mr. Roberto Italia 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.

Appointments and resignations

a. Appointments

The Board at its meeting held on February 09, 2023, based on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Rajeev Samant (DIN: 00020675) as Managing Director and CEO of the Company for a period of 3 years w.e.f. April 01, 2023 subject to shareholder's approval which was approved by shareholders through Postal Ballot on March 25, 2023.

The Board at its meeting held on April 19, 2023, based on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Riyaaz Amlani (DIN: 00261209) as an Additional Independent Director of the Company for a period of 3 years w.e.f. April 19, 2023 subject to shareholder's approval.

b. Resignations

Mr. Bittu Varghese resigned from the position of Chief Financial Officer of the Company and Whole-time Director & Chief Financial Officer of Artisan Spirits Private Limited with effect from close of business hours of June 09, 2023.

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/ continuing as Directors of the Company.

Independent Directors' Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations. 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 2022-23, 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, Managing Director and CEO

(ii) Mr. Chaitanya Rathi, Chief Operating Officer

(iii) Mr. Bittu Varghese, Chief Financial Officer

(iv) Ms. Ruchi Sathe, Company Secretary and Compliance Officer

10. 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, 2023, 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	Chairperson and Independent Director
3	00019098	Mr. Alok Vajpeyi	Non – Executive	Independent Director
4	03321646	Mrs. Sangeeta Pendurkar	Non – Executive	Independent Director
5	09228481	Mr. Roberto Italia	Non – Executive	Nominee Director
6	07639288	Mr. Arjun Anand	Non – Executive	Nominee Director

b. **Meetings of the Board**

The Board of Directors duly met 7 times during the financial year from April 01, 2022 to March 31, 2023. The dates on which the meetings were held are May 19, 2022; July 15, 2022; August 23, 2022; November 23, 2022; December 05, 2022; December 15, 2022 and February 09, 2023.

11. Familiarization Programme for Independent Directors

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the manufacturing facility and resorts of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

As stated in the Board's Report, the details of orientation given to our existing Independent Directors are available on our website at https://sulavineyards.com/files/0423/Familiarisation%20Programme%20for%20Independent%20Directors.pdf

Further, based on the confirmations/ disclosures received from the Non-Executive Independent Director in terms of Regulation 25(9) of the Listing Regulations, the Board of Directors is of the opinion that the Non-Executive Independent Directors fulfil the criteria or conditions specified under the Act and under the Listing Regulations and are independent of the management.

12. Evaluation

The evaluation of all the directors, committees, Chairperson of the Board, and the Board as a whole, was conducted based on the criteria and framework adopted by the Committee.

The Board sought the feedback of Directors on various parameters including:

i. Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);

ii. Structure, composition and role clarity of the Board and Committees;

iii. Extent of co-ordination and cohesiveness between the Board and its Committees;

iv. Effectiveness of the deliberations and process management;

v. Board/Committee culture and dynamics; and

vi. Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole and Chairperson of the Company were evaluated taking into account the views of Executive Directors and other Non-Executive Directors.

The NRC reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, the performance of the Board, its committees, and individual Directors were discussed.

13. Committees of the Board of Directors

i. Audit Committee:

In terms of Section 177 of the Companies Act, 2013, the Board of Directors has constituted an Audit Committee comprising 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, 2022 to March 31, 2023, Audit committee met 4 times on May 12, 2022; August 23, 2022; November 23, 2022 and February 09, 2023.

ii. Nomination and Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013, the Board of Directors had constituted Nomination & Remuneration Committee 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

The Board of Directors at the meeting held on April 19, 2023 re-constituted Nomination & Remuneration Committee comprising of 5 Directors as below

Sr. No.	Name of the Directors
1.	Mr. Alok Vajpeyi, Chairperson
2.	Mrs. Sangeeta Pendurkar, Member
3.	Mr. Arjun Anand, Member
4.	Mr. Chetan Desai, Member
5.	Mr. Riyaaz Amlani, Member

During the year i.e. from April 01, 2022 to March 31, 2023, Nomination and Remuneration committee met 3 times on May 19, 2022; December 05, 2022 and February 09, 2023.

iii. Stakeholders' Relationship Committee:

The Board of Directors has constituted Stakeholders' Relationship Committee 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

During the year i.e. from April 01, 2022 to March 31, 2023, Stakeholders Relationship committee met once on February 09, 2023.

iv. Risk Management Committee:

The Board of Directors has constituted Risk Management Committee comprising of 03 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, 2022 to March 31, 2023, Risk Management committee met once on December 05, 2022.

v. Corporate Social Responsibility (CSR)

In terms of Section 135 of the Companies Act, 2013 the Board of Directors had constituted Corporate Social Responsibility Committee comprising of 3 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, 2022 to March 31, 2023, Corporate Social Responsibility committee met twice on May 19, 2022 and February 9, 2023.

vi. IPO Committee:

The Board of Directors had constituted IPO Committee comprising of four Directors as below:

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

During the year i.e. from April 01, 2022 to March 31, 2023, IPO committee met 4 times on May 19, 2022; August 23, 2022; November 23, 2022 and December 05, 2022.

Pursuant to the listing of the equity shares of the Company on NSE and BSE on December 22, 2022, the IPO Committee was dissolved by the Board at its meeting held on February 09, 2023.

14. Share Capital

Authorized Share Capital

The Authorized Share Capital of the Company as on March 31, 2023, is INR 202,060,000 (Rupees Two Hundred Two Million and Sixty Thousand Only) divided into INR 101,030,000 (Rupees One Hundred One Million and Thirty Thousand only) equity shares having face value of INR 2/- (Rupees Two) each.

Paid up and subscribed share capital

The paid up and subscribed share capital of the Company as on 31st March, 2023 is INR 168,515,596 (Rupees One Hundred Sixty Eight Million Five Hundred Fifteen Thousand Five Hundred Ninety Six Only) comprising of 84,257,798 (Eighty Four Million Two Hundred Fifty Seven and Seven Hundred Ninety Eight only) equity shares having face value of INR 2/- (Rupees Two) each.

Issue and Allotment of Equity Shares

I. During the year under review your company has converted 2,766,959 warrants of Mr. Rajeev Samant, Managing Director and CEO of the Company into 2,766,959 equity shares having face value of INR 2 each.

Your Company has converted 225,825 warrants of Mr. Alok Vajpeyi, Independent Director of the Company into 225,825 equity shares having face value of INR 2 each.

Your Company has converted 10,000 warrants of Mr. Nirjay Singh into 10,000 equity shares having face value of INR 2 each.

II. Sula Vineyards Employees Stock Option Scheme 2018 (2)

During the year under review, your Company has allotted 50,000 equity shares to Mr. Sanjeev Paithankar on exercise of stock options. Since all the stock options available under the scheme are exercised, hence the said scheme stands ceased.

III. Sula Vineyards Employees Stock Option Scheme 2019

During the year under review, your Company has allotted 772,180 equity shares to Mr. Chaitanya Rathi and 150,000 equity shares to Mr. Bittu Varghese on exercise of stock options. Since all the stock options available under the scheme are exercised, hence the said scheme stands ceased.

IV. Sula Vineyards Employees Stock Option Scheme 2020

During the year under review, your Company granted 16,670 stock options and allotted 16,665 equity shares on exercise of stock options to Mr. Neeraj Sharma.

V. Sula Vineyards Employees Stock Option Scheme 2021

During the year under review, your Company has granted 38,200 stock options and allotted 1,668,078 equity shares on exercise of stock options to eligible employees of the Company.

Your company has allotted 19,271 equity shares on exercise of stock options to eligible employees of the Company as on April 13, 2023

Your company has allotted 6,250 equity shares on exercise of stock options to eligible employees of the Company as on April 28, 2023.

Your Company has allotted 9,550 equty shares on exercise of stock options to eligible employees of the Company as on May 24, 2023.

15. Remuneration of Directors and Employees

Disclosure comprising particulars with respect to the remuneration of directors and employees, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure - I to this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure - I to this Report.

16. Auditors

Statutory Auditors

M/s Walker Chandiok & Co. LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), have been appointed as Statutory Auditors of the Company at the 19th Annual General Meeting held on May 27, 2022, for a period of 5 years from conclusion of 19th Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2027 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.

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 FY23. The Report of the Secretarial Audit is annexed herewith as Annexure - II. 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 03, 2023, has re-appointed M/s. Sunil Agarwal & Co., as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY24.

17. Details of adequacy of internal financial controls

The Company has established a robust system of internal controls to ensure that assets are safeguarded, and transactions are appropriately authorised, recorded and reported. The framework within the Company ensures the orderly and efficient conduct of business, which includes adherence to policies, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The internal financial control framework is commensurate with the size and operations of the Company's business. The controls have been documented, digitized, and embedded in the business process. Assurance on the effectiveness is obtained through management reviews, controls self-assessment and periodic reporting of the in-house team that evaluates and provides assurance of its adequacy and effectiveness. The controls are also tested by the internal and statutory auditors during their audits. The Statutory Auditors of the Company have audited the financial statements included in this Annual Report and issued their report on internal control over financial reporting (as defined under section 143 of the Companies Act, 2013).

Internal Control evaluates adequacy of segregation of duties, transparency in authorization of transactions, adequacy of records and documents, accountability & safeguarding of assets and reliability of the management information system. The systems, SOPs and controls are reviewed and audited by Internal Auditors, M/s. Deloitte Touche Tohmatsu India LLP., periodically for identification of control deficiencies and opportunities, whose findings and recommendations are reviewed by the Audit Committee and tracked through till implementation.

Management team has assessed the effectiveness of the Company's internal control over financial reporting as at March 31, 2023 and believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

18. Directors' Responsibility Statement

Pursuant to Section 134 (3) 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 out of the profit and loss of the company for that 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;

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; and

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

19. Business Responsibility and Sustainability Report

The Securities and Exchange Board of India ('SEBI'), in May, 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR'). BRSR is a notable departure from the existing Business Responsibility

Report ('BRR') and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of environment, social and governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to BRSR from FY23 onwards.

BRSR report is attached as Annexure - VI.

20. Subsidiaries/ Joint Venture/ Associate Companies:

The Company has 1 (one) wholly owned subsidiary as on March 31, 2023. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

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.

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 - III.

21. Issue of employee stock options

Your Company regards employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. Accordingly, in terms of the provisions of applicable laws and pursuant to the approval of the Board and the members of the Company, the Nomination and Remuneration Committee ("NRC") has duly implemented the:

I. Sula Vineyards Employees Stock Option Scheme 2018 (2)*

II. Sula Vineyards Employees Stock Option Scheme 2019*

III. Sula Vineyards Employees Stock Option Scheme 2020

IV. Sula Vineyards Employees Stock Option Scheme 2021

* Ceased

Scheme 2020 and Scheme 2021 are governed by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") and in terms of the approvals granted by the shareholders of the Company, the NRC inter alia administers, implements and monitors the aforesaid schemes.

In terms of the provisions of Regulation 14 and Part F of Schedule I of the SEBI SBEB & SE Regulations, details of the aforesaid schemes can be accessed at https://sulavineyards.com/files/0523/ESOP%20Details.pdf

A certificate from the Secretarial Auditor of the Company, confirming that the aforesaid schemes have been implemented in accordance with the SEBI SBEB & SE Regulations, will be open for inspection at the Twentieth Annual General Meeting

22. 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/files/0423/Vigil%20Mechanism%20and%20Whistleblower%20Policy.pdf

The mechanism adopted by the Company encourages the Whistle blower 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. During the year under review, the Company has not received any complaints.

23. Risk management

Sula Vineyards acknowledges the inherent risks that come with alcobev manufacturing and agri processing in India, such as escalating raw material costs, increasing competition, changes in regulation, cyber security, data management and migration risks, data privacy risk, and environmental and climate risk. To address these risks, the company has developed a robust governance structure, including a Risk Management Committee and internal controls. Moving forward, the company will continue to review their risk appetite and develop mitigation strategies to limit the impact on risk tolerance. The Risk Assessment and Management Policy has been uploaded on the website of the Company at https://sulavineyards.com/files/0523/Risk%20Assessment%20and%20Management%20Policy.pdf

Our risk management objectives are:

Objectives

- To safeguard the Company's and its subsidiaries' property & interest of all stakeholders.
- To protect and enhance the corporate governance.
- To manage risks within a framework & consistently achieve desired outcomes
- To implement a process to identify potential / emerging risks.
- To implement appropriate risk management initiatives, controls, incident monitoring, reviews and continuous improvement initiatives
- To Minimize undesirable outcomes arising out of potential risks.
- To align and integrate views of risk across the enterprise.

Our process:

Conscious that entrepreneurship entails risk and profit opportunities, the company manages risks to make informed decisions and reduce their impact.

i. **Risk Identification:** Management identifies all internal and external risks that may impact our ability to achieve objectives and goals.

ii. **Root Cause Analysis:** We determine the underlying reasons for a risk element's existence.

iii. **Risk Scoring:** We analyze internal processes to determine the likelihood and impact of risk elements.

iv. **Risk Categorisation:** We group identified risks into Controlled, Serious, Disruptive, Severe, and Critical categories.

v. **Risk Mitigation:** We develop mitigation action to manage identified risks and limit their impact.

vi. **Risk Monitoring & Reporting:** Ongoing assessment of risk management components and quality of performance is conducted through self-assessments and reporting of key risks to the Board or risk management committee.

IDENTIFY
Deep dive to identify top risks

ASSESS
Understanding the likelihood & impact

MITIGATE
Develop & embed mitigation actions

MONITOR & REPORT
Insightful reporting

CONTINOUS IMPROVEMENT
Review framework

24. 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.

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:

i. 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.

ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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/files/0423/Nomination%20and%20Remuneration%20Policy.pdf

25. 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).

26. 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.

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

(a) The statutory audit report for the year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditors; and

(b) The secretarial audit report for the year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor appointed by the Company.

28. 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.

29. 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 - IV in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at: https://sulavineyards.com/files/0423/Corporate%20Social%20Responsibility.pdf

30. Related Party Transactions

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations. The Policy can be accessed on the Company's website at https://sulavineyards.com/files/0423/Policy%20on%20Related%20Party%20Transactions.pdf. During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. During the year under review there were no material related party contracts entered into by the Company requiring shareholders approval.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY23 and hence does not form part of this report. Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone/consolidated financial statements forming part of this Integrated Report & Annual Accounts 2022-23.

31. 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. 96.18% of the Company's paid up Equity Share Capital is in dematerialized form as on March 31, 2023. 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.

32. 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.

33. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company not received any sexual harassment complaints.

34. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"),, your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out.

The policy is available on the website of the Company i.e. https://sulavineyards.com/files/0423/Dividend%20Distribution%20Policy.pdf

35. 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: o Heat pump mechanism for heating the water. o Electrical vehicle. o Working on Electrical induction instead of LPG burner o Solar Roof top PV System o Solar water Pumping system o Solar Water heating system o Biogas Plant o 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 38.68 million in FY22

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 3,700 MT of Co2
iii.	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	-
	(b) the year of import;	-
	I 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 31.03.2023 (INR in millions)	Year ended 31.03.2022 (INR in millions)
i. Earnings	86.29	68.38
ii. Outgo	184.53	69.23

36. 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.

37. 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

Rajeev Samant	**Chetan Desai**
Managing Director and CEO	Chairman & Non-Executive Independent Director
DIN:00020675	DIN:03595319

Place: Mumbai
Date: May 31, 2023

Particulars of Remuneration

Part A: Information pursuant to Section 197(12) of the Companies Act, 2013
[Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for FY22-23 and % increase in remuneration of each Director/ KMP of the Company for FY22-23 are as under:

Name	% increase in remuneration over previous year	Ratio of remuneration to median remuneration of all employees
Executive Director		
Mr. Rajeev Samant	13.33% (wef April 22)	81.2
Independent Directors		
Mr. Chetan Desai	-	-
Mr. Alok Vajpeyi	-	-
Ms. Sangeeta Pendurkar	-	-
Nominee Director		
Mr. Roberto Italia	-	-
Mr. Arjun Anand	-	-
KMP		
Mr. Chaitanya Rathi	17% (wef April 22)	45.8
Mr. Bittu Varghese	15% (wef April 22)	23.0
Ms. Ruchi Sathe	40% (wef April 22)	5.7

B. The percentage increase/(decrease) in the median remuneration of employees in the FY22-23:

8.46%

C. The number of permanent employees on the rolls of company:

729 Closing head count as on March 31, 2023

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

Other than the Managerial - 13.25%

Managerial - 13.33%

E. Affirmation that the remuneration is as per the remuneration policy of the company.

Yes

On behalf of the Board of Directors

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman & Non-Executive Independent Director
DIN:03595319

Date: Mumbai
Place: May 31, 2023

Part B: Statement of Disclosure Pursuant to Section 197 of the Companies Act, 2013

[Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Names of top 10 employees in terms of remuneration drawn during the FY22-23

Sr No	Name of the Employee	Gross Salary (INR) *	Years of Experience	Age (years)	Designation	Permanent employee or otherwise	Professional Qualification	Previous Employment	Any family relationship amongst the directors, key management personnel and management of the Company	Percentage of equity shares held by the employee in the company as on March 31, 2023
1	Rajeev Samant	40,008,430	24.6	56	Managing Director and CEO	Permanent	Master of Science	Oracle Corporation	No	26.03%
2	Chaitanya Rathi	22,580,795	4.1	38	Chief Operating Officer	Permanent	Master of Science and MBA	Everstone Capital Asia Pte Ltd	No	0.88%
3	Neeraj Sharma	12,189,218	4.1	49	Senior Vice President - Sales	Permanent	PGDBM	William Grants & Sons	No	0.00%
4	Bittu Varghese	11,316,999	4.1	44	Chief Financial Officer	Permanent	Chartered Accountant	Pernod Ricard India Ltd.	No	0.12%
5	Monit Dhavale	7,669,396	14.1	45	Senior Vice President - Hospitality Business	Permanent	Masters in Personnel Management	Professor at Institute of Hotel Management	No	0.07%
6	Karan Vasani	7,361,776	9.6	37	Senior Vice President & Chief Winemaker	Permanent	Graduate Diploma in Viticulture & Oenology & WSET 3	Crisil Ltd	No	0.30%
7	Sanjeev Paithankar	6,236,628	9.6	53	Senior Vice President - Public Affairs	Permanent	Diploma in Production Management	Cupid Ltd	No	0.09%
8	Sisir Paul	4,985,740	15.6	46	Vice President - Operations	Permanent	Bachelor of Science	Pernod Ricard India Ltd.	No	0.00%
9	Prashant Marathe	4,479,895	3.9	42	Vice President - Legal and Compliance	Permanent	Master of Law	Lexsolve Consultancy LLP	No	0.01%
10	Gorakh Gaikwad	4,000,243	14.7	42	Vice President - Karnataka Operations & Sr.Winemaker	Permanent	DIFAT - Industrial Fermentation and Alcohol Technology	Mercury Winery Pvt Ltd	No	0.01%

*Gross Salary does not include reimbursement.

B. Names of other employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakh during the FY22-23 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the FY22-23):

NA

C. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

NA

Form No. MR-3

Secretarial Audit Report of Sula Vineyards Limited

For the financial year ended March 31, 2023

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

To,
The Members,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the Sula Vineyards Limited "SULA"). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

i. The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment in India; The provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the financial year; and

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;

c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the financial year);

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the financial year).

1. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable during the financial year).

2. Based on the representations and confirmations made by the Company we state that the Company is operating in the business of manufacturing and distribution of wine and abide by the applicable Laws, Rules and regulations in relation to the business of the Company.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI"), as amended from time to time; and

2. The Equity Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Note: The Company was Listed on BSE Limited and NSE Limited on December 22, 2022, pursuant to which SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as "LODR") became applicable on the Company. During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Circulars, Notifications, Directions, Guidelines, Standards, etc. mentioned above. Other statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

we 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;

1. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
2. Employees' State Insurance Act, 1948;
3. Minimum Wages Act, 1948;
4. Payment of Bonus Act, 1965;
5. Payment of Gratuity Act, 1972;
6. Payment of Wages Act, 1936;
7. Maternity Benefit Act, 1961;
8. Industrial Disputes Act, 1947;
9. The Employees Deposit Linked Insurance Scheme, 1976
10. The Employees' Pension Scheme, 1995
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
12. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
13. The Industries (Development and Regulation) Act, 1951;
14. Employees' Compensation Act, 1923;
15. The Industrial Employment Standing Orders Act, 1946;
16. The Child Labour (Prohibition and Regulation) Act, 1986;
17. The Equal Remuneration Act, 1976;
18. The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001;
19. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
20. The Code on Wages, 2019;
21. The Industrial Relations Code, 2020; and
22. The Code on Social Security, 2020
23. Contract Labour (Regulation & Abolition Act), 1970
24. Environment Protection Act 1986
25. Factories Act1948
26. GST Act, 2017
27. Indian Boilers Act, 1923
28. Standard of Weight & Measures Act, 1976
29. Water (Prevention & Control of Pollution) Act, 1974
30. Air (Prevention and Control of Pollution) Act, 1981
31. Food Safety and Standards Act, 2006, and the Rules made thereunder;

    a. Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011

    b. Food Safety and Standards (Packaging and Labelling) Regulations, 2011;

    c. Food Safety and Standards (Import) Regulations, 2017;

    d. Food Safety and Standards (Alcoholic Beverages) Regulations, 2018; and

    e. Food Safety and Standards (Labelling and Display) Regulations, 2020

32. Legal Metrology Act, 2009, and the Rules made thereunder;
33. Agricultural and Processed Food Products Export Development Authority Act, 1985 ("APEDA Act")
34. Agriculture Produce and Livestock Marketing (Regulation) Act, 2017 (the "Agricultural Produce Act")
35. Maharashtra Prohibition Act, 1949;
36. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
37. The Occupational Safety, Health and Working Conditions Code, 2020
38. The Arbitration and Conciliation Act, 1996;
39. The Indian Contract Act, 1872;
40. The Foreign Exchange management Act, 1999, and the rules passed by the Reserve Bank of India from time to time;

41. The Competition Act, 2002
42. Bureau of Indian Standards Act, 2016 ("the BIS Act")
43. Maharashtra's Grape Processing Industry Policy, 2001 (the "Maharashtra Grape Processing Policy" or "Policy")
44. Karnataka Grape Processing and Wine Policy, 2007 (the "Karnataka Grape Processing Policy")
45. The Cable Television Networks (Regulation) Act, 1995 (the "Cable Television Regulation Act")
46. Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022
47. Trade Marks Act, 1999 (the "Trade Marks Act")
48. Copyright Act, 1957
49. Design Act, 2000
50. Consumer Protection Act, 2019
51. Central Goods and Services Tax Act, 2017 (the "CGST Act"); Integrated Goods and Services Tax Act, 2017 (the "IGST Act"); and the various State Goods and Services Acts (collectively, the "SGST Acts")
52. Shop and Commercial Establishments Act, 1964
53. Legal Metrology (Packaged Commodities) Rules, 2011
54. Bombay Prohibition Act, 1949
55. Karnataka Excise Act 1965 various other acts, rules and regulations passed by the Central Board of Direct Taxes and other authorities dealing with taxation

We further report that the Board of the Company and committees thereof are duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. During the Year under review no changes in the composition of the Board that took place.

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 in due compliance of the applicable provisions, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, acts, rules, regulations, circulars, notifications, directions and guidelines.

We further report that during the audit period the Company has undertaken following event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc. referred to above:

The Board of Directors at their meeting held on February 23rd 2022, inter alia, approved the Initial Public Offer of fresh issue aggregating to INR 1,500 million ("Fresh Issue") and an offer for sale of Equity Shares aggregating up to INR 18,000 million by existing and eligible shareholders.

1. The company has reappointed Mr. Rajeev Samant (DIN: 00020675) as Managing Director and CEO and the same has been approved by the shareholder by postal ballot Notice dated February, 21 of 2023.
2. The company has made amendments to ESOP Plans namely and same has been approved by the shareholder by postal ballot Notice dated February, 21 of 2023
   (i) Sula Vineyards limited ESOP scheme 2020.
   (ii) Sula Vineyards ESOP scheme 2021.
3. The company has converted
   a. 2,766,959 warrants in to 2,766,959 Equity shares of INR 2 each at a premium which were issued to Managing Director and CEO as approved by the board by circular resolution time to time
   b. 235,825 warrants in to 235,825 Equity shares of INR 2 each at a premium out of warrant issued to its executives as approved by the board by circular resolution time to time
4. The company has issued/allotted
   a. 50,000 Equity shares of INR 2/- each under Sula Vineyards ESOS 2018 (2) and 1,625,693 Equity shares of INR 2/- each under Sula Vineyards Employee Stock Option Scheme 2021 on October 20, 2022
   b. 922,180 Equity shares of INR 2/- each under Vineyards Limited Employees Stock Option Scheme for COO & CFO 2019 on November 17, 2022 and same scheme stands close

c. 16,665 Equity shares of INR 2/- each under Sula Vineyards Limited Employee Stock Option Scheme 2020 and 42,385 Equity shares of INR 2/- each under Sula Vineyards Employee Stock Option Scheme 2021 on March 07, 2023

d. 19,271 Equity shares of INR 2/- each under Sula Vineyards ESOP 2021

5. The company has reappointed statutory Auditor M/s Walker Chandiok & Co LLP chartered accountants for further term of 5 years up to the conclusion of the AGM of 2027.

6. The company has declared and paid

   a. Final dividend at the rate of INR 2.40 per Equity share in compliance with the provisions of Section 123 of companies act 2013 on 27th May, 2022.

   b. Interim dividend at the rate of INR 1.05 per Equity share in compliance with the provisions of Section 123 of companies act 2013 on 23rd August, 2022.

   c. Interim dividend at the rate of INR 2.05 per Equity share in compliance with the provisions of Section 123 of companies act 2013 on 23rd November, 2022

7. The company has received approval under final gazette notice of the companies' house UK for striking off its foreign wholly owned subsidiary Sula International Limited (UK) on April 19, 2022.

8. The company has amended Shareholders Agreement from time to time to give effect as per the requirement of Initial Public Offer.

9. Company has received notice from the ROC for violation of Section 158 and Section 129 Companies act 2013 for which company has compounded the violation of such compliances as per companies Act 2013 and the matter stands closed

Details/Events of IPO:

a. On July 15, 2022 the Board approved Draft Red Herring Prospectus and the same was filed with the Securities and Exchange Board of India ("SEBI") on July 15 ,2022;

b. The Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated August 16, 2022 and August 17, 2022, respectively;

c. The board of Directors has approved on 23rd November,2022 restated Financial statements as of and for the six months ended September 30, 2022, and September 30, 2021, and the Financial Years ended March 31, 2022, March 31, 2021, and March 31, 2020 for the purpose of initial Public offer in accordance with the SEBI ICDR regulation 2018.

d. On 05th December, 2022, the IPO Committee approved Red Herring Prospectus ("RHP") and the same was then filed with SEBI and ROC on 05th December, 2022 and subsequently approval of ROC was received on December 06, 2022;

e. On 15th December 2022, the Board approved and adopted Prospectus and it was filed with the Roc on 15th December, 2022 and the same was approved on 16th December, 2022.

f. The Company came out with an Initial Public Offer of 26,900,530 Equity shares of face value of INR 2/- each for cash at a price of INR 357/- per Equity Share including a premium of INR 355/- per equity share aggregating to INR 9,603.5 million through an offer for sale of 26,900,530 Equity Shares by existing shareholders. The issue was opened for subscription on 12th December, 2022 and closed on 14th December 2022and the same was fully subscribed.. The Stock Exchangesi.e BSE and NSE, granted their Listing and Trading Approvals on December 22, 2022.

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

-----sd-----
SUNIL AGARWAL
(Proprietor)
Firm Registration No.: S2000MH028300
UDIN number: F008706E000192032
Peer Reviewed unit No.788/2020
FCS No. 8706
C.P. No. 3286
Place: Mumbai
Date: April 24, 2023

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
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	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
4.	Share capital (INR)	Authorised- 360.00 Paid-up - 353.50
5.	Reserves & surplus	(320.51)
6.	Total assets	491.24
7.	Total Liabilities	458.25
8.	Investments	NIL
9.	Turnover	458.34
10.	Profit before taxation	(42.08)
11.	Provision for taxation	NIL
12.	Profit after taxation	(42.08)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

For and on behalf of the Board

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman & Non-Executive Independent Director
DIN: 03595319

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 consists of the following members:

Sr No	Full name	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 and CEO DIN: 00020675	2	2
2.	Mr. Chetan Desai	Independent Director DIN: 03595319	2	2
3.	Mrs. Sangeeta Pendurkar	Independent Director DIN: 03321646	2	2

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: https://sulavineyards.com/files/0423/Corporate%20Social%20Responsibility.pdf
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 - NA
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 – NIL
6. Average Net Profit of the Company for last three financial years:

   Average Net Profit: INR 262.233 million

7. a. Two percent of average Net Profit of the company as per section 135(5): INR 5.245 million

   b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   c. Amount required to be set off for the financial year, if any: NIL

   d. Total CSR obligation for the financial year (7a+7b+7c): INR 5.245 million

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

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	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
7.239 million	--	--	--	--	--

   b. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(8)	(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		Amount spent for the project (in INR)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration
1	Tree Plantation	(iv)	Yes	Maharashta	Nashik	0.668 million	Yes	-	
2	Tree Plantation AMC	(iv)	Yes	Maharshtra	Nashik	1.045 million	Yes	-	
3	Road Cleaning/ Maintenance	(i)	Yes	Maharashta	Nashik	0.542 million	Yes	-	
4	Solar street lights and Drainage slab	(i)	Yes	Karnataka	Channapatna	0.050 million	Yes	-	
5	Computers/TV for Schools	(ii)	Yes	Maharashtra	Nashik	0.344 million	Yes	-	
6	Green Gym and Fencing	(vi)	Yes	Maharashtra	Nashik	0.044 million	Yes	-	
7	Pest Control	(i)	Yes	Maharashtra	Nashik	0.117 million	Yes	-	
8	Miscellaneous		Yes			0.171 million	Yes	-	
9	Washroom Construction	(i)	Yes	Maharashtra	Nashik	1.411 million	Yes		
10	Water Proofing at School	(ii)	Yes	Maharashtra	Nashik	0.241 million	Yes	-	
11	Water Purifier Cooler at School	(i)	Yes	Maharashtra	Nashik	0.059 million	Yes	-	
12	PM Care Fund		No			0.200 million	-		
13	Swachh Bharat Kosh		No			0.200 million	-		

(1)	(2)	(3)	(4)	(5)		(6)	(8)	(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		Amount spent for the project (in INR)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration
11	PM Care Fund paid against unspent CSR funds for FY22		No			0.940 million	-		
12	Swachh Bharat Kosh paid against unspent CSR funds for FY22		No			0.940 million	-		

c. Administrative Overheads: 0.267 million

d. Amount spent on Impact Assessment, if applicable: NA

e. Total amount spent for the Financial Year (8b+8c+8d+8e): 7.239 million

f. Excess amount for set off, if any: NA

9. a. Details of Unspent CSR amount for the preceding three financial years: NA

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

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) - NA

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): NA

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman & Non-Executive Independent Director
DIN: 03595319

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic Scenario / Economy Overview

Global economy

Global economy has returned to normal, after three years of pandemic and the start of 2023 has showed signs of recovery with China ending its Zero-Covid Policy, easing of inflation and energy prices and correcting commodity prices. However, the global economy continues to struggle various other macro factors like geo-political issues, high inflation, rising rates, instable financial sector etc. In a way, the world has witnessed a paradigm shift since Covid.

The IMF's World Economic Outlook predicts that global growth would bottom out at 2.8 percent in 2023 from an estimated 3.4 percent in 2022, before rising modestly to 3.0 percent in 2024. However, global inflation is expected to decline more slowly than initially expectation, from 8.7 percent in 2022 to 7.0 percent in 2023 and 4.9 percent in 2024. Most of the weakness will be concentrated in developed economies especially the Euro Area and the US. As for the emerging market and developing economies, growth is projected to rise modestly, from 3.9 percent in 2022 to 4.0 percent in 2023 and 4.2 percent in 2024. Asian economies are expected to drive most of the global growth in 2023, as they benefit from ongoing reopening dynamics and less intense inflationary pressures compared to other regions.

Source: International Monetary Fund, World Economic Forum

Indian Economy

India became the fifth largest economy in the world, beating UK and France, with a GDP growth rated among the highest in the last decade. Reports suggest that primarily a domestic demand-driven economy, the country's GDP is set to double over the next seven years, aided by several inherent demographic advantages and policy-led changes. India has now overtaken China to become the most populous country in the world. However, the positive aspect in this is the median age which is 28.4 years providing India the demographic advantage of young population. Over the past few decades, the country has made considerable progress in terms of economic development, poverty reduction, and social welfare. As country's per capita is increasing, India has become the hub of the largest middle class in the world, boding well for the overall consumption of the country. Another key demographic change working in favour of India is increasing participation of women workforce in the overall economic activities.

Key trends in India's economic growth:

Demographic Dividend

India has a young and growing population, which provides a large workforce. This workforce has contributed significantly to the country's economic growth. With more than 65% of the population below the age of thirty-five, India has a significant demographic dividend. Going forward, India is expected to add 22% of world's working-age population over the next decade.

Service Sector Growth

The service sector has been the key driver of India's economic growth over the past few decades. The growth of the global economy and increased international trade and investment have provided new opportunities for Indian service providers. The IT and business process outsourcing (BPO) industries have been particularly successful, with India becoming a global hub for these services.

Manufacturing development

India has also seen significant growth in its manufacturing sector in recent years. The government has launched several initiatives to promote manufacturing, including the "Make in India" campaign. The country has invested heavily in infrastructure development in recent years, including highways, airports, and ports. These investments have helped to improve connectivity and logistics, making it easier for businesses to operate in the country. India's large skilled workforce, lower labour costs are the few factors which has supported the overall development in manufacturing sector.

Source: International Monetary Fund (IMF), Refinitiv, DataStream, Deutsche Bank AG. Data as of February 2023

2. Indian Consumer Sector Overview – defining rural and metro growth:

The consumer sector in India comprises of a wide range of industries, including retail, consumer goods, food and beverage, hospitality amongst others. The sector is an important driver of the nation's economy and is driven by increasing disposable income, urbanization, and evolving consumer preferences.

The rural market in India makes for almost two-thirds of Indian population and a significant indicator of sector growth. Although underserved due to inadequate infrastructure and limited access to finance in the past, the rural market has experienced remarkable growth in recent years, spurred by rising incomes, improved infrastructure, and government initiatives aiding rural development.

Urbanization and shifting consumer behaviour are key factors fuelling the growth of Asia's third-largest economy. The metro market has seen a growing middle class with higher purchasing power and a preference for premium products and services, is growing rapidly. This growth is influenced by western culture, and the metro market tends to adopt trends from developed countries.

3. Alcobev Market Overview and Outlook

Global Alcobev Market

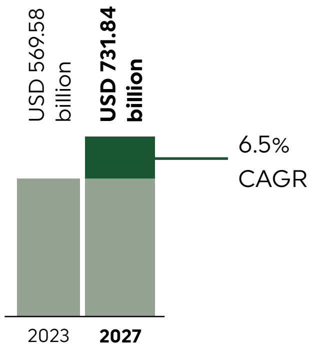
The spirits or alcobev industry is categorised based on type into beer, distilled spirits, wine, and others. Further, the industry is divided based on distribution channels-convenience stores, on-premises, liquor stores, grocery stores, internet retailing and supermarkets.

The global alcobev market grew from $530.85 billion in 2022 to $569.58 billion in 2023 at a compound annual growth rate (CAGR) of 7.3%, which can be credited to growing consumption of premium beer from developed economies such as the U.S. and the U.K. The growing demand for beer, wine, and dark spirits is enhancing the sales of alcobev. Moreover, the rising popularity of pubs, bars, and restaurants is further anticipated to boost market growth during the forecast period.

The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The alcobev market is expected to grow to USD 731.84 billion in 2027 at a CAGR of 6.5%.

Global Alcobev Market

Market forecast to grow at CAGR of 6.5%



https://www.researchandmarkets.com/reports/5781251

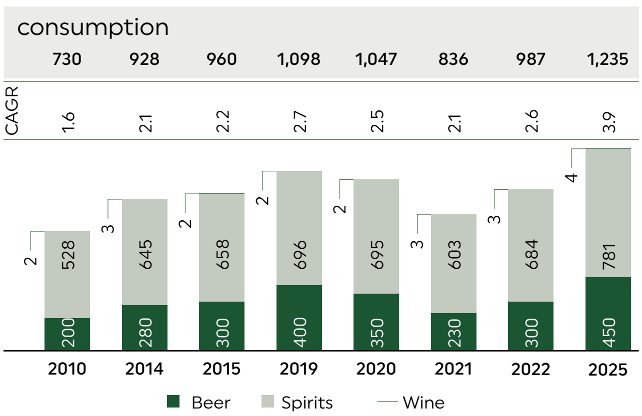
In 2021, the Asia-Pacific region held the largest share in the industry and the region is witnessing a quick expansion in its young, upwardly mobile population and driven by rapid infrastructure growth and tech advancement. A-Pac is likely to see a CAGR growth of 11.1% from 2022-2028.

Today, alcobev has gained the reputation of becoming a strong premium business riding on the back of openness of consumers to innovation, appeal of mixology, rise of higher quality brands, to name a few. As supply chain picks up, the industry is looking at renewed growth, increasing premium brands, which was once stagnated due the pandemic.

India Alcobev Market

Indian alcobev market gained the spot of being the third largest market in the world after China and USA by volume, in terms of actual alcohol content of alcobevs in 2020. Additionally, it is the world's largest western spirit's market. According to a report by the World Health Organization (WHO), the per capita consumption of alcohol in India increased from 2.4 litres in 2005 to 5.7 litres in 2016.

Alcobev consumption in India (in million cases) and CAGR



(Source: Technopak Analysis)

Popularity of alcobev in India by type:

The alcobev market in India constitutes of Beer, Wine, Brown, White spirits, and country liquor.

i. **Beer** - Beer is one of the most popular alcoholic beverages in India and is available in a variety of flavours and strengths.

ii. **Wine** - Wine is gaining immense popularity among the urban middle class, with Indian wines made from grapes grown in the Nashik region of Maharashtra gaining recognition in international markets.

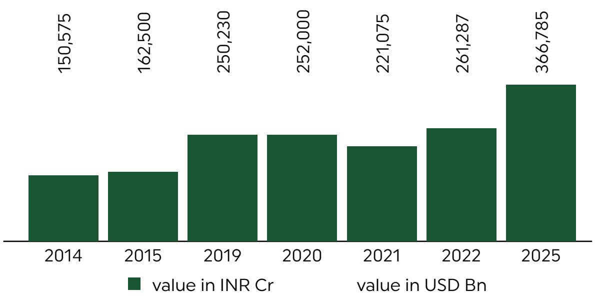
iii. **Spirits** - Spirits, particularly whiskey, are also popular among Indians, while other spirits consumed in India include rum, brandy, gin, and vodka.

iv. **Country Liquor** - Country liquor is a type of alcohol made from fermented grains, fruits, or vegetables. It is cheaper than branded liquor and is consumed mostly by rural and low-income populations.

India is one of the fastest-growing regions for beverages as the premiumisation trend gains pace. The beverages sector has historically concentrated on chances in China, but it is beginning to pay more attention to the enormous opportunity offered in India for its dynamism and the opportunities it provided for growth and innovation.

Wine and beer are expected to gain a larger share of the market, both through market expansion and by taking market share from spirits. Low-alcohol beer and wine are popular choices for family celebrations and represent significant opportunities within the Indian alcobev industry.

According to the International Wine and Spirit Research (IWSR), the Indian alcobev market is expected to grow at a CAGR of 8% in volume between FY22 to FY25, in contrast to the projected 1.5% world market growth for the same period. Additionally, the Indian market is expected to grow at a rate of 12% per annum in value terms for the period between FY22 to FY25.



(Source: Technopak Analysis)

Notes:

(1) Data projected basis annual reports Multiple State Excise Dept.

(2) 1 U.S.SINR75

4. Wine Market Overview

Global Wine Market

The global wine market size reached a value of \$ 380.34 billion in 2021. The market is further estimated to grow at a CAGR of 6.20% during the forecast period of 2023-2028, to reach an approximate value of \$ 546 billion by 2027.

After a gruelling couple of years in the industry led by a crash in demands due to COVID-19 restrictions, the global wine and spirit market is expected to make a strong comeback in the upcoming years.

According to multiple market research and industry reports, the global wine market is forecasted to reach a market size of \$ 364 billion in 2023 – a \$ 50 billion, increase compared to the previous year. Furthermore, the wine and spirits market are expected to **expand at a Compound Annual Growth Rate (CAGR) of over 5% per annum up to 2027**.

Key trends in the global Wine Market

Younger audiences are experimenting with and consuming wine more than ever before. This has boosted the demand for wine by adding a new customer base.

Social media promotions through **wine influencers** and recommendations are encouraging audiences to experiment and increase their consumption.

Wine subscription boxes are immensely popular, providing customers with new and unique wines that they might not have chosen themselves. These subscription boxes are particularly beneficial for customers that are not familiar with the beverage but are interested in experimenting.

Referring to wines produced in countries such as the US, Australia, New Zealand, and South Africa, '**New World' wines** are usually more user-friendly and suitable for wine novices. These wines are labelled in English with an emphasis on their primary grape variety, which allows new wine drinkers to understand their preferences quickly. New World wines are also usually cheaper, providing further incentives for purchase.

Along with the global trend of health and sustainability, interest in **organic and sustainable wines** has soared. According to a survey conducted by International Wines and Spirits Record, almost half of US alcohol drinkers say that their purchase behaviour is influenced by a company's sustainability and environmental initiatives. These results suggest considerable potential for wine buyers and winemakers to focus their business strategies on sustainability.

Traditionally the wine market thrived on offline sales channels, as consumers can interact with the salesperson, attend wine tastings in wine shops, and inspect products. However, with shifting habits towards **digitalization** – forcefully expedited by the COVID-19 pandemic, wine businesses are quickly turning their sales channel to online platforms. Research from Statista indicate that the US ecommerce share of wine sales jumped from 0.3% in 2018 to 3% in 2022, generating over a billion in net sales in recent years.

Businesses in the industry have also seen the importance of **online platforms** and diverted their budgets to developing online technologies – such as AR (Augmented Reality) apps – and creating an online presence through captivating media content to enhance consumer engagement and brand experience.

As consumer behaviours continue to shift towards **convenience** and preference in being able to taste a wine before committing to full-sized bottles, winemakers can be seen producing **wine in cans**, boxes and in smaller bottles to fulfil demands.

Opportunities:

Wider Customer Base

While wines have traditionally been popular with an older age group, this trend is slowly changing with younger customers experimenting with this alcobev, thereby increasing the overall customer base for manufacturers in the market.

Health Benefits

As per certain medical professionals, there are health benefits associated with moderate wine consumption, such as improved heart health, and lowered risk of heart attacks and blood clots, is encouraging wine consumption and demand.

Expanding Distribution Channels

Beyond traditional shops, distribution channels such as eCommerce and subscriptions lower customer apprehension to help increase sales.

Threats:

Climate Changes

Erratic and changing climate and weather patterns impact the growth of grapes and other agricultural sources of wine. Premium grapes are particularly sensitive to even minor changes in temperature, affecting production quality.

High Operational Costs

Winemaking is an expensive process, which requires careful maintenance of vineyards and the overall winemaking process, making it a high operational cost business.

Increased Competition

With expansion of key wine manufacturers into wider regions, there is increased competition between local producers and bigger brands. The popularity of eCommerce as a distribution channel has extended the reach of sellers of all sizes, further adding to the competition.

Indian Wine Industry

India's per capita consumption of wine is currently less than 100 ml, representing less than 1% of overall alcohol consumption in the country. In contrast, the world average for wine consumption is close to 13%, with consumption rates as high as 30% in developed European countries.

India's wine market is estimated to be valued at US$150 million, where imported wine accounts for 30 percent and the rest is catered for domestically. Between FY14 to FY19, the Indian wine industry grew at a rate of 18.3% by value, compared to the IMFL market's growth rate of 12.3% by value for the same period. Going forward, the wine market is expected to grow at a compound annual growth rate (CAGR) of 20 to 25 percent.

India's population above drinking age is over 485 million and appears to be experiencing a shift that is normalizing a drinking culture, especially in the metropolises. The social and cultural taboo around alcobev is slowly dissipating and some beverages, such as wine, is becoming a status symbol among the upwardly mobile classes.

Growth Drivers

The wine industry in India is witnessing steady growth due to numerous factors such as increasing incomes, urbanization, and evolving consumer preferences.

i. **Aspirational:** One of the primary drivers of this growth is the growing popularity of wine among the urban, middle-class population. Today, wine is seen as a sophisticated and aspirational drink.

ii. **Food pairing:** The popularity of Western cuisines, particularly Italian and French, has also boosted the wine market in India.

iii. **Emergence of Vineyards:** Another key factor in the growth of the wine industry is the emergence of new wineries and vineyards throughout the country. Albeit in its initial stages, the Indian wine industry has been growing rapidly, with over one hundred wineries producing a wide range of wines, including red, white, and sparkling varieties.

iv. **Favourable demographics:** The wine industry in India benefits from a favourable demographic profile that supports its growth. India's burgeoning middle class that is growing, is open to new experiences and experimentation. The country's young population people in India are more receptive to trying new experiences and are willing to explore several types of beverages, including wine, providing a promising opportunity for wine companies to tap into this growing market segment.

v. **Online Ordering & Home delivery:** The COVID-19 pandemic led to the emergence of recent sales channels in the alcobev industry. Home delivery and limited e-commerce options for alcobev gained more prominence for their convenience, better purchase experience, which attracted more customers, including women. This sales channel has a promising future as it can improve the penetration of the alcobev industry, especially since the number of traditional outlets remains limited.

vi. **Premiumisation**: Premiumisation grew significantly during the pandemic because consumers wanted to create 'affordable luxury' experiences the comforts of their own homes and were willing to spend more on higher-quality products across all alcohol categories, with no sign of this inclination slowing. Home-mixology trends on social media platforms spawned excitement as young consumers saw continued popularity of cocktails. This trend towards premiumization is expected in the sparkling wine category as well, where high-end bubbles are on an upward trajectory

vii. **Rise of In-Home Consumption:** Post COVID-19, saw a sea of change in consumer behaviour around alcohol consumption, with a shift towards drinking at home. Drinking premium alcobev at home is comparatively more affordable than drinking in restaurants, resulting in a rise in consumption of premium drinks. Due to lockdowns and restrictions in the food service industry, small social gatherings and house parties have become more frequent, leading to a surge in wine sales. Wine, a suitable option for consumption in a family setting, contributing to its increased popularity.

viii. **Favourable policies towards wine:** One of the main drivers of the growth of the wine industry in India is the favourable regulations that treat wine as a distinct and separate category from other alcobev. These regulations have been particularly favourable in the states of Maharashtra and Karnataka, contributing significantly to the growth of the domestic wine industry. The proposed new wine policy in Maharashtra, which seeks to permit the sale of wine through regular supermarkets, could be a significant boost for the industry. Furthermore, recent excise policies in Delhi and Uttar Pradesh have also recognized wine as a unique category within the alcobev industry and have taken steps to promote its growth. States such as Maharashtra and Karnataka have implemented policies to incentivize the production of wine. As a result, the wine industry in these states receives certain benefits, such as a reduction in Excise Duty and simplified licensing procedures. In Maharashtra, for example, the state government introduced the Wine Industry Promotion Subsidy in August 2009 to promote wine production within the state. The subsidy is provided for the sale of wine made from grapes grown within the state, without the addition of alcohol or blending with wine from other vendors. The subsidy takes the form of an 80% refund of the VAT paid on wine sales within the state.

Although India's per capita wine consumption rates are still low, the country provides a robust growth opportunity with a gradual increasing interest in wine among the population.

5. A Challenging Regulatory Scenario in India

India is an expansive nation with several states and union territories that have their unique culture and traditions. With these, the states also have its own set of laws that control the manufacturing, distribution and consumption of alcobevs, contributing to the sector's diversity. This makes the alcobev market more like a collection of smaller nations than a single market, making it challenging for the industry to operate given the several regulations and restrictions.

Alcobev falls under the purview of Food Safety and Standards Authority of India (FSSAI). Additionally, the sector has strict direct advertising rules which makes the marketing of the product difficult, even though the sector provides a major source of revenue to states, only next to petroleum products.

Alcobev manufacturers are unable to unilaterally raise their prices given that these are controlled by state government policies that decide the suppliers' ex- distellery wine prices EDP/EWP. The retail price consumers pay for their drink is the EDP (fixed and approved by the Excise Commissioner) plus state excise duties and taxes and trade margins demanded by wholesalers and retailers.

The industry needs a regulatory overhaul and an inflation-embedded approach to pricing. This would take into consideration several factors such as differences in operating conditions between states, such as state levies, cost of materials, transportation, etc. Regular consultations with industry stakeholders are essential to forge a predictable and progressive policy framework, incentivizing higher investments in the sector.

6. Sustainability:

Today's conscious customer base gives significant prominence to responsible sourcing, manufacturing, and sustainability. This is growing to be a key concern for consumers, which can impact the alcobev industry in several ways. Consumers are now looking for environmentally friendly packaging, drinks that are made using sustainable practices and ingredients. This is prompting the players in the industry to provide more information and access to their sustainability practices, thereby allowing consumers to make informed buying choices. Many alcobev companies are providing more information about their sustainability.

7. Company Overview:

Sula is India's largest wine producer and seller and has consistently held the top spot in the country's wine market, with a share of over 50%. It is also recognized as the market leader across wine variants, including red, white and sparkling wines. Sula has always been at the vanguard of wine-tasting experiences and promotion of Indian Wines.

The company enjoys competitive advantages including the largest national wine distribution network, a well-established manufacturing base, an asset-light business model with exclusive sourcing agreements with farmers, a widely recognized and popular brand among others.

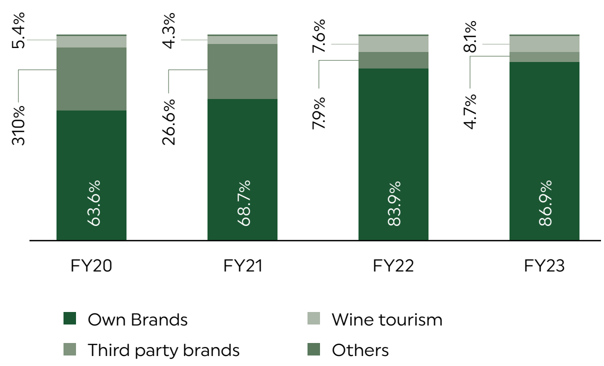
Given the sharp focus on premiumisation along with reduction in sale of non-profitable Third-Party Brands, the company has been able to improve its EBITDA margins from single digit of 9.7% in FY20 to astounding 29% in FY23. This is a testament to the management's ongoing efforts towards cost optimisation and scaling Own Brands business.

The company operates under two categories of business:

- Wine Business - the production of wine, the import of wines and spirits, and the distribution of wines and spirits
- Wine tourism - the sale of services from ownership and operation of wine tourism venues, including vineyard resorts and tasting rooms

However, the Wine Tourism Business is incidental and complements the overall Wine Business.

Revenue split by business segments



Wine Business

The company caters to a wide range of customers and is available at varying price points from under INR 400 to over INR 1000. The company's primary focus remains the Elite and Premium category, which is above INR 700 wines, and the segment now contributes 72.3% in FY23 up from 67.8% in FY20. Elite and Premium segment has outpaced the company average to post a robust growth of 29%

YoY in FY23. The company sold one million cases of wine in FY23, an unequivocal landmark for a wine company in a nation where the overall wine market is miniscule.

Own Brands revenue by categories

Wine Toursim

The segment posted revenues of ~INR 449.6 million for FY23, registering a growth of 29.9%.

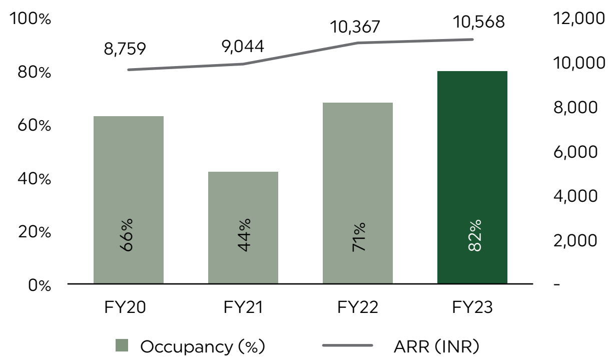
Sula is a pioneer in wine tourism in India. It was the first winery in India to open wine tasting rooms, a vineyard resort, a wine music festival, and winery tours at its facility in Nashik, Maharashtra. Sula is among the Top 15 most followed vineyards in the world on Instagram.

As part of its Wine Tourism Business, the Company owns and operates two vineyard resorts in Nashik, Maharashtra, under ***"The Source at Sula"*** and ***"Beyond by Sula"*** brands with, room capacities of 67 and 10 as of March, respectively. The company has added 10 muber of rooms during the year, which is likely to aid the growth in the coming years.

Sula has conducted 0.17 million individual tastings across the country in FY23, a significant jump of around 80% from the previous year that bodes very well for the future. Sula Vineyards is arguably one of the most visited vineyards in the world at its Nashik campus and this fiscal, the numbers bounced back to pre-COVID levels, just a shade under 0.35 million visitors.

The segment has grown by 30% YoY in FY23 to INR 450 million and the Company achieved an occupancy rate of 82% this fiscal as against 71% in FY22 and 66% in FY20. At the same time, it has improved its ARR to INR 10,568 from INR 10,367 in FY22 and INR 8,759 in FY20. These are among the best statistics in the hospitality industry.

Wine Tourism - Occupancy Rate and ARR



Sustainability remains a key priority for Sula and the Company is deeply committed to implementing various initiatives towards responsible business practices. As an agri-business, the company is exposed to the vagaries of the weather. However, the company is constantly adapting and taking various steps to mitigate these risks.

Outlook

FY23 has been a landmark year for Sula. The company went public and is now the only listed wine company in India.

With a strong harvest season this year, the company is able to store good quality and quantity of stock which covers them for next 18 months.

The company remains confident of the growth momentum. While there are reports and forecasts of a weak monsoon, the full reservoirs in Nashik ensure that the Company is well placed next two years to come.

Today, Sula is the undisputed leader in wine in India. With wine industry growing at over 20% YoY, the company is on a strong footing to ride the wave.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A : GENERAL DISCLOSURES

I. Details of listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L15549MH2003PLC139352
2.	Name of the Listed Entity	Sula Vineyards Limited
3.	Year of incorporation	26-February-2003
4.	Registered office address	901, Solaris One, N S Phadke Marg, Andheri East, Mumbai - 400069, Maharashtra
5.	Corporate address	Same as registered office address
6.	E-mail	cs@sulawines.com
7.	Telephone	022-61280606
8.	Website	www.sulavineyards.com
9.	Financial year (FY) for which reporting is being done	April 01, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	(i) BSE Limited (ii) National Stock Exchange of India Limited
11.	Paid-up Capital	INR 168.52 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Ruchi Sathe (CS and Compliance officer) Tel No: 022-61280606/607 Email: cs@sulawines.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On standalone basis

II. Products/ Services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1.	Manufacture and Supply*	Wine	85%
2.	Service	Wine Tourism	8%

*including wine industry promotion subsidy

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Wine	11020	85%
2.	Wine Tourism	55101	8%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	8	13
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	29
International (No. of Countries)	12

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contributed to 1.8% of total revenue of the entity for the year ended March 31, 2023.

c. A brief on types of customers

Our end consumers are wine drinkers across India and in our export markets. These customers are served through a wide network of distributors. These include traditional retail points such as licensed alcohol and wine shops, hotels, restaurants, cafes, as well as modern trade channels like e-commerce platforms and select supermarkets. We have established partnerships with distributors in key regions such as Maharashtra, Haryana, Delhi, Goa, and Punjab. In addition, we have a strong direct-to-consumer ("D2C") selling channel through our Wine Tourism Business facilities in Maharashtra and Karnataka. Our distribution platform encompasses distributors, corporations, licensed resellers, company depots, defence units, and other points of sale.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	533	443	83%	90	17%
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	**Total employees (D + E)**	**533**	**443**	**83%**	**90**	**17%**
			WORKERS			
4.	Permanent (F)	191	180	94%	11	6%
5.	Other than Permanent (G)	152	141	93%	11	7%
6.	**Total workers (F + G)**	**343**	**321**	**94%**	**22**	**6%**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	**Totaln differently abled employees (D + E)**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5.	Other than permanent (G)	NIL	NIL	NIL	NIL	NIL
6.	**Total differently abled workers (F + G)**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

19. Participation/ Inclusion/ Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers

	FY22-23 (Turnover rate in Current FY)			FY21-22 (Turnover rate in Current FY)			FY20-21 (Turnover rate in Current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	17%	13%	10%	26%	12%	15%	30%	18%
Permanent Workers	5%	17%	6%	2%	9%	2%	3%	NIL	2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding/ subsidiary/associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Artisan Spirits Private Limited	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in INR): 5,354.33 million

(iii) Net worth (in INR): 5,559.07 million

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY22-23 Current Financial Year			FY21-22 Current Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	NIL	NIL	NA	NIL	NIL	NA
Investors (other than shareholders)	Yes	NIL	NIL	NA	NIL	NIL	NA
Shareholders	Yes	NIL	NIL	NA	NIL	NIL	NA
Employees and workers	Yes	NIL	NIL	NA	NIL	NIL	NA
Customers	Yes	22	NIL	Resolved	29	NIL	Resolved
Value Chain Partners	No	NIL	NIL	NA	NIL	NIL	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

- o Grievance redressal for Communities is done through meetings at the manufacturing unit level.
- o Grievance redressal for Investors & Shareholders is done through investor relations, details of which are available on the website.
- o Grievance redressal for employees & workers is done through vigil mechanism and whistle blower policy available on the website.
- o Grievance redressal for customers is done through the customer care number and email id mentioned on the labels.

24.Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change	Risk	Our major source of raw material in Winemaking is Grapes from viticulture. Any change or severe climate change can affect our Wine operations.	We have diversified our sourcing of grapes from diverse geographical locations and delayed pruning dates, so that the impact of climate change is minimized.	Risk is controlled.

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	N	N	Y	N
b. Has the policy been approved by the Board? (Yes/No)	Y	N	Y	Y	N	N	N	N	N
c. Web Link of the Policies, if available	Policies covering certain stakeholders are available on the Company's website www.sulavineyards.com. Internal policies are restricted and can be viewed by employees on the Company's internal portal.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Accredited with various certifications like o BRC Certification o FSSAI Certification o ISO:9001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	To perform better and to meet the requirements of BRSR principles.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Business is in line with the requirements of BRSR Principles, we strive for continuous improvement.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) At Sula Vineyards, 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. We are committed to ensure preservation of the environment, positively contributing to the sustainable development of society, while ensuring continued compliance with applicable governance requirements.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director & CEO								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No. Will be incorporating this in FY24 onwards.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Director									Annually								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	No								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No								
It is planned to be done in the next financial year (Yes/No)	Yes								
Any other reason (please specify)	No								

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of trainings and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	o Familiarisation Programme	100%
Key Managerial Personnel	5	o ESOP Awareness o Skill Upgradation o Prevention of Sexual Harassment	75%
Employees other than BoD and KMPs	63	o ESOP Awareness o Skill Development o Team Building o Health & Safety	99%
Workers	19	o ESOP Awareness o Skill Development o Team Building o Health & Safety	94%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (INR)	Brief of the case	Has an appeal been preferred (Yes/ No)
		Monetary			
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	P1	Regional Director, Ministry of Corporate Affairs	5.135 million	Compounding of offences under Companies Act 2013	No, offence has been compounded
		Non-Monetary			
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, policy implemented and covered as part of Code of Business Conduct program. Also available on the company's internal portal.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

Particulars	FY22-23 Current Financial Year		FY21-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL	NIL	NIL

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

Yes, Directors are covered under the Code of Conduct – Board and Senior Management Policy.

PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY22-23 Current Financial Year	FY21-22 Previous Financial Year	Details of improvements in environmental and social impacts
Research & Development	NIL	NIL	NA
Capex	10.12% INR 73.13 million	5.70% INR 26.58 million	Project on Solar, ETP & Water Reservoir

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes, we have procedures in place for sustainable sourcing. Preference is given to local suppliers by vendor development so that transportation emissions are reduced.

   Our main raw material is grapes. Our viticulture team is involved with farmers who grow grapes for us and ensure the grapes meet quality, safety and sustainability standards which includes ethical labour practices.

   b. If yes, what percentage of inputs were sourced sustainably?

   Grapes, being our major raw material accounts for 50% of sustainable input with an additional 17% pertaining to bottles that are sustainably sourced.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The mechanism followed at Sula is:

   - ***Plastics (including Packaging): We intend to collect the plastic material for recycling, as per the Extended Producer Responsibility.***
   - ***E-waste: All the E-Waste is sent to MSPCB authorized Recyclers only, for used batteries after their end of the life, we send to the vendor on buy back scheme.***
   - ***Hazardous waste: We do not generate hazardous waste at our sites.***
   - ***Other Waste: We have tie up with waste recyclers, who does the recycling by adding value to the waste.***

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes, EPR is applicable for our operations.

   The waste collection plan is being developed in line with the EPR rules. We have already initiated steps in our operations for the implementation of EPR framework and the same would be addressed in FY24.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Life cycle assessment study will be taken up in the coming years.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Winemaking	Life cycle assessment will be taken up in the upcoming years.	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Glass waste	1.31%	1.54%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	19.42	Nil	Nil	7.49	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste (Glass, Metal, Wood and Paper waste)	Nil	338.84	Nil	Nil	260.02	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Glass bottles	5% is reclaimed by company and balance is recycled in the market as cullet's (precursor for making glass)

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees (Staff)											
Male	443	443	100%	443	100%	NA	NA	31	7%	NIL	NA
Female	90	90	100%	90	100%	5	6%	NA	NA	NIL	NA
Total	**533**	**533**	**100%**	**533**	**100%**	**5**	**1%**	**42**	**6%**	**NIL**	**NA**
Other than Permanent employees (Contractual)											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	180	180	100%	180	100%	NA	NA	11	6%	NIL	NA
Female	11	11	100%	11	100%	NIL	NA	NA	NA	NIL	NA
Total	**191**	**191**	**100%**	**191**	**100%**	**NIL**	**NA**	**11**	**6%**	**NIL**	**NA**
Other than Permanent workers											
Male	141	NIL	NA	141	100%	NIL	NA	NIL	NA	NIL	NA
Female	11	NIL	NA	11	100%	NIL	NA	NIL	NA	NIL	NA
Total	**152**	**NIL**	**NA**	**152**	**100%**	**NIL**	**NA**	**NIL**	**NA**	**NIL**	**NA**

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	98%	100%	Yes	98%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	5%	17%	Yes	12%	23%	Yes
Others – specify	NIL					

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Currently we do not have any disabled employee on roles.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
Yes. Policies are available on the internal portal of the Company.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Grievance redressal mechanism can be shared on wecare@sulawines.com; posh@sulawines.com; whistleblower@sulawines.com

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (C / D)
Total Permanent Employees						
Male	NIL	NIL	NA	NIL	NIL	NA
Female	NIL	NIL	NA	NIL	NIL	NA
Total Permanent Workers						
Male	180	160	89%	174	163	94%
Female	11	11	100%	10	10	100%

8. Details of training given to employees and workers:

Category	FY22-23 Current Financial Year					FY21-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	443	27	6%	443	100%	428	117	27%	409	96%
Female	90	7	8%	89	99%	77	15	19%	69	90%
Total	**533**	**34**	**6%**	**532**	**100%**	**505**	**132**	**26%**	**478**	**95%**
Workers										
Male	180	48	27%	170	94%	174	39	22%	165	95%
Female	11	2	18%	9	82%	10	2	20%	10	100%
Total	**191**	**50**	**26%**	**179**	**94%**	**184**	**41**	**22%**	**175**	**95%**

9. Details of performance and career development reviews of employees and worker:

Category	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	443	443	100%	428	428	100%
Female	90	90	100%	77	77	100%
Total	**533**	**533**	**100%**	**505**	**505**	**100%**
Workers						
Male	180	180	100%	174	174	100%
Female	11	11	100%	10	10	100%
Total	**191**	**191**	**100%**	**184**	**184**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes, for the entire manufacturing unit staff.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Regular safety audits is in place for dedicated departments.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/ No)***

Yes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	6	9
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Safety has been the core pillar for us to ensure a safe and healthy workplace. We have mandatory safety induction, Annual Medical Health check-ups and trainings. We have a system for strong safety culture where observations and mock drills are part of our operations. Safety awareness is also done using safety day celebrations, mock drills, road safety drives.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	80% of wineries and its offices were assessed by FSSAI.
Working Conditions	100% by third party.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Corrective and preventive actions are taken immediately to address the safety risks/ concerns arising from assessment of health and safety practices and working conditions. We have Safety interlocks at place for all the operations. We strive to provide the best facilities to avoid significant risks/concerns.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes, the deceased worker or employee's family is entitled to receive notice period pay, along with applicable PF (Provident Fund) and gratuity claims.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Monthly tracker is maintained by payroll team and forwarded to Legal Head/COO for verification. Further, regular audit conducted by internal auditor and yearly audit by Statutory Auditors of the Company.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY22-23 Current Financial Year	FY21-22 Previous Financial Year	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? ***(Yes/ No)***

   Yes

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working Conditions	NIL

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Key stakeholder groups include all the groups of people affected by the company and have an interest in company and its various operations. We make sure to include vendors, suppliers and local community in our stakeholder groups to ensure transparency, accountability and inclusivity in our processes.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors & Shareholders	No	Email, Newspapers, Notice, Website	Quarterly/ Half Yearly/ Annually	Shareholders and investor communities are being informed regarding performance and key material events of the company every quarter. Outcome of Board and committee meetings.
Board of Directors	No	Email, Website	Quarterly	Business Performance
KMPs	No	Email, Website	As and when required	Strategic Operations and Business Performance
Permanent Employees	No	Email, Website	Others - As and when required	Personal wellbeing and operational business requirements
Permanent Workers	No	Email, Website	Others - As and when required	Personal wellbeing and operational business requirements
Farmers	No	Other - Personal Meetings	Others - As and when required	Company's Policies relating to the purchase of produce
Supply Chain	No	Email, Personal Meetings	Others - As and when required	Operational business requirements
Vendors	No	Email, Personal Meetings	Others - As and when required	Operational business requirements

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Communities	No	Other - Meetings	Others - As and when required	Welfare of the community and information on specific activities
Consumer	No	Newspapers, Website	Others - As and when required	Product information, features

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Stakeholders' engagement is delegated to the senior members of management, with whom monthly/ quarterly meetings are held as per the defined frequency. The feedback from such consultations are kept before the board for evaluation and review.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, the inputs received from the stakeholders consultation are carefully reviewed and after evaluation are incorporated in the activities and policies of the entity.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   NA

PRINCIPLE 5 - Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

   We provide orientation sessions to new employees on policies and for all employees we upload the policies on our internal portal hence no such training are conducted on HR & Policies.

Category	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (C/D)
Employees						
Permanent	533	75	14%	505	56	11%
Other than permanent	NA	NA	NA	NA	NA	NA
Total	**533**	**75**	**14%**	**505**	**56**	**11%**
Workers						
Permanent	191	17	9%	184	6	3%
Other than permanent	NA	NA	NA	NA	NA	NA
Total	**191**	**17**	**9%**	**184**	**6**	**3%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY22-23 Current Financial Year					FY21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	NA									
Male										
Female										
Other than Permanent										
Male										
Female										
Workers										
Permanent	**191**	**NIL**	**NA**	**191**	**100%**	**184**	**NIL**	**NIL**	**184**	**100%**
Male	180	NIL	NA	180	100%	174	NIL	NIL	174	100%
Female	11	NIL	NA	11	100%	10	NIL	NIL	10	100%
Other than Permanent	**152**	**95**	**63%**	**57**	**38%**	**95**	**71**	**75%**	**24**	**25%**
Male	141	89	63%	52	37%	86	63	73%	23	27%
Female	11	6	54%	5	45%	9	8	89%	1	11%

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	INR 2.00 million	1	INR 1.3 million
Key Managerial Personnel	3	INR 1.28 million	1	INR 0.17 million
Employees other than BoD and KMP	440	INR 0.04 million	89	INR 0.05 million
Workers	180	INR 0.03 million	11	INR 0.02 million

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) : ***Yes***

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees can raise their complaints online through our HR portal or by sending an email to wecare@sulawines.com. The query will go to the HR team. The minor issue will be resolved in two working days, while the major issue will take up to seven working days. If it is a POSH-related complaint, then a written complaint should be made at POSH@sulawines.com, and then the POSH policy will come into the picture. If any complaint is to be made by the whistleblower, he or she should write a complaint at whistleblower@sulawines.com, and then the whistleblower policy will come into the picture.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL

Particulars	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   We organize awareness sessions that are mandatory for all the employees to attend so that they are aware of the consequences and the action that the company can take as per the policy. If any complaint is received, we make sure that confidentiality is maintained throughout the entire investigation process. The code of conduct policy will be relied on if any case regarding discrimination and harassment is filed the employee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes

9. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    NA

Essential Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.
   NA

2. Details of the scope and coverage of any Human rights due-diligence conducted.
   NA

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
   Yes

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labour	NIL

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Forced Labour/Involuntary Labour	NIL
Wages	NIL
Others – please specify	NIL

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   NA

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Total electricity consumption (A)	14.12	9.23
Total fuel consumption (B)	2.85	3.10
Energy consumption through other sources ©	**14.34**	**13.18**
Total energy consumption (A+B+C)	31.31	25.51
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0016	0.0017
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No, none of our sites are identified as designated consumers (DCs) under the PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	9,820	10,289
(iii) Third party water	61,238	56,383
(iv) Seawater / desalinated water	NIL	NIL
(v) Others (rainwater harvested & recycled water from ETP)	31,836	23,155
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**71,057**	**66,673**
Total volume of water consumption (in kilolitres)	**1,02,893**	**89,828**
Water intensity per rupee of turnover (Water consumed / turnover)	**0.019**	**0.024**
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   At Sula, treated effluent water is used in Cooling tower and in Gardening purpose. No wastewater is discharged outside plant premises.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
NOx	MT	0.27	0.04
SOx	MT	BDL	BDL
Particulate matter (PM)	MT	0.35	0.06
Persistent organic pollutants (POP)	NA		
Volatile organic compounds (VOC)	NA		
Hazardous air pollutants (HAP)	NA		
Others – please specify	NA		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,369	1,859
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		3,649	2,471
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT	0.0011	0.0010
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	CO2 per Ltr	0.63	0.50

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   Sula has been taking steps to reduce the GHG emissions since inception through best available technologies. The contribution of Solar energy in its Energy mix is whopping 60% in the year 2022. Along with this, we have also taken measures and new initiatives to reduce the Energy consumption from non-renewable source of energy, for instance promotion of EV vehicles while purchasing new vehicles, introducing Induction stoves in our kitchens, localizing our supply chain through vendor development, Solar Powered pumps at our vineyards are few such.

   Sula is a silver member of the International Wineries for Climate Action ("IWCA"), a working group of wineries dedicated to reducing carbon emissions across the wine industry. IWCA is a part of the 'Race to Zero' global campaign, led by the United Nations and its member wineries are committed to achieving net zero emissions by 2050.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	19.42 MT	7.19 MT
E-waste (B)	NIL	0.14 MT
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	NIL	NIL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	338.84 MT	260.02 MT
Total (A+B + C + D + E + F + G+ H)	**358.27 MT**	**267.66 MT**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	255.07 MT	141.28 MT
(ii) Re-used	95.41 MT	124.08 MT
(iii) Other recovery operations	NIL	NIL
Total	**350.48 MT**	**265.36 MT**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   At Sula, Waste is managed scientifically by prioritizing Reduce, Reuse and Recycle principles. Our major waste is organic waste, which we convert to Organic Compost which will be used in our vineyards.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Winemaking and Hospitality	We are not covered under the EIA Notification 2006. Hence NA				

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/ regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is compliant with the applicable Environmental laws/ regulations and guidelines, Hence NA				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	14.34	13.18
Total fuel consumption (B)	NIL	NIL
Energy consumption through other sources (C)	NIL	NIL
Total energy consumed from renewable sources (A+B+C)	**14.34**	**13.18**
From non-renewable sources		
Total electricity consumption (D)	14.12	9.23
Total fuel consumption (E)	2.85	3.10
Energy consumption through other sources (F)	NIL	NIL
Total energy consumed from Non-renewable sources (D+E+F)	**16.97**	**12.34**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL
(ii) To Groundwater	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL
(iii) To Seawater	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL
(iv) Sent to third-parties	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
(v) Others		
o No treatment		
o With treatment – please specify level of treatment	We do not discharge treated water, the treated water from ETP is used in Gardening and Cooling tower Makeup. Quantities of recycling are as follows: Cooling Tower: 2,780 Gardening: 37,377 Cleaning: 9,914	We do not discharge treated water, the treated water from ETP is used in Gardening and Cooling tower Makeup. Quantities of recycling are as follows: Cooling Tower: NIL Gardening: 32,662 Cleaning: 7,755
Total water discharged (in kilolitres)	50,071	40,417

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area : ***Nashik, Karnataka***
   (ii) Nature of operations : ***Winemaking and Bottling***
   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	NIL	NIL
(iii) Third party water	NIL	NIL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others (rainwater harvested & recycled water from ETP)	NIL	NIL
Total volume of water withdrawal (in kilolitres)	NIL	NIL
Total volume of water consumption (in kilolitres)	NIL	NIL
Water intensity per rupee of turnover (Water consumed / turnover)	NIL	NIL
Water intensity (optional) – the relevant metric may be selected by the Entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL
(ii) Into Groundwater	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL
(iii) Into Seawater	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL
(iv) Sent to third-parties	NIL	NIL
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	NIL	NIL

Parameter	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
(v) Others		
o No treatment	NIL	NIL
o With treatment – please specify level of treatment	We do not discharge treated water, the treated water from ETP is used in Gardening and Cooling tower Makeup. Quantities of recycling are as follows: Cooling Tower: NIL Gardening: NIL Cleaning: NIL	We do not discharge treated water, the treated water from ETP is used in Gardening and Cooling tower Makeup. Quantities of recycling are as follows: Cooling Tower: NIL Gardening: NIL Cleaning: NIL
Total water discharged (in kilolitres)	NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	We will publish our Scope 3 emission data from the next FY.	
Total Scope 3 emissions per rupee of turnover	NA	NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. ***No***

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   NA

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installation of Solar power.	Area of Solar panels, contribution of Solar in Total Energy requirement.	Reduction in GHG emissions.
2.	Installation of Heat pumps.	Heat pumps are used for cooling our office spaces, reducing the dependence on air conditioners., the exchanged heat is being used to produce hot water required for our operations.	Reduction in GHG emissions.
3.	Installation of Zero Liquid discharge plant	Our fresh water intake has been reduced, since we are no more dependent on Fresh water for Gardening and Cooling water.	Decrease in withdrawal of fresh water.
4.	Replacing Diesel vehicles with EV.	This initiative has been taken in order to use renewable energy in charging of EV vehicles.	Reduction in GHG emissions.
5.	Replacing LPG fuel with Induction stoves at our Hospitality and Canteens.	This step was also taken in order to reduce the dependence on Non Renewable energy and concentrate on Renewable Energy.	Reduction in GHG emissions.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   The Operations plant has On-site emergency plan which contains guidelines / procedures to be adopted during any emergency.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   Sula operations are driven with safe and sustainability point of view, right from the design in the Viticulture, Winemaking, Bottling operations. There are no adverse impacts to the environment. We are in the food and beverage sector, where there is an overall development and a win win situation for all our stakeholders, ourselves and environment as well.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   Our major value chain partners are farmers, where viticulture is their main activity. Our viticulture team visits farms and guides farmers. They guide them not only in terms of grape growing, but also on Vermicomposting, Water efficiency, Energy efficiency and even encourage them to utilize solar energy for pumping etc.

PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations – Six

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	All India Wine Producers Association (AIWPA)	National
2.	Confederation of Indian Industry (CII)	National
3.	Confederation of Indian Alcoholic Beverage Companies (CIABC)	National
4.	The Federation of Hotel & Restaurant Associations of India (FHRAI) – Applied	National
5.	The Association of Bars, Hotels and Restaurants (ABHAR)	District
6.	International Wineries for Climate Action (IWCA)	International

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	Rationalisation in Excise Policy of **Rajasthan**	Through submissions and meetings at Excise Department.	No	Others - Reviewed as a part of Business Plan	NA
2.	Reduction in label registration fee & renewal in **Chhattisgarh**	Through submissions and meetings at Excise Department.	No		NA
3.	Permission to beer wholesalers to stock & sell wines in FY24 in **Uttar Pradesh**	Through submissions and meetings at Excise Department.	No		NA
4.	Reduction in label registration fee & renewal in **Haryana**	Submitted business proposal for reduction of label registration fees and renewal fees through meetings at Excise Department.	No		NA
5.	Free pricing in Northern Markets – **Delhi, Uttar Pradesh, Uttarakhand, Punjab, and Chandigarh**.	Submitted separate business proposal for mentioned states for free pricing through CIABC and meetings with Excise Department.	No		NA
6.	Proposed amendment in **Maharashtra** Wine policy	Submitted business proposal in Wine policy to Excise department and Ministerial level for, Shelf in Shop retail licence for supermarkets. Home delivery for wine. Online system for license application.	No		NA

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

   Conducted through physical meetings at winery level.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	9%	7%
Sourced directly from within the district and neighbouring districts	48%	47%

*input material includes packaging material, consumables and excludes grapes

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
1.	Maharashtra	Nashik	5.29 million

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) : No

   b. From which marginalized /vulnerable groups do you procure? : NA

   c. What percentage of total procurement (by value) does it constitute? : NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit Share
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NIL	NIL	NIL

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Washroom construction for school	300	Not definable
2.	School Repair Work	243	Not definable
3.	Water Purifier for school	243	Not definable
4.	Water Proofing at school	243	Not definable
5.	Computers/TV for Schools	669	Not definable
6.	Tree Plantation	Not definable	Not definable
7.	Tree Plantation AMC	Not definable	Not definable
8.	Road Cleaning/Communal Dustbins	Not definable	Not definable
9.	Solar streetlights and Drainage slab	Not definable	Not definable
10.	Green Gym and Fencing	2,279	Not definable
11.	Anti Mosquito Fogging	3,000	Not definable
12.	Donation to PM Care Fund	Not definable	Not definable
13.	Donation to Swachh Bharat Kosh	Not definable	Not definable

PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   There is a customer service number and email id available on the label of every bottle. Consumers can directly contact the number or email id and register their grievance. The grievance is noted and resolved. In case grievances are directed to sales team, the regional sales team shall contact the customer and resolve the issues, and the feedback is provided to the customer care team.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Particulars	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NA	NA	NIL	NA	NA
Advertising						
Cyber-security	NIL	NA	NA	NIL	NA	NA
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	NIL	NA	NA	NIL	NA	NA
Unfair Trade Practices	NIL	NA	NA	NIL	NA	NA
Other	22	NIL	Resolved	29	NIL	Resolved

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Here are some channels/platforms that we use to promote our products and services:

   Website: The company has an official website that provides detailed information on their products and services, as well as news and updates. - https://sulavineyards.com/index.php

   Social media: We have official accounts on social media platforms such as Facebook, Instagram, YouTube and LinkedIn. These platforms allow us to engage with customers and promote our products through posts, ads, and other forms of content.

   Social media links:

   https://www.instagram.com/sula_vineyards

   https://www.facebook.com/Sula.Vineyards

   https://www.linkedin.com/company/sulavineyards

   https://www.youtube.com/c/sulavineyardsyoutube

   Email newsletters: We send out regular newsletters to our subscribers' database with updates on new products, promotions, and events.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Labelling: We include warning labels on our products to inform consumers of the potential risks associated with alcohol consumption, and to remind them to drink responsibly.

   Website and social media content: We provide educational content on our website and social media channels that promote responsible alcohol consumption and inform consumers more about the product they are consuming.

   Advertising standards: We adhere to advertising standards that promote responsible alcohol consumption and discourage excessive drinking. For example, we avoid advertising that targets underage drinkers and dry states.

   Training and education: We provide training and education to our employees and partners on responsible alcohol sales and service and encourage our employees to promote responsible consumption to customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   NA

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. In few brands the labels has the message of eco friendly viticulture and winemaking practices guided by emphasis on Sustainability and protecting of our natural resources. All our labels consists of Recycle symbol, which represents that the bottle can be recycled. Customer satisfaction by sales team.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact : ***NIL***

   b. Percentage of data breaches involving personally identifiable information of customers : ***NIL***

REPORT ON CORPORATE GOVERNANCE

The Directors present the Report on Corporate Governance of the Company pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

1. Company's Philosophy on Code of Governance

Sula's philosophy on the code of governance centers on promoting responsible business practices that prioritize the well-being of customers, stakeholders, and the environment. Sula believes that effective governance requires transparency, accountability, integrity, and assurance in all aspects of the business. To achieve this, the company's code of governance establishes clear policies and procedures for ensuring compliance with regulatory requirements and industry standards, as well as providing guidance for ethical behavior and decision-making.

By defining the roles and responsibilities of the Board of Directors, Sula ensures effective oversight of strategic planning, risk management, financial reporting, and executive compensation. Sula's code of ethics and whistleblower policy establish guidelines for promoting ethical behavior and provide a safe and effective way to report potential violations. By promoting diversity and inclusion, Sula fosters an inclusive and equitable workplace that values the unique perspectives of all employees. By engaging with stakeholders, Sula seeks to understand and incorporate feedback to ensure that its business practices align with stakeholder expectations. Through a robust risk management program, Sula identifies potential risks and develops strategies to mitigate them. Finally, by committing to responsible and sustainable business practices, Sula minimizes negative impacts on the environment and society, and actively contributes to positive social and environmental outcomes.

Regarding corporate governance, the Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable. Overall, Sula's comprehensive code of governance promotes responsible and ethical behavior, aligns with the company's values and goals, and supports the long-term success and stability of the business. By adhering to these principles, Sula demonstrates its commitment to responsible and sustainable practices, which fosters trust with stakeholders and contributes to the long-term success and stability of the business.

2. Board of Directors

a. Composition of the Board

i. Sula's Board consists of an optimal mix of Executive, Non-Executive and Independent Directors, which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Act.

ii. During the year under review and as on date of this report, none of our Directors on the Board:

- o serve as Director in more than ten public companies;
- o serve as Independent Director in more than seven listed companies; and
- o none of the Executive Director serve as Independent Director on any listed company.

iii. Further, none of our Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Directors is an Independent Director i.e. None of the directors have any inter-se relationship and each one of them is independent to each other.

iv. During the FY22-23, none of our Directors acted as Member in more than ten committees or as Chairperson in more than five committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.

As on March 31, 2023, your Company's Board comprises six Directors, categorised as below:

Director	Category	DIN	Date of joining	Shareholding	No. of directorship held in Public Companies	No. of Membership/ Chairpersonship in Board Committees		Directorship in other listed Companies
						Chairmanship	Member	
Executive								
Mr. Rajeev Samant (Promoter)	Managing Director and Chief Executive Officer	00020675	26/02/2003	21,921,416	NIL	NIL	NIL	NIL
Non-Executive Independent								
Mr. Chetan Desai#	Chairman	03595319	15/12/2021	NIL	5	4	1	**Independent Director** o Delta Corp Limited o Krsnaa Diagnostics Limited
Mr. Alok Vajpeyi*	-	00019098	15/12/2021	225,825	1	NIL	NIL	NIL
Mrs. Sangeeta Pendurkar	-	03321646	15/12/2021	125,000	3	NIL	2	**Whole Time Director** o Aditya Birla Fashion and Retail Limited
Non-Executive Nominee Director								
Mr. Roberto Italia	*Nominee Director of Verlinvest Asia Pte. Ltd*	09228481	15/07/2021	NIL	NIL	NIL	NIL	NIL
Mr. Arjun Anand	*Nominee Director of Verlinvest Asia Pte. Ltd*	07639288	03/10/2018	NIL	NIL	NIL	NIL	NIL

Mr. Chetan Desai was originally appointed as Non-Executive Director in the Meeting held on 01/06/2018 and re-designated as Non-Executive Independent Director on 15/12/2021

*Mr. Alok Vajpeyi was originally appointed as Non-Executive Director in the Meeting held on 02/12/2020 and re-designated as Non-Executive Independent Director on 15/12/2021

Notes:

(1) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, total number of Directorships excludes directorships in the Company, Foreign Companies, Private Limited Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and under Section 8 of the Act.

(2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Chairmanship/ Membership of Committee only includes the Audit Committee and Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted).

(3) There is no inter-se relationship between any directors

b. Board Meetings

Scheduling and selection of agenda items for Board Meetings

Tentative dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the Members of the Board. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board.

The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet on the day of the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approvals. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

7 (Seven) meetings of the Board were held during the financial year ended March 31, 2023. These were held on May 19, 2022, July 15, 2022, August 23, 2022, November 23, 2022, December 05, 2022, December 15, 2022 and February 09, 2023. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

Details of Meetings of the Board of Directors and Annual General Meeting held during the period under review, alongwith attendance of Directors at each meeting

Meetings of the Board for the Financial Year 2022-23	Name of the Director						Number of Board Meetings attended during the Financial Year 2022-23
	Mr. Rajeev Samant	Mr. Chetan Desai	Mr. Alok Vajpeyi	Mrs. Sangeeta Pendurkar	Mr. Roberto Italia	Mr. Arjun Anand	
	Held during the tenure						
19/05/2022	✓	✓	✓	✓	✓	✓	7/7
15/07/2022	✓	✓	✓	✓	✓	✓	7/7
23/08/2022	✓	✓	✓	✓	✓	✓	7/7
23/11/2022	✓	✓	✓	✓	✓	✓	7/7
05/12/2022	✓	✓	✓	✓	✓	✓	7/7
15/12/2022	✓	✓	✓	✓	✓	✓	7/7
09/02/2023	✓	✓	✓	✓	✓	✓	7/7
19th Annual General Meeting	✓	✓	✓	✗	✗	✓	

✓ Present ✗ Absent

Meeting of the Independent Directors

Pursuant to Schedule IV of the Act, the Independent Directors met on February 09, 2023 without the presence of Non-Independent Directors and Members of the Management. The meeting of the Independent Directors was chaired by Mr. Chetan Desai, Chairperson and member of the Committee.

The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

c. Key Board Qualifications, Expertise and Attributes

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key skills, expertise, competencies and attributes which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of Directors to the Board.

	Areas of Skills/ Expertise/ Competence						
	Leadership	**Strategy**	**Operations**	**Technology**	**Finance**	**Governance**	**Government/ Regulatory Affairs**
Mr. Rajeev Samant	✓	✓	✓	✓	✓	✓	✓
Mr. Chetan Desai	✓	✓	✓		✓	✓	✓
Mr. Alok Vajpeyi	✓	✓	✓		✓	✓	✓
Ms. Sangeeta Pendurkar	✓	✓	✓		✓	✓	✓
Mr. Roberto Italia	✓	✓	✓	✓	✓	✓	
Mr. Arjun Anand	✓	✓	✓	✓	✓	✓	

d. Familiarisation Programme for Directors (including Independent Directors)

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the manufacturing facility and resorts of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

As stated in the Board's Report, the details of orientation given to our existing Independent Directors are available on our website at https://sulavineyards.com/files/0423/amiliarisation%20Programme%20for%20Independent%20Directors.pdf

Further, based on the confirmations/ disclosures received from the Independent Non-Executive Directors in terms of Regulation 25(9) of the Listing Regulations, the Board of Directors is of the opinion that the Non-Executive Independent Directors fulfil the criteria or conditions specified under the Act and under the Listing Regulations and are independent of the management.

3. Board Committees

To effectively discharge the obligations and to comply with the statutory requirements, the Board has constituted five Board committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, and Stakeholders' Relationship Committee, collectively referred to as 'Committees'. The terms of reference of the Committees are determined by the Board from time to time in accordance with the provisions of the Listing Regulations and the Act and operate under the supervision of the Board

The role and composition of Board Committees, including the number of meetings held during the financial year and the related attendance, are provided below

a. Audit Committee

Brief description of terms of reference

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) To investigate any activity within its terms of reference;

(2) To seek information from any employee;

(3) To obtain outside legal or other professional advice; and

(4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) Oversight of financial reporting process and the disclosure of financial information relating to Sula Vineyards Limited (the

"Company") to ensure that the financial statements are correct, sufficient and credible;

(2) Recommendation to the Board of Directors maintain uniformity across of the Company (the **"Board"** or **"Board of Directors"**) for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Modified opinion(s) in the draft audit report.

(5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the Company, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Formating with internal auditors of any significant findings and follow-up thereon;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) Reviewing the functioning of the whistle blower mechanism;

(19) Monitoring the end use of funds raised through public offers and related matters;

(20) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(21) Approval of appointment of Chief Financial Officer (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(22) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding INR 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and

(23) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(24) Carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

Details of Audit Committee Meetings during the financial year

The Audit Committee held 4 (Four) meetings during the financial year ended March 31, 2023. These meetings were held on May 12, 2022, August 23, 2022, November 23, 2022 and February 09, 2023. All members attended all the meetings of the Audit Committee.

Composition and attendance details

The Composition of the Audit Committee and the attendance details of the members for the financial year ended March 31, 2023 are given below:

Name	Category	Designation	No. of meetings attended
Mr. Chetan Desai	Non-Executive Independent Director	Chairperson	4/4
Mr. Arjun Anand	Non-Executive Nominee Director	Member	4/4
Mr. Alok Vajpeyi	Non-Executive Nominee Director	Member	4/4

Note: *Mr. Chetan Desai, Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on Friday, May 27, 2022*

b. Nomination and Remuneration Committee

Brief description of terms of reference

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company (the **"Board"** or **"Board of Directors"**) a policy relating to the remuneration of the directors, key managerial personnel and other employees **("Remuneration Policy")**;
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the

purpose of identifying suitable candidates, the Committee may:

a. Use the services of an external agencies, if required;

b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. Consider the time commitments of the candidates.

- o Formulation of criteria for evaluation of performance of Independent Directors and the Board;

- o Devising a policy on Board diversity;

- o Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including Independent Director);

- o Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

- o Recommend to the board, all remuneration, in whatever form, payable to senior management;

  The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that —

  a. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

  b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

  c. 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.

- o Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

  a. Administering the employee stock option plans of the Company, as may be required;

  b. Determining the eligibility of employees to participate under the employee stock option plans of the Company;

  c. Granting options to eligible employees and determining the date of grant;

  d. Determining the number of options to be granted to an employee;

  e. Determining the exercise price under the employee stock option plans of the Company; and

  f. Construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.

- o Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

  a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

  b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

- o Carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the

Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Details of Nomination and Remuneration Committee Meetings during the financial year

The Nomination and Remuneration Committee held 3 (Three) meetings during the financial year ended March 31, 2023. These meetings were held on May 19, 2022, December 05, 2022 and February 09, 2023. All members attended all the meetings of the Nomination and Remuneration Committee.

Composition and attendance details

The Composition of the Nomination and Remuneration Committee and the attendance details of the members for the financial year ended March 31, 2023 are given below:

Name	Category	Designation	No. of meetings attended
Mr. Alok Vajpeyi	Non-Executive Independent Director	Chairperson	3/3
Mr. Arjun Anand	Non-Executive Nominee Director	Member	3/3
Mrs. Sangeeta Pendurkar	Non-Executive Independent Director	Member	3/3

Note: *Mr. Alok Vajpeyi, Chairperson of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on Friday, May 27, 2022.*

Performance evaluation criteria for Independent Directors

The performance evaluation is carried out as per criteria approved by Nomination and Remuneration Committee.

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company apart from the sitting fees received by the non-executive directors

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2023

Name	Fixed Salary			Commission	Variable Compensation	Sitting Fees	Total Compensation	Fixed component and performance linked incentives
	Basic	Perquisite/ Allowance	Total Fixed Salary					
Executive Director								
Mr. Rajeev Samant	19,000,000	12,000,000	31,000,000	-	21,008,000	-	52,008,000	NA
Independent Directors								
Mr. Chetan Desai	-	-	-	1,200,000	-	1,700,000	2,900,000	NA
Mr. Alok Vajpeyi	-	-	-	-	-	1,900,000	-	NA
Mrs. Sangeeta Pendurkar	-	-	-	-	-	1,300,000	-	NA
Nominee Director								
Mr. Roberto Italia*	-	-	-	-	-	-	-	NA
Mr. Arjun Anand	-	-	-	-	-	2,000,000	-	NA

*INR 0.7 million towards sitting fees for attending the meetings during FY 2022-23 is yet to be paid. Bank details awaited.

The details of specific service contracts, notice period and severance fees etc. are governed by the appointment letter issued

Non-Executive Directors are paid sitting fees and commission as per the provisions of Companies Act, 2013.

Corporate Social Responsibility Committee

Brief description of terms of reference

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

1. Aormulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;
2. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
3. Monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
4. Any other matter as the Corporate Social Responsibility Committee may deem
5. Appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Details of Corporate Social Responsibility Committee Meetings during the financial year

Corporate Social Responsibility Committee held 2 (Two) meetings during the financial year ended March 31, 2023. These meetings were held on May 19, 2022 and February 09, 2023. All members attended all the meetings of the Corporate Social Responsibility Committee.

Composition and attendance details

The Composition of the Corporate Social Responsibility Committee and the attendance details of the members for the financial year ended March 31, 2023 are given below:

Name	Category	Designation	No. of meetings attended
Mr. Rajeev Samant	Managing Director and Chief Executive Officer	Chairperson	2/2
Mr. Chetan Desai	Non-Executive Independent Director	Member	2/2
Ms. Sangeeta Pendurkar	Non-Executive Independent Director	Member	2/2

Note: *Mr. Rajeev Samant, Chairperson of the Corporate Social Responsibility Committee was present at the Annual General Meeting of the Company held on Friday, May 27, 2022*

c. Risk Management Committee

Brief description of terms of reference

The role and responsibility of the Risk Management Committee shall be as follows:

- o Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;
- o Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- o Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- o Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- o Keep the Board of Directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;

- o Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- o To implement and monitor policies and/or processes for ensuring cyber security; and
- o Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Risk Management Committee Meetings during the financial year

Risk Management Committee met once during the financial year ended March 31, 2023 i.e on December 05, 2022. All members attended all the meetings of the Risk Management Committee.

Composition and attendance details

The Composition of the Risk Management Committee and the attendance details of the members for the financial year ended March 31, 2023 are given below:

Name	Category	Designation	No. of meetings attended
Ms. Sangeeta Pendurkar	Non-Executive Independent Director	Chairperson	1/1
Mr. Arjun Anand	Non-Executive Nominee Director	Member	1/1
Mr. Rajeev Samant	Managing Director and Chief Executive Officer	Member	1/1
Mr. Chaitanya Rathi	*Chief Operating Officer*	Member	1/1

Note: *Ms. Sangeeta Pendurkar, Chairperson of the Risk Management Committee has not attended Annual General Meeting of the Company held on Friday, May 27, 2022.*

d. Stakeholders' Relationship Committee

Brief description of terms of reference

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- o Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- o Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- o Giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- o Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- o Review of measures taken for effective exercise of voting rights by shareholders;
- o Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- o Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company; and
- o Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

Details of Stakeholder Relationship Committee Meetings during the financial year

Stakeholder Relationship Committee met once during the financial year ended March 31, 2023 i.e on February 09, 2023. All members attended all the meetings of the Stakeholder Relationship Committee.

Composition and attendance details

The Composition of the Stakeholder Relationship Committee and the attendance details of the members for the financial year ended March 31, 2023 are given below:

Name	Category	Designation	No. of meetings attended
Mr. Alok Vajpeyi	Non-Executive Independent Director	Chairperson	1/1
Mr. Arjun Anand	Non-Executive Nominee Director	Member	1/1
Mr. Rajeev Samant	Managing Director and Chief Executive Officer	Member	1/1

Note: *Mr. Alok Vajpeyi, Chairperson of the Stakeholder Relationship Committee was present at the Annual General Meeting of the Company held on Friday, May 27, 2022.*

In terms of Regulation 6 and Schedule V of the SEBI Listing Regulations, the Board has appointed Ms. Ruchi Sathe, as the Company Secretary and Compliance Officer of the Company.

The details of investor complaints received and resolved during the financial year ended March 31, 2023 are given below. The complaints inter-alia relates to non-receipt of annual report, dividend, share transfers and other investor grievances.

Details of investor complaints received and resolved during the year ended March 31, 2023:

Opening as on April 01, 2022	NIL
Received during the year	NIL
Resolved during the year	NIL
Closing as on March 31, 2023	NIL

e. **IPO Committee**

Brief description of terms of reference

a. To decide, negotiate and finalize, in consultation with the book running lead managers appointed in relation to the Offer (the **"BRLMs"**), all matters regarding the Pre-IPO Placement, if any, including entering into discussions and execution of all relevant documents;

b. To decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of equity shares, having face value of INR 2/- per equity share (the **"Equity Shares"**), and/or reservation on a competitive basis, and/or green shoe option and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;

c. To make applications to the Securities and Exchange Board of India **("SEBI")**, Insurance Regulatory and Development Authority of India, Reserve Bank of India, or to any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

d. To approve and file the draft red herring prospectus **("DRHP")** with the SEBI, the red herring prospectus **("RHP")** and prospectus **("Prospectus")** with the Registrar of Companies, Maharashtra at Mumbai and thereafter with SEBI and the relevant stock exchanges and the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient) in relation to the Offer as finalised by the Company, therein;

e. To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, registrars, legal advisors, advertising agency and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;

f. To take on record the approval of the selling shareholder(s) for offering their Equity Shares in the Offer for Sale;

g. To authorize the maintenance of a register of holders of the Equity Shares;

h. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the DRHP, RHP, the Prospectus, the preliminary international wrap and final international wraps, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to the Offer;

i. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI;

j. To seek, if required, the consent of the lenders to the Company and its subsidiaries (if any), parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Offer;

k. To open and operate bank accounts in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

l. To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the uniform listing agreement to be entered into by the Company with the relevant stock exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (given the proposing listing of the Company);

m. To authorize and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;

n. To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investor offer price), approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs [and the Selling Shareholders] and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

o. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

p. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

q. To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

r. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;

s. To withdraw the DRHP, RHP and the Offer at any stage, if deemed necessary.

t. To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including DRHP, RHP and Prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder (as maybe applicable), as the case may be, in relation to the Offer.

u. To make applications for listing of the Equity Shares in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and

v. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company."

w. in respect of any such matters relating to the Offer which are required to be placed for approval of the IPO Committee, all decisions at the IPO Committee shall be taken by a unanimous vote of all members of the IPO Committee. Further, it is resolved that the constitution of the IPO Committee shall at all times till it is subsisting include, the promoter of the Company and one director nominated by the Verlinvest Group

Details of IPO Committee Meetings during the financial year

IPO Committee meetings were held 4 (Four) meetings during the financial year ended March 31, 2023. These meetings were held on May 19, 2022; August 23, 2022; November 23, 2022 and December 05, 2022. The requisite quorum was present for all the meetings. All members attended all the meetings of the IPO Committee.

Composition and attendance details

The Composition of the IPO Committee and the attendance details of the members for the financial year ended March 31, 2023 are given below:

Name	Category	Designation	No. of meetings attended
Mr. Alok Vajpeyi	Non-Executive Independent Director	Chairperson	4/4
Mr. Arjun Anand	Non-Executive Nominee Director	Member	4/4
Mr. Chetan Desai	Non-Executive Independent Director	Member	4/4
Mr. Rajeev Samant	Managing Director and Chief Executive Officer	Member	4/4

Note: *IPO Committee is dissolved w.e.f February 09, 2023*

4. General Information for Shareholders

General Body Meetings

Location and time, where last three Annual General Meetings were held:

Financial Year Ended	Date	Time	Venue	Special Resolution passed
March 31, 2022	May 27, 2022	12:30 p.m	The meetings were held through video conferencing	-

Financial Year Ended	Date	Time	Venue	Special Resolution passed
March 31, 2021	July 30, 2021	1:00 p.m		1. Appointment of Mr. Roberto Italia nominated by Verlinvest group as a Nominee Director on the Board of the Company 2. Approval for sub-division of 1 (One) Equity Share of face value of INR 10/- each into 5 (Five) Equity Shares of INR 2/- each. 3. Approval to the variations to the existing Employee Stock Option Schemes. a. Employees Stock Option Scheme 2018 b. Employees Stock Option Scheme 2018(2) c. Employees Stock Option Scheme for COO & CFO (2019) d. Employees Stock Option Scheme 2020 4. Approval of the grant of Employee Stock Options under Employee Stock Options Scheme for COO & CFO (2019) 5. Approval of the grant of Employee Stock Options under Employee Stock Options Scheme 2020 6. Approval of Employee Stock Option Scheme 2021 7. Approval of the issue of warrants convertible into Equity Shares on preferential basis
March 31, 2020	September 29, 2020	1:00 p.m		1. Approval to Issue of Sweat Equity Shares 2. Approval to variation in the terms of ESOS 3. Approval of Employees Stock Option Scheme 2020 4. Approval for revision in Board Meeting sitting fees and Alteration of Articles of Association and Shareholders' Agreement

No extra ordinary General Meeting of the Members was held during FY22-23.

Postal Ballot:

During FY22-23, the Company sought the approval of the Shareholders by way of postal ballot, through notice dated February 21, 2023, on the following Special Resolution:

Sr. No.	Description of the Special Resolution(s)
1.	Re-Appointment of Mr. Rajeev Samant (DIN: 00020675) as Managing Director and Chief Executive Officer
2.	Ratification of "Sula Vineyards Limited Employees Stock Option Scheme 2020"
3.	Ratification and Amendment of "Sula Vineyards Employees Stock Option Scheme 2021"
4.	Ratification and Approval of Grant of Stock Options under Sula Vineyards Limited Employees Stock Option Scheme 2021 to the Employees of Subsidiary Companies, Group Companies and Associate Companies of the Company:

The Board of Directors had appointed M/s. Martinho Ferrao & Associates, Practising Company Secretaries, holding Membership No. 6221 and Certificate of Practice No. 5676, as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner.

The voting period for remote e-voting commenced on Friday, February 24, 2023 at 9.00 a.m. (IST) and ended on Saturday, March 25, 2023 at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutinizer on Monday, March 27, 2022.

The details of e-voting on the aforementioned resolution(s) are provided hereunder

Description of the Resolution	Votes in favour of the Resolution(s)			Votes against the Resolution(s)			Total number of Members whose Votes were Declared Invalid	Invalid Votes
	Number of Members Voted	Number of Valid votes Cast (shares)	% of total Number of Valid votes Cast	Number of Members Voted	Number of Valid votes Cast (shares)	% of total Number of Valid votes Cast		
Re-Appointment Of Mr. Rajeev Samant (Din: 00020675) As Managing Director And Chief Executive Officer	1065	62,129,620	94.44	64	3,655,609	5.56	-	-
Ratification Of "Sula Vineyards Limited Employees Stock Option Scheme 2020"	1033	60,169,803	91.47	86	5,614,696	8.53	-	-
Ratification and Amendment Of "Sula Vineyards Limited Employees Stock Option Scheme 2021"	1033	60,856,597	92.51	82	4,927,734	7.49	-	-
Ratification And Approval of Grant Of Stock Options Under Sula Vineyards Limited Employees Stock Option Scheme 2021 to the Employees of Subsidiary Companies, Group Companies And Associate Companies of the Company	1024	59,612,292	90.62	95	6,172,207	9.38	-	-

Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021, 20/2021 dated 8th December 202,1 3/2022 dated 5th May 2022, and General Circular no. 11/2022 dated 28 December 2022, issued by the Ministry of Corporate Affairs.

5. Means of communication:

Quarterly Results

The information pertaining to quarterly, half-yearly, and yearly financial results are uploaded on the website of the Company at https://sulavineyards.com/investor-relations.php#financialresults

Newspapers wherein results normally published

Quarterly, half-yearly, and yearly financial results are published in 1. The Economic Time (English), 2. Businessline (English), 3. Navshakti (Marathi)

Official news releases

Press release pertaining to results are uploaded on the website of the company at https://sulavineyards.com/investor-relations.php#PressReleaseMedia

Presentations made to institutional investors or to the analysts

Earnings calls on financials/quarterly results are held with analysts and investors and their transcripts are published on the website. Such presentations made to analysts and others are also made available on the Company's website at https://sulavineyards.com/investor-relations.php#scheduleofanalyst

6. General Shareholders information

a. Annual General Meeting 2023:
Day & Date: Friday, June 23, 2023
Time: 11.00 am
Venue: Virtual

b. Financial Year: April 01, 2022 to March 31, 2023

c. Final Dividend of INR 5.25 per equity share has been recommended by the Board of Directors and subject to the approval of the members of the Company at the ensuing Annual General Meeting, is proposed to be paid on and from June 24, 2023

d. **Listing on Stock Exchange**

As on March 31, 2023, the Company has issued Fully paid-up Ordinary Shares which are listed on BSE Limited and National Stock Exchange of India Limited in India. The annual Listing fees has been paid to the respective stock exchanges. The Ordinary Shares of the Company have not been suspended from trading on the stock exchanges by any regulatory/ statutory authority

ISIN and Stock code details

Stock Exchange	ISIN	Stock Code
BSE Limited ('BSE'), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	INE142Q01026	543711
National Stock Exchange of India Limited ('NSE') Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India	INE142Q01026	SULA

e. **Market Price Data: High., Low during each month in FY22-23**

Month- Year	BSE				NSE			
	High (in INR)	Low (in INR)	Close (in INR)	Traded Volume (no. of Shares) In million	High (in INR)	Low (in INR)	Close (in INR)	Traded Volume (no. of Shares) In million
Dec-22	363.4	305.55	331.8	1.314	363.30	305.35	331.65	15.546
Jan-23	432	315.55	377.95	3.974	432.40	316.60	378.15	46.428
Feb-23	428	341.3	350.75	1.191	428.40	340.50	351.50	12.303
Mar-23	379.55	326.55	367.7	1.239	379.80	326.35	366.65	9.960

f. **Performance in comparison to broad-based indices such as BSE Sensex and Nifty 50 are given below:**

Month	Closing Price of Equity Shares at BSE (INR)	BSE SENSEX	Closing Price of Equity Shares at NSE (INR)	NIFTY 50
Dec-22	331.8	60,840.74	331.65	18,105.30
Jan-23	377.95	59,549.90	378.15	17,662.15
Feb-23	350.75	58,962.12	351.50	17,303.95
Mar-23	367.7	58,991.52	366.65	17,359.75

g. **The equity shares of the Company have not been suspended from trading on the said stock exchanges by any regulatory/ statutory authority**

h. **Registrars and Transfer Agents**

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited)

Selenium Building, Tower-B, Plot No 31 & 32,

Financial District, Nanakramguda,

Serilingampally, Hyderabad, Rangareddi,

Telangana India - 500 032

Toll Free No.: 1800 309 4001

E-mail: einward.ris@kfintech.com

i. **Investor grievance and share transfer system**

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondences and redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA.

j. **Distribution of Shareholding**

Range of no. of shares held	No. of shareholders as on March 31, 2023	% to Shareholders as on March 31, 2023
1-5000	152,275	10.2873
5001- 10000	143	0.6326
10001- 20000	70	0.6237
20001- 30000	17	0.2552
30001- 40000	10	0.2103
40001- 50000	7	0.2103
50001- 100000	19	0.8243
100001& Above	55	86.9689
Total	**152,596**	**100**

k. **Dematerialisation of shares and liquidity**

Particulars	Shares	%
Physical	3,212,359	3.81
Dematerialised Mode:		
NSDL	67,249,486	79.86
CDSL	13,736,903	16.31
Total	**84,198,748**	**100**

o The company has allotted 59,050 Equity Shares pursuant to exercise of vested Employee stock Options under the Sula Vineyards Limited Employee stock option scheme 2020 and Sula Vineyards employee Stock Option scheme 2021, but the listing of the same was pending as on March 31, 2023. Listing and trading approvals were received on April 03, 2023 which is effective from April 05, 2023.

l. **Outstanding American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Warrants or any convertible instruments, conversion date and likely impact on equity Communication to the Shareholders: NA**

m. **Commodity price risk or foreign exchange risk and hedging activities:** The Company considers cash flows arising from realization of trade receivables to offset the unhedged foreign currency exposure towards trade payables. Accordingly, natural hedge has been considered for March 31, 2023

n. **Plant Location**

- Domaine Dindori - Sula Vineyards Limited,Gat no. 90, A/P - Jaulke Wani, Taluka - Dindori, Dist- Nashik – 422209
- Nashik -Sula Vineyards Gat 36/2, Govardhan Village, Gangapur-Savargaon Road, Nashik, Maharashtra 422222
- Domaine Sula - Sula Vineyards Ltd., #.115/86,Gangedoddi Village, Chekkere Post, Malur H, Channapattana Taluk, Ramanagar District,Karnataka, PIN 562160
- Indian Ambience - Sula Vineyards Ltd. (Lessee of Indian Ambience Vineyards Pvt. Ltd.),69/B, NH-9, At/Post Tadola, Basavakalyan, Dist- Bidar – Karnataka 585 331

o. **Address for correspondence**

Registered Office:

901 Solaris One N.S. Phadke Marg,

Andheri (E) Mumbai 400069,

Maharashtra India

Tel.: +91 022-61280606/607

E-mail: cs@sulawines.com

Website: https://sulavineyards.com

CIN: L15549MH2003PLC139352

p. **Credit Rating:**

Particulars	ICRA	CRISIL
Long Term	A+	A
Short Term	A1	A1
Outlook	Stable	Positive

7. Other Disclosures

a. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

There were no material significant Related Party Transaction ("RPTs") that had/ may have potential conflict with the interests of the Company at large.

b. **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

The Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchanges. No penalties or strictures are imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets

c. **Details of establishment of Vigil Mechanism / Whistle Blower Policy, and affirmation that no personnel has been denied access to the audit committee;**

The Company has in place a Vigil Mechanism / Whistle Blower Policy which facilitates the stakeholders to have direct access to the management and the Audit Committee, to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is hereby affirmed that no employee has been denied access to the Audit Committee. The said policies are also available on the website of the Company i.e. https://sulavineyards.com/files/0423/Vigil%20Mechanism%20and%20Whistleblower%20Policy.pdf

d. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to corporate governance

f. **Details of Corporate Policies**

Particulars	Website Details/Links
Dividend Distribution Policy	https://sulavineyards.com/files/0423/Dividend%20 Distribution%20Policy.pdf
Composition and Profile of the Board of Directors	https://sulavineyards.com/files/0423/The%20Board%20of%20 Directors.pdf
Terms and conditions of appointment of Independent Directors	https://sulavineyards.com/files/0423/Terms%20and%20 Conditions%20Independent%20Director.pdf
Policy on Appointment and Removal of Directors	https://sulavineyards.com/files/0423/Nomination%20and%20 Remuneration%20Policy.pdf
Familiarization Programme for Independent Directors	https://sulavineyards.com/files/0423/Familiarization%20of%20 Independent%20directors%20Policy.pdf
Remuneration Policy of Directors, KMPs & Other Employees	https://sulavineyards.com/files/0423/Nomination%20and%20 Remuneration%20Policy.pdf
Code of Conduct	https://sulavineyards.com/files/0423/Code%20of%20 Conduct%20-%20Board%20and%20Senior%20Management%20 Team.pdf
Criteria for Making Payments to Non-Executive Directors	https://sulavineyards.com/files/0423/Nomination%20and%20 Remuneration%20Policy.pdf
Corporate Social Responsibility Policy	https://sulavineyards.com/files/0423/Corporate%20Social%20 Responsibility.pdf
Policy on Related Party Transactions	https://sulavineyards.com/files/0423/Policy%20on%20 Related%20Party%20Transactions.pdf
Policy on Determining Material Subsidiary	https://sulavineyards.com/files/0423/Policy%20for%20 Determining%20Material%20Subsidiaries.pdf
Whistle Blower Policy	https://sulavineyards.com/files/0423/Vigil%20Mechanism%20 and%20Whistleblower%20Policy.pdf

g. **Disclosure of commodity price risk and commodity hedging activities: NA**

h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NA**

i. **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report. (Annexure - II)**

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board: There was no instance during the financial year 2022-23, where the Board of Directors of the Company has not accepted any recommendations, if any, of its Committees

Consolidated Fees paid to Statutory Auditors

During FY22-23, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Walker Chandiok & Co. LLP Chartered Accountants, Statutory Auditors of the Company is as under:

Consolidated fees paid to Statutory Auditors

Particulars	Amount (INR millions)
As auditors (Statutory Audit)	6.14
For limited review	0.83
For other services (certification)	0.62
Reimbursement of expenses	0.16

*Excluding INR 18.42 million (31 March 2022: INR 1.71 million) towards attest services in connection with Initial Public Offering

j. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

I. Number of complaints filed during the financial year : None

II. Number of complaints disposed of during the financial year : None

III. Number of complaints pending as on end of the financial year: None

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

k. **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Provided that this requirement shall be applicable to all listed entities except for listed banks.: NA**

l. **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: NA**

m. **Certificates from Practicing Company Secretaries**

As required by Regulation 34(3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by M/s. Sunil Agarwal & Co., Practicing Company Secretaries regarding compliance of conditions of corporate governance, is annexed to this report. (Annexure - III)

n. **Compliance with the Code of Conduct**

The Company has adopted the 'Code of Business Conduct'. The code is available on the website of the Company at https://sulavineyards.com/files/0423/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management%20Team.pdf hyper link

The Chief Executive Officer declared that the members of the Board and Senior Management Personnel have affirmed compliance with the Code during the financial year 2022-23

o. **CEO and CFO certification**

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Chief Executive Officer & Managing Director and Chief Financial Officer have given appropriate certifications to the Board of Directors. CEO and CFO certificate is annexed to this report. (Annexure - I)

p. **Annual Certificate on Security Transfer**

In terms of Regulation 40(9) of the SEBI Listing Regulations, certificates, on annual basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

q. **Reconciliation of Share Capital Audit**

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories).

The Audit Report is disseminated to the Stock Exchanges on quarterly basis and is also available on our website at https://sulavineyards.com/investor-relations.php#sharecapitalauditreports

r. Designated e-mail address for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the SEBI Listing Regulations, the designated e-mail address for investor complaints is cs@sulawines.com. The e-mail address for grievance redressal is monitored by the Company's Compliance Officer.

s. Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund (IEPF): NA

t. Details of date of declaration of dividend & due date for transfer to IEPF: June 23, 2023 and June 22, 2030

u. Secretarial Audit

The Board of Directors has appointed M/s. Sunil Agarwal & Co., Practising Company Secretaries, to conduct secretarial audit of its records and documents for FY22-23. The Secretarial Audit Report confirms that the Company has complied with all applicable provisions of the Act, Secretarial Standards, Depositories Act 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

v. Green Initiative

As a socially responsible corporate entity, the Company embraces and endorses the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India, which allows for electronic delivery of documents, such as the Annual Report, quarterly and half-yearly results, and other relevant documents, to Shareholders via their registered email addresses with DPs and RTAs. Shareholders who haven't registered their email addresses are kindly requested to do so. Those who hold shares in demat form may register their email addresses with their respective DPs, while those with physical shares may register their email addresses with the RTA by sending a signed letter from the first/sole holder, specifying their Folio No.

Investor Contact

Name, designation & address of Compliance Officer:
Ms. Ruchi Sathe,
Company Secretary & Compliance Officer
901 Solaris One N.S. Phadke Marg,
Andheri (E) Mumbai 400069,
Maharashtra India Tel.: +91 022-61280606/607
E-mail: cs@sulawines.com

Name, designation & address of Investor Relations Officer:
Ms. Juilee Chaudhari,
Head - Investor Relations
901 Solaris One N.S. Phadke Marg,
Andheri (E) Mumbai 400069,
Tel.: +91 022-61280606/607
E-mail: investor.relations@sulawines.com

Stock Exchanges:

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
Tel.: +91 22 2272 1233;
Fax: +91 22 2272 1919
Website: www.bseindia.com

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.
Tel.: +91 22 2659 8100;
Fax: +91 22 2659 8120
Website: www.nseindia.com

Depository Services:

National Securities Depository Limited
Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai – 400 013
Tel.: +91 22 2499 4200;
Fax: +91 22 2497 6351
E-mail: info@nsdl.co.in
Investor Grievance: relations@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, A-Wing,
25th Floor, NM Joshi Marg,
Lower Parel (East), Mumbai – 400013.
Tel.: +91 22 2305 8640/8624/8639/8663
E-mail: helpdesk@cdslindia.com,
Investor Grievance:
complaints@cdslindia.com
Website: www.cdslindia.com

CEO - CFO CERTIFICATION

To the Board of Directors
Sula Vineyards Limited

1. We have reviewed the Audited Financial Statements and the cash flow statement of Sula Vineyards Limited ("Company") for the financial year ended on March 31, 2023 and to the best of our knowledge and belief:

   I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2023 which are fraudulent, illegal or violative of the Code of Conduct of the Company.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

   I. Significant changes in the Company's internal control over financial reporting, during the financial year ended on March 31, 2023;

   II. Significant changes in accounting policies, if any, during the financial year ended on March 31, 2023 have been disclosed in the notes to the Financial Statements; and

   III. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Mr. Rajeev Samant
Managing Director and CEO

Mr. Bittu Varghese
Chief Financial Officer

Place: Mumbai
Date: May 03, 2023

Declaration

To the Members of Sula Vineyards Limited

I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for the year ended March 31, 2023

Place: Mumbai
Date: May 03, 2023

Mr. Rajeev Samant
Managing Director and CEO

CERTIFICATE FROM PRACTICING COMPANY SECRETARY W.R.T. CONFIRMATION OF

DIRECTORS' NON-DISQUALIFICATION

The Members of
Sula Vineyards Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sula Vineyards Limited having CIN L15549MH2003PLC139352 and having registered office at 901,Solaris One, N.S. Phadke Marg, Andheri (E) Mumbai -400006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3)read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of Appointment in Company
01	Rajeev Samant	00020675	26/02/2003
02	Alok Sureshchandra Vajpeyi	00019098	02/12/2020
03	Sangeeta Pendurkar	03321646	15/12/2021
04	Chetan Rameshchandra Desai	03595319	01/06/2018
05	Arjun Anand	07639288	03/10/2018
06	Roberto Italia	09228481	15/07/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **SUNIL AGARWAL & CO.**
Company Secretaries
---sd----

Proprietor
FCS NO. 8706
COP NO. 3286
Peer review unit no. 788/2020
UDIN : F008706E000192153

DATE: April 24, 2023
PLACE: MUMBAI

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Board of Directors
SULA VINEYARDS LIMITED

I have examined the compliance of conditions of Corporate Governance by Sula Vineyards Limited for the year ended 31st March, 2023 as stipulated in Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the year.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representation made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable during the year ended March 31, 2023.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **SUNIL AGARWAL & CO.**
Company Secretaries
---sd----

Proprietor
Firm Registration No.: S2000MH028300
FCS NO. 8706
COP NO. 3286
Peer review unit no. 788/2020
UDIN number: F008706E000192219

DATE: April 25, 2023
PLACE: MUMBAI

STANDALONE FINANCIAL STATEMENTS

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** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, 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 notes to the standalone financial statements, including 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 2023, 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.

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of impairment of non-current investment in and non-current loans to subsidiary (Refer note 43 of the standalone financial statements)	
The Company, as at 31 March 2023, has non-current investment and non-current loans amounting to INR 274.58 million and INR 298.98 million, respectively, in Artisan Spirits Private Limited ('ASPL'/'subsidiary'), its wholly owned subsidiary. As on such date, ASPL's net-worth has been substantially eroded as a result of accumulated losses. Such conditions have been identified by the management as impairment indicators of the carrying value of the investments as per Ind AS 36, Impairment of Assets ('Ind AS 36').	Our audit procedures relating to impairment assessment of loans given to and investment in subsidiary included, but were not limited to, the following procedures: o Obtained an understanding of the management process and evaluating the design and testing operating effectiveness of controls over identification of impairment indicators; o Assessed the professional competence and objectivity of the external valuation expert engaged by the management for performing the

Key audit matter	How our audit addressed the key audit matter
The management has assessed the recoverability of the aforesaid amounts by carrying out a valuation of the subsidiary's business with the help of an external valuation expert using the discounted cashflow method, which requires management to make significant estimates and assumptions related to forecast of future cash flow projections based on business plans including growth rates and selection of the discount rates, to determine the recoverable value to be considered for impairment testing of the carrying value of the aforesaid balances. Due to the significance of carrying amount of the investment and loans, significant management judgements and assumptions involved in carrying out the impairment assessment, and the significant auditor attention required to test such management's judgement, this is considered to be a key audit matter in the current year audit. The above matter is also considered fundamental to the understanding of the users of the accompanying standalone financial statements	required valuations to estimate the recoverable value of the amounts invested in or recoverable from the subsidiary; o Involved auditor's experts to assist to evaluate the appropriateness of valuation methodology and assumptions such as discount rate used by the management's expert; o Traced the future business projections to approved business plans, and evaluated the appropriateness of the assumptions used in determining key inputs such as revenue growth and operating costs, basis our understanding of the business and market conditions, as relevant; o Tested the mathematical accuracy of the projections and applied independent sensitivity analysis to certain key assumptions to determine estimation uncertainty involved and impact on conclusions drawn basis headroom available; o Evaluated the appropriateness and adequacy of the disclosures made by the management in the financial statements in accordance with applicable accounting standards.
(b) Revenue Recognition	
Refer note 2(xix) to the accompanying standalone financial statements for the accounting policy on revenue recognition and note 22 for the details of revenue recognised during the year. The Company derives its revenue from sale of products (alcoholic beverages i.e. wine and spirits) to a wide network of distributors and state government corporations. Further, revenue from sale of services represents revenue from hospitality services. Revenue recognition for sale of products and services in accordance with the principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), for the Company involves certain key judgements, such as, identification of performance obligations in a contract, determination of transaction price including variable consideration in the form of rebates, discounts and pay-outs to distributors under various promotional schemes	Our audit procedures relating to revenue recognition included, but were not limited to, the following procedures: o Understood the process of revenue recognition and evaluated the appropriateness of the accounting policy adopted by the management on revenue recognition including determination of transaction price and satisfaction of performance obligations, in accordance with Ind AS 115; o Evaluated the design and tested the operating effectiveness of relevant key controls around revenue recognition including controls over pricing, dispatch and general IT environment; o Performed substantive testing, on a sample basis, on revenue transactions recorded during the year, and transactions recorded before and after year end, by inspecting supporting documents such as customer contracts/ purchase orders, invoices, proofs

Key audit matter	How our audit addressed the key audit matter
offered by the Company, and assessment of satisfaction of the performance obligations represented by the transfer of control of the products sold and services rendered to the customers, including state government corporations. Owing to the significance of amount, multiplicity of Company's products and revenue streams, volume of transactions, size of distribution network, nature of customers with varied terms of contracts, audit of revenue recognized during the year requires significant auditor attention and industry knowledge, and accordingly, revenue recognition is considered as a key audit matter in the current year audit.	of dispatch and delivery etc., to ensure the accuracy and completeness of revenue recorded for such transactions; o Performed substantive analytical procedures such as variance analysis on revenue to identify any unusual trends; o Performed substantive testing by selecting a sample of discount, rebate and other pay-out transactions with distributors recorded during the year as well as period end accrual basis the promotion schemes offered by the Company; o Evaluated the adequacy of disclosures made in the accompanying standalone financial statements in respect of revenue recognition in accordance with financial reporting framework

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

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

   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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Board Report, Report on Corporate Governance and Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. 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.

8. 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.

9. 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

10. 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.

11. 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:

    o 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;

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

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

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

    o 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.

12. 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.

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. 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.

16. 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.

17. 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 5(a) under the Key Audit Matter section, in our opinion, may have an adverse effect on the functioning of the Company;

    f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 2023 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 note 32(A)(ii), (iii) and 44 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2023.

        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 2023;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

        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 notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim/final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

Further, as stated in Note 39 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 23109632BGXEAA4558

Place: Mumbai
Date: 3 May 2023

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Sula Vineyards Limited on the standalone financial statements for the year ended 31 March 2023

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 including Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for 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 as compared to the book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(b) As disclosed in note 15.7 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of INR 50 million by banks or financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such returns/statements are in agreement with the books of accounts of the Company for the respective periods which were not subject to audit/review, except for the following:

(INR in million)

Name of the Banks (Nature of current assets offered as security	Working capital limit sanctio-ned	Quarter ended	Particulars	Amount			Remarks/ reason
				Disclosed as per statement	As per books of accounts	Differ-ence	
HDFC Bank (Entire current assets)	550	30 June 2022	Inventory	1,404.14	1,437.72	(33.58)	The difference is due to submissions being made basis provisional financial information prior to the Company's financial reporting closure process.
Kotak Bank (Entire current assets)	200		Trade Receivables	753.19	743.78	9.41	
Axis Bank (Entire current assets)	600	31 March 2023	Inventory	1,695.73	1,692.37	3.36	
Saraswat Bank (Entire current assets)	350		Trade Receivables	1,050.09	1,047.44	2.65	

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

(INR in million)

Particulars	Loans
Aggregate amount during the year	
o Subsidiary	144.74
o Others	20.87
Balance outstanding as at balance sheet date in respect of above cases:	
o Subsidiary	144.74
o Others	16.71

(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 and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

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

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/services/business 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, 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, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Gross Amount	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
Finance Act, 1994	Service Tax	36.70	-	F.Y. 2015-16 and 2016-17	Commissioner CGST & Central Excise, Nashik
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
State Tax – Maharashtra	Central Sales tax	4.78	-	F.Y. 2018-19	Deputy Commissioner of State Tax - Maharashtra
Maharashtra State Electricity Board	Maharashtra State Electricity Board	2.62	1.31	January 2014 to October 2021	Maharashtra State Electricity Distribution Co Ltd - Office of Superintending engineer, Nashik Circle, 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, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(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, prima facie, not been utilised for long term purposes.

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

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

(x) (a) As stated in note 35(C)(i) to the accompanying standalone financial statements, the Company during the current year has completed its Initial Public Offering of equity share ('IPO') which entirely comprised of 'Offer for Sale' by existing shareholders and thus, did not result in any money being raised by the Company. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us 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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

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

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information 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 not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent 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: 23109632BGXEAA4558

Place: Mumbai
Date: 3 May 2023

Annexure II

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 ('the Company') as at and for the year ended 31 March 2023, 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.

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 2023, 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: 23109632BGXEAA4558

Place: Mumbai
Date: 3 May 2023

STANDALONE BALANCE SHEET

As at 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,840.02	3,316.63
Right-of-use assets	3A	89.81	92.81
Capital work-in-progress	3B	18.16	9.80
Other intangible assets	4	11.79	11.34
Financial assets			
Investments in subsidiaries	5	274.58	269.86
Other Investments	5A	0.03	0.03
Loans	6	315.03	298.74
Other financial assets	7	350.69	203.44
Other non-current assets	8	25.30	22.09
Total non-current assets		**4,925.41**	**4,224.74**
Current assets			
Inventories	9	1,692.37	1,508.51
Financial assets			
Trade receivables	10	1,047.44	905.92
Cash and cash equivalents	11	153.22	94.44
Bank balances other than cash and cash equivalents	12	136.43	53.14
Loans	6	15.35	11.43
Other financial assets	7	858.13	725.45
Other current assets	8	69.94	44.33
Total current assets		**3,972.88**	**3,343.22**
TOTAL ASSETS		**8,898.29**	**7,567.96**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	168.52	157.20
Other equity	14	5,390.55	3,992.07
Total equity		**5,559.07**	**4,149.27**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	470.03	378.61
Lease liabilities	16	56.11	62.37
Provisions	17	-	19.07
Deferred tax liabilities (net)	18	181.63	168.61
Total non-current liabilities		**707.77**	**628.66**
Current liabilities			
Financial liabilities			
Borrowings	15	1,345.48	1,768.38
Lease liabilities	16	49.62	47.20
Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		30.67	3.95
- Total outstanding dues of creditors other than micro enterprises and small enterprises		752.62	631.25
Other financial liabilities	20	213.54	123.58
Other current liabilities	21	191.62	174.44
Provisions	17	21.71	26.70
Current tax liabilities (net)	18	26.19	14.53
Total current liabilities		**2,631.45**	**2,790.03**
TOTAL EQUITY AND LIABILITIES		**8,898.29**	**7,567.96**

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

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

Place :Mumbai
Date : 3 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 3 May 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	22	5,296.01	4,194.18
Other income	23	58.32	45.80
Total income		**5,354.33**	**4,239.98**
Expenses			
Cost of materials consumed	24	1,211.45	1,059.79
Excise duty on sales		368.04	294.52
Purchase of stock-in-trade		133.89	49.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(102.59)	(112.17)
Employee benefits expense	26	755.15	638.33
Other expenses:			
- Selling, distribution and marketing expense	27	511.70	424.18
- Others	28	861.23	785.41
		3,738.87	**3,140.04**
Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)		1,615.46	1,099.94
Finance costs	29	194.43	213.25
Depreciation and amortisation expense	30	238.43	224.14
Profit before tax		**1,182.60**	**662.55**
Tax expense	18		
Current tax		288.84	165.12
Deferred tax		10.61	8.86
		299.45	**173.98**
Net Profit for the year (A)		**883.15**	**488.57**
Other comprehensive income / (loss) (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss			
Gain /(Loss) on remeasurement of defined benefit plans (net of taxes)	33	7.17	(0.64)
Other comprehensive gain /(loss) for the year, net of tax (B)		**7.17**	**(0.64)**
Total comprehensive income for the year (A+B)		**890.32**	**487.93**
Earnings per equity share of nominal value INR 2 each			
Basic (in INR)	31	10.71	6.36
Diluted (in INR)	31	10.70	6.36

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
ICAI Firm Registration No.: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No.109632

Place :Mumbai
Date : 3 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial officer
ACA: 117278
Place: Mumbai
Date : 3 May 2023

Ruchi Sathe
Company Secretary
Membership No. A33566

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,182.60	662.55
Adjustments for		
Depreciation and amortisation expense	238.43	224.14
Interest expense	175.93	202.70
Interest income	(48.86)	(39.12)
Loss allowance on financial assets	3.05	46.62
Allowance for non-moving/ obsolete Inventory	13.37	14.02
Provisions no longer required written back	(10.96)	(18.34)
Share based payment expenses	10.36	18.61
Loss on property, plant and equipment sale/ disposal/ write-off (net)	6.03	17.52
Profit on cancellation of lease agreement	(0.05)	(0.40)
Unrealised exchange gain on foreign currency translations (net)	(0.27)	(0.32)
	387.03	**465.43**
Operating profit before working capital changes	**1,569.63**	**1,127.98**
Adjustments for changes in working capital:		
Increase in inventories	(197.23)	(168.71)
(Increase) / Decrease in trade receivables	(144.34)	148.65
Increase in current / non-current financial and other assets	(333.29)	(259.75)
Increase in trade payables, other financial liabilities, other liabilities and provisions	171.44	92.71
	(503.42)	**(187.10)**
Cash generated from operations	**1,066.21**	**940.88**
Direct taxes paid (net)	(278.08)	(165.95)
Net cash generated from operating activities	**788.13**	**774.93**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2 below)	(674.56)	(494.74)
Proceeds from sale of property, plant and equipment	2.01	90.86
Net proceeds from bank deposits with original maturity of more than three months	(67.60)	(19.76)
Proceeds from sale of investment of subsidiary	-	29.69
Interest received	48.99	62.49
Investment in subsidiary	-	(60.00)
Net cash used in investing activities	**(691.16)**	**(391.46)**

STANDALONE
CASH FLOW STATEMENT

for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	959.96	561.08
Share application money received pending allotment	3.28	-
Proceeds from long-term borrowings	574.18	189.35
Repayment of long-term borrowings	(482.76)	(401.93)
Repayment of short-term borrowings (net)	(422.90)	(602.37)
Repayment of lease liabilities	(55.14)	(53.39)
Interest paid	(160.68)	(191.47)
Dividend paid (including taxes)	(454.13)	(194.49)
Net cash used in financing activities	**(38.19)**	**(693.22)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**58.78**	**(309.75)**
Cash and cash equivalents at the beginning of the year	94.44	404.19
Cash and cash equivalents at the end of the year (Refer note 11)	153.22	94.44

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.

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

Place :Mumbai
Date : 3 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 3 May 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

a) Equity share capital

Particulars	Number	INR million
Equity shares of INR 2 per share (INR 10 per share until 30 July 2021) issued, subscribed and fully paid-up		
As at 1 April 2021	15,080,374	150.80
Add: Employee stock options exercised until 30 July 2021	30,000	0.30
Total outstanding shares as at 30 July 2021, before share split	**15,110,374**	**151.10**
Add: Impact of share split	60,441,496	-
Total outstanding shares post share split	**75,551,870**	**151.10**
Issued during the period	1,375,000	2.75
Shares warrants converted during the period	1,671,221	3.35
As at 31 March 2022	**78,598,091**	**157.20**
Shares warrants converted during the year	3,002,784	6.01
Employee Stock Options exercised during the year	2,656,923	5.31
As at 31 March 2023	**84,257,798**	**168.52**

b) Other equity

Particulars	Share application money received pending allotment (A)	Reserves and surplus (B)				Money received against share warrants (C)	Total (A+B+C)
		Securities premium	Share option outstanding reserve	General reserve	Retained earnings		
As at 1 April 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	-	213.10	-	-	-	(4.30)	208.80
Issue of equity shares	-	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	-	-	-	-	(194.49)	-	(194.49)
As at 31 March 2022	**-**	**2,203.94**	**23.54**	**35.95**	**1,726.45**	**2.19**	**3,992.07**

STANDALONE STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

b) Other equity

Particulars	Share application money received pending allotment (A)	Reserves and surplus (B)				Money received against share warrants (C)	Total (A+B+C)
		Securities premium	Share option outstanding reserve	General reserve	Retained earnings		
Net profit for the year	-	-	-	-	883.15	-	883.15
Conversion of warrants into equity shares	-	504.47	-	-	-	(2.19)	502.28
Issue of equity shares	-	476.99	-	-	-	-	476.99
Share based payment expense	-	-	10.36		-	-	10.36
Exercise of employee stock options	-	-	(30.62)	-	-	-	(30.62)
Cancellation of employee stock options	-	-	(0.78)	0.78	-	-	-
Other comprehensive gain for the year	-	-	-	-	7.17	-	7.17
Payment of dividend	-	-	-	-	(454.13)	-	(454.13)
Share application money received pending allotment	3.28	-	-	-	-	-	3.28
As at 31 March 2023	**3.28**	**3,185.40**	**2.50**	**36.73**	**2,162.64**	**0.00**	**5,390.55**

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
ICAI Firm Registration No.: 001076N / N500013

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

Rakesh R. Agarwal
Partner
Membership No.109632

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place :Mumbai
Date : 3 May 2023

Place: Mumbai
Date : 3 May 2023

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 has completed its Initial Public Offer ('IPO') of its equity shares and the equity shares got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited on 22 December 2022. The Company having CIN L15549MH2003PLC139352 is located at 901 Solaris One 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 2023 were authorised for issue in accordance with resolution of Board of Directors on 3 May 2023

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 prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are presented in INR 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.

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) 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.

b) 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.

c) Investment in / advances to Subsidiary

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

d) 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.

e) Accounting for defined benefit plans

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

f) Impairment 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:

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

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

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

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

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

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

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

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

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

vi. Property, Plant and Equipment (Tangible Assets)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

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

vii. Capital work-in-progress

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

viii. Goodwill and Other Intangible Assets

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

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

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

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. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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	Management estimate^
Bearer plants	20	Management estimate^

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

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

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

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

Amortisation on Intangible Assets

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

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

xiii. Financial Instruments

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

a. Financial Assets

(i) Initial Recognition

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

(ii) Subsequent Measurement

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

o **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.

o **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.

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

o **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.

o **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.

o **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.

o **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. 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.

xv. Inventories

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

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

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

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

xvi. Cash and Cash Equivalents

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

xvii. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole 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.

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 Company 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 Company expects to be entitled in exchange for those goods or services. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes and such amounts collected on behalf of third parties.

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. Therefore, revenue includes excise duty. However, sales tax/value added tax (VAT) and goods and services tax (GST) is not received by the Company on its own account and are taxes collected on value added to the commodities by the seller on behalf of the government. Accordingly, these are excluded from revenue.

(a) Revenue from sale of products.

Revenue from sale of products is recognised at a point in time when control of the product transfers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of allowances, discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty.

(b) Revenue from sale of services

Revenue from sale of services represents revenue from hospitality services which mainly comprise of sale of room nights, food and beverages and allied services relating to the resort and winery. Revenue is recognized at a point in time when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable (net of allowances or discounts) excluding taxes or duties collected on behalf of the government.

(c) Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the Statement of Profit and Loss.

(d) Dividend Income

Dividend income 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.

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, 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.

xxii. Trade payables

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

b) Deferred Income Tax

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

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

xxiv. Share Based Payments

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

xxv. Leases

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

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

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 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.

xxvii. 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:

- o In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- o 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.

xxviii. Provisions, Contingent Liabilities and Contingent Assets

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

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

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 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).

xxx. Earnings Before Interest, Tax, Depreciation and amortisation (EBIDTA)

Earnings Before Interest, Tax, Depreciation and amortization (EBIDTA) is computed by adding interest, tax, depreciation and amortization expenses to net income.

xxxi. 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.

xxxii. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period

xxxiii. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company does not expect any significant impact of the amendment on its financial statements.

As at and for the year ended 31 March 2023

(Amount in INR 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 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	-	(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**
Additions	3.63	269.53	341.61	19.73	18.52	33.97	6.67	29.00	-	722.66
Disposals	-	(0.59)	(11.06)	(2.23)	(1.03)	(3.78)	(2.80)	(0.73)	(0.09)	(22.31)
As at 31 March 2023	**937.39**	**1,745.78**	**1,639.57**	**161.34**	**81.70**	**115.32**	**39.95**	**117.21**	**2.78**	**4,841.04**
Accumulated depreciation										
As at 1 April 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	-	(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**
Depreciation charge	-	54.72	81.49	15.67	8.08	12.75	4.82	13.61	0.16	191.30
Accumulated depreciation on disposals	-	(0.55)	(4.90)	(1.28)	(0.93)	(3.49)	(2.60)	(0.56)	(0.03)	(14.34)
As at 31 March 2023	**-**	**309.79**	**421.20**	**75.56**	**40.41**	**61.96**	**28.02**	**62.98**	**1.10**	**1,001.02**
Net carrying value										
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**
As at 31 March 2023	**937.39**	**1,435.99**	**1,218.37**	**85.78**	**41.29**	**53.36**	**11.93**	**54.23**	**1.68**	**3,840.02**

(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.

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

As at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 3A Right-of-use assets

Particulars	Land	Building	Vehicles	Total
Gross Carrying Value				
As at 1 April 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**
Additions	37.87	4.32	0.27	42.46
Disposals	(27.32)	(8.33)	(1.01)	(36.66)
As at 31 March 2023	**64.93**	**146.42**	**0.88**	**212.23**
Accumulated depreciation				
As at 1 April 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**
Depreciation charge	12.55	30.70	0.26	43.51
Accumulated depreciation on disposals	(27.32)	(6.38)	(1.01)	(34.71)
As at 31 March 2023	**21.18**	**100.61**	**0.63**	**122.42**
Net carrying value				
As at 31 March 2022	**18.43**	**74.14**	**0.24**	**92.81**
As at 31 March 2023	**43.75**	**45.81**	**0.25**	**89.81**

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

Note 3B Capital work-in-progress ('CWIP')

Particulars	Projects in progress
As at 1 April 2021	**1.07**
Additions	179.65
Transferred to property,plant & equipment	(170.92)
As at 31 March 2022	**9.80**
Additions	649.03
Transferred to property,plant & equipment	(640.67)
As at 31 March 2023	**18.16**

Note: CWIP does not include any project temporarily suspended.

CWIP ageing schedule

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	18.16	9.78
1-2 years	-	-
2-3 years	-	0.02
More than 3 years	-	-
Total	**18.16**	**9.80**

(Amount in INR million, unless otherwise stated)

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 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**
Additions	-	4.18	4.18	-	4.18
Disposals	-	(0.70)	(0.70)	-	(0.70)
As at 31 March 2023	**161.63**	**55.31**	**216.94**	**5.00**	**221.94**
Accumulated amortisation/impairment					
As at 1 April 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**
Amortisation charge	-	3.62	3.62	-	3.62
Reversal on disposal of assets	-	(0.59)	(0.59)	-	(0.59)
As at 31 March 2023	**161.63**	**43.52**	**205.15**	**5.00**	**210.15**
Net carrying value					
As at 31 March 2022	**-**	**11.34**	**11.34**	**-**	**11.34**
As at 31 March 2023	**-**	**11.79**	**11.79**	**-**	**11.79**

(a) Impairment testing for Brand

Brands are tested for impairment periodically in accordance with the Company's procedure for determining the recoverable amount of such assets. The recoverable amount of the assets is based on value-in-use. The value-in-use is determined based on Royalty Relief Method.

(b) Impairment testing for Goodwill

Goodwill is tested for impairment periodically in accordance with the Company's procedure for determining the recoverable amount of such assets. The recoverable amount of the CGU is based on value-in-use. The value-in-use for Goodwill is determined based on discounted cash flow projections.

(c) Key assumptions used for value in use :

- o Rate of royalty
- o Discount rate
- o Growth rate used to extrapolate cash flows
- o Terminal growth rate

(Amount in INR million, unless otherwise stated)

Note 5 Non-current investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investments in subsidiaries		
Investments in equity instruments at cost, unquoted fully paid up		
a) In subsidiary company in India		
Artisan Spirits Private Limited (Refer note 43)	269.86	269.86
35,350,000 (31 March 2022 : 35,350,000) equity shares of INR 10 each		
b) In a subsidiary company outside India		
Sula International Limited	-	0.10
* NIL (31 March 2022 : 1,000) equity shares of GBP 1 each		
Less: Loss allowance	-	(0.10)
* Company has been struck off w.e.f 19 April 2022		
c) Deemed investment in subsidiary company in India		
Deemed investment on fair valuation of corporate guarantee	4.72	-
	274.58	**269.86**

Note 5A Other Investments

Investments in equity shares at fair value through other comprehensive income, unquoted fully paid up

Particulars	As at 31 March 2023	As at 31 March 2022
The Saraswat Co-operative Bank	0.03	0.03
2,500 (31 March 2022: 2,500) equity shares of INR 10 each		
Total non-current investments (5 + 5A)	**274.61**	**269.89**

Details:

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate of non-current investments:		
(i) Aggregate value of quoted investments and market value thereof	-	-
(ii) Aggregate value of unquoted investments	274.61	269.89
(iii) Aggregate value of Impairment of investments	-	0.10
(i) Investments carried at deemed cost	274.58	269.86
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through other comprehensive income	0.03	0.03
	274.61	**269.89**

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

(Amount in INR million, unless otherwise stated)

Note 6 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Loans		
o to subsidiaries (Refer notes 35)	298.98	279.70
o to employees	16.05	16.02
o to others	-	3.02
Total non-current loans	**315.03**	**298.74**
Current		
Loans		
o to subsidiaries (Refer note 35)	-	2.59
Less: Impairment allowance	-	(2.59)
	-	**-**
o to employees	14.02	11.43
o to others	1.33	-
Total current loans	**15.35**	**11.43**
Total loans	**330.38**	**310.17**

Note: During the year ended 31 March 2023, loan to subsidiary amounting to INR 2.59 million in respect of which loss allowance was recognised in earlier years, has been written off.

Break-up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Loans receivable considered good - secured	-	-
Loans receivable considered good - unsecured	330.38	310.17
Loans receivable which have significant increase in credit risk	-	-
Loans receivable - credit impaired	-	2.59
Total	**330.38**	**312.76**

Note 6.1 Disclosure under Section 186(4) of the Companies Act, 2013

Particulars	As at 31 March 2023	As at 31 March 2022
Loan given to subsidiaries during the year:		
Artisan Spirits Private Limited	144.74	504.28
Sula International Limited	-	0.25
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	119.31	174.63

All the above loans and guarantees have been given for business purpose.

(Amount in INR million, unless otherwise stated)

Note 6.2 In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 the required information is given as under:

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes

Name of the entity	Investments in equity / preference at cost held as at		Gross loans outstanding as at		Maximum amount of loans and advances outstanding during the year	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Artisan Spirits Private Limited	274.58	269.86	298.98	279.70	312.63	281.26
Sula International Limited	-	-	-	-	-	2.59

Note 7 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Government grants receivable (Refer note 46)	313.32	162.58
Security deposits	36.92	24.72
Bank deposits with maturity of more than 12 months (pledged with excise authorities or earmarked against bank guarantees taken)	0.45	16.14
Total non-current financial assets	**350.69**	**203.44**
Current		
Government grants recoverable (Refer note 46)	798.06	704.38
Security deposits	31.37	0.62
Interest accrued	0.60	0.73
Share issue expenses recoverable (Refer Note 7.2)	28.10	19.72
Total current financial assets	**858.13**	**725.45**
Total other financial assets	**1,208.82**	**928.89**

Note 7.1: Refer note 15 for information on government grant pledged as security against borrowings of the Company.

Note 7.2: Share issue expenses recoverable represents amount incurred by the Company towards Initial Public Offer ('IPO') of the equity shares held by the selling shareholders. As per the Offer Agreement, these expenses are entirely recoverable from selling shareholders in proportion to the shares that are offered.

(Amount in INR million, unless otherwise stated)

Note 8 Other assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Capital advances	14.15	2.64
Balances with government authorities	8.06	18.95
Prepaid expenses	3.09	0.50
Total other non-current assets	**25.30**	**22.09**
Current		
Advance to suppliers	26.68	7.97
Balances with government authorities	14.64	13.27
Prepaid expenses	28.62	23.09
Total other current assets	**69.94**	**44.33**
Total other assets	**95.24**	**66.42**

Note 9 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Work-in-progress / Semi-finished goods	1,276.82	1,145.17
Finished goods [including provision for excise duty INR 65.52 million (31 March 2022: INR 33.17 million)]	241.27	211.33
Stock-in-trade	12.22	38.88
Consumables, stores and spares	63.74	40.92
Packing materials	98.32	72.21
Total inventories	**1,692.37**	**1,508.51**

Note 9.1: Allowance for obsolete and non-moving inventories amounting to INR 13.37 million (31 March 2022: INR 14.02 million) has been recognised as an expense in the Statement of Profit and Loss

Note 9.2: Refer note 15 for details on Inventory pledged as security against borrowings of the Company.

Note 10 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - secured	15.40	22.10
Trade receivables considered good - unsecured	1,032.04	883.82
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	63.60	70.99
	1,111.04	**976.91**
Less: Loss allowance	(63.60)	(70.99)
Total trade receivable	**1,047.44**	**905.92**

(Amount in INR million, unless otherwise stated)

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 2023	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	0.36	1,037.31	6.15	3.41	0.04	0.17	1,047.44
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	0.34	0.72	0.50	0.05	0.09	1.70
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	6.86	-	20.79	13.78	20.47	61.90
	0.36	**1,044.51**	**6.87**	**24.70**	**13.87**	**20.73**	**1,111.04**

Note: There are no unbilled dues for the reporting period

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

Note 11 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks in current accounts	153.02	94.17
Cash on hand	0.20	0.27
Total cash and cash equivalents	**153.22**	**94.44**

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

Note 12 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with maturity of more than 3 months but less than 12 months	136.43	53.14
(Represent 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	**136.43**	**53.14**

Note 13 Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
101,030,000 Equity shares of INR 2 each	202.06	202.06
(31 March 2022: 101,030,000)		
Total authorised share capital	**202.06**	**202.06**
Issued, subscribed and fully paid-up equity share capital:		
84,257,798 Equity shares of INR 2 each	168.52	157.20
(31 March 2022: 78,598,091)		
Total issued, subscribed and fully paid-up equity share capital	**168.52**	**157.20**

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

(Figures in INR million)

Particulars	Number	INR million
As at 1 April 2021	15,080,374	150.80
Add: Employee stock options exercised until 30 July 2021 [Refer note 42]	30,000	0.30
Total outstanding shares before share split	**15,110,374**	**151.10**
Add: Impact of share split [Refer note 13(h)]	60,441,496	-
Total outstanding shares post share split	**75,551,870**	**151.10**
Issued during the period [Refer note below]	1,375,000	2.75
Shares warrants converted during the year [Refer note 13(f)(i)]	1,671,221	3.35
As at 31 March 2022	**78,598,091**	**157.20**
Shares warrants converted during the year [Refer note 13(f)(ii)]	3,002,784	6.01
Add: Employee stock options exercised during the year [refer note 42]	2,656,923	5.31
As at 31 March 2023	**84,257,798**	**168.52**

(Amount in INR million, unless otherwise stated)

Note 13 Equity share capital (Contd..)

Note: During the year ended 31 March 2022 the Company has issued 1,375,000 equity shares of INR 2 each at premium of INR 238 per share on preferential basis, in compliance with requirements of section 42 and section 62 of the Act and the rules formed thereon

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 2 per share (INR 10 per share until 30 June 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%:

Name of the Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% held	No. of shares	% held
Rajeev Samant	21,921,416	26.02%	20,091,660	25.56%
Verlinvest Asia Pte Ltd.	17,642,275	20.94%	17,642,275	22.45%
Verlinvest S.A	-	-	7,191,835	9.15%
Cofintra S.A.	-	-	7,191,835	9.15%
Verlinvest France S.A	-	-	6,579,565	8.37%
Ruta Samant	2,462,482.00	2.92%	4,477,240	5.70%

As per records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownership of shares.

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

As at 31 March 2023, the Company has 155,757 (31 March 2022: 2,811,510) employee stock options issued under the Employee stock option scheme of the Company to its employees. [refer note 42]

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

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash

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

Note 13 Equity share capital (Contd..)

f. Share warrants issued and converted

(i) As at 31 March 2022 the Company had issued convertible share warrants as follows:

(Figures in INR million)

Financial year in which warrants have been issued	Pre share split		Post share split^		Number of warrants converted during the year (b)	No of warrants outstanding as at 31 March 2022 [(c)= (a)-(b)] ^
	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
2021-22	-	-	1,908,025	170	-	1,908,025
Total	**553,196**		**4,674,005**		**1,671,221**	**3,002,784**

^ after considering impact of split [Refer note 13(h)]

(ii) As at 31 March 2023 the Company has issued convertible share warrants as follows:

(Figures in INR million)

Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2022 (a)	Exercise price	Number of warrants converted during the year (b)	No of warrants outstanding as at 31 March 2023 [(c) = (a) - (b)]
2018-19	1,094,759	170	1,094,759	-
2021-22	1,908,025	170	1,908,025	-
Total	**3,002,784**		**3,002,784**	**-**

(iii) 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.

(iv) The warrants from financial year 2016-17 to financial year 2018-19 have been issued at INR 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.

(v) During the year ended 31 March 2022, share warrants have been issued with no subscription amount required 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.

(vi) During the current year, 3,002,784 (31 March 2022: 1,671,221) share warrants have been converted into equivalent number of equity shares of INR 2 each at the exercise price of INR 170 per equity share.

(vii) 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.

Note 13 Equity share capital (Contd..)

g. Shareholding of promoters:

As at 31 March 2023

(Figures in INR million)

Particulars	Name of the promoters	No. of shares at the beginning of the period 1 April 2022	% held	No. of shares at the end of the period	% held	% change during the period
Equity shares of INR 2 each fully paid	Mr. Rajeev Samant	20,091,660	25.56%	21,921,416	26.02%	0.44%

As on 31 March 2022

(Figures in INR million)

Particulars	Promoter's Name	No. of shares at the beginning of the period 1 April 2021*	% held	No. of shares at the end of the period	% held	% change during the period
Equity shares of INR 2 each, fully paid	Mr. Rajeev Samant	18,063,105	23.96%	20,091,660	25.56%	1.61%

*after considering impact of share split [Refer note 13(h)]

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 INR 10 each was sub-divided to 5 (five) Equity Share of INR 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 Earnings Per Share as per the requirements of Ind AS 33. Further, the outstanding number of share warrants and employee stock options and their respective exercise prices have also been revised accordingly.

Note 14 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Reserves and Surplus		
o Securities Premium	3,185.40	2,203.94
o Share Option outstanding account	2.50	23.54
o General Reserve	36.73	35.95
o Retained earnings	2,162.64	1,726.45
Money received against share warrants	-	2.19
Share application money received pending allotment	3.28	-
	5,390.55	**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

ii. Share option outstanding reserve

The share option outstanding reserve represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plans.

(Amount in INR million, unless otherwise stated)

Note 14 Other Equity (Contd..)

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.

vi. Share Application money pending allotment

Represents share application money received towards equity shares of the Company for which allotment is yet to be done.

Note 15 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
I Non-current borrowings		
Secured		
Term loan from banks (Refer note 15.1)	918.16	703.32
Unsecured		
Deferred sales tax liabilities (Refer note 15.2)	-	0.37
	918.16	**703.69**
Less: Current maturities of long-term borrowings	(448.13)	(325.08)
Total non-current borrowings	**470.03**	**378.61**
II Current borrowings		
Secured		
Loans from banks		
o Working capital demand loans (repayable on demand) (Refer note 15.3)	640.00	1,262.50
o Current maturities of long-term borrowings	448.13	324.71
	1,088.13	**1,587.21**
Unsecured		
Current maturities of long term borrowing	-	0.37
Other bank loans (Refer note 15.4)	257.35	180.80
	257.35	**181.17**
Total current borrowings	**1,345.48**	**1,768.38**
Total borrowings (I+II)	**1,815.51**	**2,146.99**

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

As at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

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

As at 31 March 2023

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee Term loan	6 quarterly installments	10.31	7.75% to 8.60%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	2 quarterly installments	11.24	7.35% to 9.05%	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	4 quarterly installments	12.50	7.75% to 9.45%	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	7.50	7.75% to 8.60%	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	6.88	7.80% to 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	10 monthly installments	5.56	7.20% to 8.80%	Exclusive charge on immovable assets and Wine Industry Production Subsidy (WIPS) receivable ageing more than 180 days
Rupee Term loan	18 monthly installments	11.11	7.95% to 8.70%	Exclusive charge on immovable assets and Wine Industry Production Subsidy (WIPS) receivable ageing more than 180 days
Rupee Term loan	14 quarterly installments	10.94	7.80% to 8.55%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	48 monthly installments	4.17	7.95%	Exclusive charge on assets funded out of the term loan and First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	48 monthly installments	3.42	7.69% to 8.64%	First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets

(Amount in INR million, unless otherwise stated)

Note 15.1: Details of security and terms of repayment of non-current borrowings (Contd..)

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	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	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	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	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
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	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	8 quarterly installments	6.25	6.95% to 7.80%	Fixed deposit of 0.35x and subservient charge on current assets
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	2 quarterly installments	5.21	7.35% to 7.4%	Exclusive charge on immovable assets - commercial unit premises (building).

Note 15.2: Deferred sales tax loan is interest free and has been fully repaid during the year ended 31 March 2023

Note 15.3: Working capital demand loans facilities of Company are repayable on demand. They carry interest rate ranging from 7.25% to 8.81% p.a. (31 March 2022: 7.20% to 12.00%) 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 7.50% p.a. (31 March 2022: 7.20% to 7.30% p.a.) and are repayable within 1 year.

Note 15.5: The Company is in compliance with the applicable debt covenants prescribed in the terms of borrowings. Also, there has been no default in repayment of borrowings and payment of interest during the year.

(Amount in INR million, unless otherwise stated)

Note 15.6: Net debt reconciliation

An analysis of net debt and the movement in net debt for the years ended 31 March 2023 and 31 March 2022 is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
(A)Non-current borrowings	470.03	378.61
(B)Current borrowings	1,345.48	1,768.38
(C)Interest payable	16.22	12.78
(D) Cash and cash equivalents	(153.22)	(94.44)
Net debt (E) = (A+B+C+D)	**1,678.51**	**2,065.33**

	Liabilities from financing activities			Other assets	Net debt
	Non-current borrowings (A)	Current borrowings (B)	Interest payable (C)	Cash and cash equivalents (D)	(E)=(A+B+C+D)
Balances as at 1 April 2021	591.19	2,370.75	15.66	(404.19)	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)
Balances as at 31 March 2022	**378.61**	**1,768.38**	**12.78**	**(94.44)**	**2,065.33**
Net increase in cash and cash equivalents	-	-	-	(58.78)	(58.78)
Proceeds from long-term borrowings	574.18	-	-	-	574.18
Repayment of long-term borrowings	(482.76)	-	-	-	(482.76)
Net repayment of short-term borrowings	-	(422.90)	-	-	(422.90)
Interest expense	-	-	164.12	-	164.12
Interest paid	-	-	(160.68)	-	(160.68)
Balances as at 31 March 2023	**470.03**	**1,345.48**	**16.22**	**(153.22)**	**1,678.51**

(Amount in INR million, unless otherwise stated)

Note 15.7: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix) (a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act:

Year ended 31 March 2023

Quarter ended	Name of Bank	Particulars	Amount as per books	Amount reported in the quarterly return/ statement	Differences	Reason for material variances
March 2023	HDFC Bank	Inventory	1,692.37	1,695.73	(3.36)	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
	Kotak Mahindra Bank					
	Saraswat Bank					
	Axis Bank	Trade Receivables	1,047.44	1,050.09	(2.65)	
	Yes Bank					
June 2022	HDFC Bank	Inventory	1,437.72	1,404.14	33.58	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
	Kotak Mahindra Bank					
	Saraswat Bank					
	Axis Bank Yes Bank	Trade Receivables	743.78	753.19	(9.41)	

Year ended 31 March 2022

Quarter ended	Name of Bank	Particulars	Amount as per books	Amount reported in the quarterly return/ statement	Differences	Reason for material variances
December 2021	HDFC Bank	Inventory	915.94	925.69	(9.75)	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
	Kotak Mahindra Bank					
	Saraswat Bank	Trade Receivables	1,514.11	1,515.00	(0.89)	
	Axis Bank Yes Bank					
September 2021	HDFC Bank	Inventory	1,227.14	1,163.02	64.12	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
	Kotak Mahindra Bank					
	Saraswat Bank					
	Axis Bank	Trade Receivables	1,011.72	1,099.06	(87.34)	
	Yes Bank					

(Amount in INR million, unless otherwise stated)

Note 15.7: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix) (a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act: (Contd..)

Quarter ended	Name of Bank	Particulars	Amount as per books	Amount reported in the quarterly return/ statement	Differences	Reason for material variances
June 2021	HDFC Bank	Inventory	1,409.23	1,304.12	105.11	The difference is due to submissions being made basis provisional financial information prior to company's financial reporting closure process.
	Kotak Mahindra Bank					
	Saraswat Bank					
	Axis Bank	Trade Receivables	893.75	904.30	(10.55)	
	Yes Bank					

Note 16 Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	56.11	62.37
Current	49.62	47.20
Total Lease liabilities	**105.73**	**109.57**

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

Note 17 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits (Refer note 33)		
o Gratuity	-	19.07
Total non-current provisions	**-**	**19.07**
Current		
Provision for employee benefits (Refer note 33)		
o Gratuity	0.28	6.00
o Compensated absences	21.43	20.70
Total current provisions	**21.71**	**26.70**
Total provisions	**21.71**	**45.77**

(Amount in INR million, unless otherwise stated)

Note 18 Current Income tax liabilities (net)

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

Particulars	As at 31 March 2023	As at 31 March 2022
a) Income tax liabilities	602.79	313.05
b) Income tax assets	(576.60)	(298.52)
Net Income tax liabilities	**26.19**	**14.53**

ii. The gross movement in the current income tax liabilities is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Net income tax liabilities at the beginning	14.53	12.70
Income tax paid [net]	(278.08)	(165.95)
Current tax expense	288.84	165.12
Interest on tax payable	0.90	2.66
Net income tax liability at the end	**26.19**	**14.53**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expenses	288.84	165.12
Deferred tax expense	10.61	8.86
Income tax expenses [net]	**299.45**	**173.98**
Deferred tax credit in other comprehensive Income	2.41	-
Income tax expenses/ (credit) [net]	**301.86**	**173.98**

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:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income tax	1,182.60	662.55
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense	297.66	166.76
Effect of expenses that are not deductible for determining taxable profits	1.79	1.90
Effect of deferred tax asset written-off / written back	-	5.32
Income tax expense charged to the Statement of Profit and Loss	**299.45**	**173.98**

(Amount in INR million, unless otherwise stated)

Note 18 Current Income tax liabilities (net) (Contd..)

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Deferred tax liabilities		
o Timing difference on tangible and intangible assets depreciation and amortisation	287.38	274.38
	287.38	**274.38**
(b) Deferred tax assets		
o Expenses allowable on payment basis	43.33	40.39
o Impairment allowable on financials assets	25.77	28.75
o Others	36.65	36.63
	105.75	**105.77**
Total deferred tax liabilities (net)	**181.63**	**168.61**

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)	Impairment allowable on financials assets (C)	Others (D)	Net deferred tax liabilities (E)=(A)-(B)-(C)-(D)
As at 1 April 2021	275.76	47.87	27.13	41.01	159.75
Charged / (credited)					
o to profit or loss	(1.38)	(7.48)	1.62	(4.38)	8.86
At 31 March 2022	**274.38**	**40.39**	**28.75**	**36.63**	**168.61**
Charged / (credited)					
o to profit or loss	13.00	5.35	(2.98)	0.02	10.61
o to other comprehensive income	-	(2.41)	-	-	2.41
At 31 March 2023	**287.38**	**43.33**	**25.77**	**36.65**	**181.63**

Note 19 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 19.2)	30.67	3.95
Total outstanding dues of creditors other than micro, small and medium enterprises	752.62	631.25
Total trade payables	**783.29**	**635.20**

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

(Amount in INR million, unless otherwise stated)

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
o Principal amount due to micro and small enterprises	30.67	3.95
o Interest due	0.14	0.00*
(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.	1.51	0.31
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.65	0.31
(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	3.94	2.29

* Represents less than INR 10,000

Note 19.3: Trade Payable ageing schedule

As at 31 March 2023

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	-	-	30.67	-	-	-	30.67
(ii) Others	-	141.05	602.30	5.71	1.07	2.31	752.44
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	0.18	0.18
	-	**141.05**	**632.97**	**5.71**	**1.07**	**2.49**	**783.29**

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**

(Amount in INR million, unless otherwise stated)

Note 20 Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued and due	3.94	2.29
Interest accrued but not due	16.22	12.78
Others		
o Liability for capital goods	91.73	19.58
o Security deposits	28.18	31.63
o Due to employees	70.43	57.30
o Deferred guarantee commission	3.04	-
Total other current financial liabilities	**213.54**	**123.58**
Other financial liabilities carried at amortised cost	213.54	123.58
Other financial liabilities carried at FVTPL	-	-

Note 21 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	9.20	11.88
Statutory dues payable	182.42	162.56
Total other liabilities	**191.62**	**174.44**

Note 22 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Sale of products (including excise duty)	4,422.27	3,492.94
(b) Sale of services	434.84	335.29
(c) Other operating revenues	438.90	365.95
Total revenue from operations (a+b+c)	**5,296.01**	**4,194.18**

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

(A) Based on nature of product or service:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Sale of products		
o Manufactured goods	4,076.36	3,360.34
o Traded goods	345.91	132.60
	4,422.27	**3,492.94**
(b) Sale of services	434.84	335.29
(c) Other operating revenues		
o Government grant	423.73	343.53
o Provision no longer required written back	10.96	18.34
o Others	4.21	4.08
	438.90	**365.95**
Total revenue from operations (a+b+c)	**5,296.01**	**4,194.18**

(Amount in INR million, unless otherwise stated)

Note 22.1: Information of disaggregated revenue as per Ind AS 115 (Contd..)

(B) Based on timing of revenue recognition:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Products transferred at a point of time	4,422.27	3,492.94
Services transferred at a point of time	434.84	335.29

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. Further, the company's entire business falls under single operating segment of "Manufacture, purchase and sale of alcoholic beverages (wine and spirits) (Refer note 45).

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	5,521.78	4,395.54
Add: Excise duty	368.04	294.52
Less: Items offset against revenue from contracts with customers as required under Ind AS 115	(1,032.71)	(861.83)
	4,857.11	**3,828.23**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from top customer	755.66	609.66
Revenue from top five customers	1,858.24	1,623.96

For the year ended 31 March 2023, one(1) [31 March 2022: one (1)] customer individually accounted for more than 10% of the total revenue amounting to INR 755.66 million (31 March 2022: INR 609.66 million)

Note 23 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest income		
o on financial assets measured at amortised cost	14.09	14.25
o loan to related parties	22.73	20.70
o on bank deposits	8.46	1.53
o on others	3.58	2.64
	48.86	**39.12**

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

As at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 23 Other income (Contd..)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(b) Other non-operating income:		
o Insurance claim	2.47	2.47
o Exchange gain (net)	2.77	-
o Rent income	1.06	3.36
o Miscellaneous income	3.16	0.85
	9.46	**6.68**
Total other income	**58.32**	**45.80**

Note 24 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Stock at the beginning of the year		
o Raw materials	-	-
o Packing materials	72.21	57.94
	72.21	**57.94**
(b) Add: Purchases		
o Raw materials	730.00	671.12
o Packing materials	507.56	402.94
	1,237.56	**1,074.06**
(c) Less: Stock at the end of the year		
o Raw materials	-	-
o Packing materials	98.32	72.21
	98.32	**72.21**
(d) Total cost of materials consumed (a+b-c)		
o Raw materials	730.00	671.12
o Packing materials	481.45	388.67
Total cost of materials consumed	**1,211.45**	**1,059.79**

Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Opening stock		
o Finished goods	211.33	150.87
o Work-in-progress	1,145.17	1,045.99
o Stock-in-trade	38.88	71.79
	1,395.38	**1,268.65**
(b) Closing stock		
o Finished goods	241.27	211.33
o Work-in-progress	1,276.82	1,145.17
o Stock-in-trade	12.22	38.88
	1,530.31	**1,395.38**
(c) Increase in excise duty on finished goods	**32.34**	**14.56**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	**(102.59)**	**(112.17)**

(Amount in INR million, unless otherwise stated)

Note 26 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	683.78	566.82
Contribution to provident and other fund (Refer note 33)	18.12	17.42
Defined Benefit Plans (Refer note 33)	14.95	18.98
Share based payment expenses	10.36	18.61
Staff welfare expenses	27.94	16.50
Total employee benefits expense	**755.15**	**638.33**

Note 27 Selling, distribution and marketing expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sales promotion expenses	386.85	305.39
Commission expenses	67.72	70.95
Marketing expenses	57.13	47.84
Total Selling, distribution and marketing expenses	**511.70**	**424.18**

Note 28 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores, spares and consumables	135.01	96.95
Power and fuel	88.91	74.18
Repairs and maintenance:		
Building	8.48	11.18
Plant and Machinery	27.61	27.74
Others	43.07	38.55
Rates and taxes	54.70	103.42
Insurance	8.94	9.24
Security charges	24.95	16.51
Travelling and conveyance	49.16	34.06
Rent (Refer note 38)	6.12	5.36
Payment to auditor (Refer note below)	6.50	3.98
Legal and professional fees	86.46	35.33
Director sitting fees (Refer note 35)	7.60	4.07
Restaurant expenses	71.56	54.46
Resort maintenance expenses	59.33	46.51
Freight and handling charges	89.81	81.33
Loss allowance on financial assets	3.05	46.62
Exchange loss (net)	-	0.93
Loss on disposal / write off of property, plant and equipment (net)	6.03	17.52
Corporate social responsibility expenses (Refer note 41)	7.17	8.82
Printing, stationary, postage and telephone expenses	15.37	14.83
Office expense	19.78	17.86
Miscellaneous expenses	41.62	35.96
Total other expenses	**861.23**	**785.41**

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

As at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 28.1: Payment to auditor*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
o for statutory audit	5.78	3.78
o for other services (certification)	0.58	0.16
o for reimbursement of expenses	0.14	0.04
	6.50	**3.98**

*Excluding INR 18.42 million (31 March 2022: INR 1.71 million) towards attest services in connection with Initial Public Offering

Note 29 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on:		
o loan from banks	154.40	182.68
o lease liabilities (Refer note 38)	10.91	11.45
o cash credit facilities	-	3.01
o income tax	0.90	2.66
o others	9.72	2.90
	175.93	**202.70**
Other borrowing costs	18.50	10.55
Total finance costs	**194.43**	**213.25**

Note 30 Depreciation and amortisation expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on tangible assets (Refer note 3)	191.30	176.69
Depreciation on right-of-use assets (Refer note 3A)	43.51	44.20
Amortisation of intangible assets (Refer note 4)	3.62	3.25
Total depreciation and amortisation expense	**238.43**	**224.14**

Note 31 Earnings per share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Basic and diluted EPS		
A. Profit computation for basic earnings per share of INR 2 each		
Net Profit as per the Statement of Profit and Loss available for equity shareholders (INR million)	883.15	488.57
B. Weighted average number of equity shares for calculating basic earning per share	82,461,907	76,771,141
Add: Effect of dilution on account of employee stock options issued	81,387	-*
Weighted average number of Equity shares adjusted for the effect of dilution	**82,543,294**	**76,771,141**
Nominal Value	2	2
C. Earnings per share		
o Basic EPS (in INR)	10.71	6.36
o Diluted EPS (in INR)	10.70	6.36

*As at 31 March 2022 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

(Amount in INR million, unless otherwise stated)

Note 32 Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
i) Guarantees issued by banks on behalf of the Company	174.43	148.26
ii) Disputed liability relating to stamp duty	15.41	15.41
iii) Others	2.43	1.01

iv) 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

Particulars	As at 31 March 2023	As at 31 March 2022
Capital commitment (net of advances)	42.79	14.13

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.

Particulars	31 March 2023	31 March 2022
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	136.86	119.78
Current service cost	13.43	12.58
Interest cost	8.70	6.87
Remeasurements - Net actuarial (gain) /loss	(11.24)	1.61
Benefits paid	(5.68)	(3.98)
Present value of the obligation as at the end of the year	**142.07**	**136.86**
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the year	111.79	14.17
Interest income	7.18	0.47

(Amount in INR million, unless otherwise stated)

Note 33 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Contd..)

Particulars	31 March 2023	31 March 2022
Contribution by employer	30.16	100.16
Benefits paid	(5.68)	(3.98)
Remeasurements - Net actuarial (loss) /gain	(1.66)	0.97
Fair value of the plan assets at the end of the year	**141.79**	**111.79**
Note : Expected contribution payable to the plan next year is INR 1.00 million.		
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost (net)	1.52	6.40
Current service cost	13.43	12.58
	14.95	**18.98**
d) Remeasurement gain /(loss) recognised in OCI		
Remeasurement - Net actuarial (gain)/ loss on defined benefit obligations	(11.24)	1.61
Remeasurement - Net actuarial (gain)/ loss on planned assets	1.66	(0.97)
	(9.58)	**0.64**
Tax effect on above	2.41	-
Total	**(7.17)**	**0.64**
e) Actuarial assumptions		
(i) Economic assumptions:		
Discount rate	7.45%	6.90%
Salary escalation rate	Staff: 11%, Director: 15.00% until year 1 inclusive, then 11.00%	Staff: 12%, Director: 0.00%
(ii) Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)
Attrition rate :		
o For ages 21-30 years	24.00% p.a.	24.00% p.a.
o For ages 31-40 years	12.00% p.a.	12.00% p.a.
o For ages 41-50 years	14.00% p.a.	14.00% p.a.
o 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:		
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 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 year, for returns over the entire life of the related obligation.

(Amount in INR million, unless otherwise stated)

Note 33 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Contd..)

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.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i. Impact of change in discount rate on defined benefit obligations:		
Present value of obliation at the end of the year		
a) Impact due to increase of 0.50%	(3.76)	(3.95)
b) Impact due to decrease of 0.50%	3.27	3.31
ii. Impact of change in salary on defined benefit obligations:		
Present value of obliation at the end of the year		
a) Impact due to increase of 0.50%	3.94	4.16
b) Impact due to decrease of 0.50%	(3.18)	(3.23)

Sensitivities due to mortality and withdrawals are not material and hence the impact of change due to these are not calculated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

a) **Salary increases -** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability

b) **Investment risk -** If plan is funded then assets/liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

c) **Discount rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability

d) **Mortality and disability -** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

e) **Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability

(Amount in INR million, unless otherwise stated)

Note 33 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Contd..)

h) Maturity analysis of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Within the next 12 months	22.87	21.52
Between 2 and 5 years	79.87	73.01
Beyond 5 years	131.07	130.53
Total expected payments	**233.81**	**225.06**

Note : The weighted average duration to the payment of these cash flows is 5.42 years (31 March 2022 : 5.94 years)

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.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	17.72	16.67
(ii) Contribution to ESIC	0.40	0.75
	18.12	**17.42**

III Liabilities for leave obligation

The leave obligations cover the Company's liability for sick and privilege leaves. The amount of provision with respect to leave obligation is INR 21.43 million (31 March 2022: INR 20.70 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 INR 8.05 million (31 March 2022: INR 15.09 million)

IV Current/ non-current classification as at the end of the year:

Particulars	As at 31 March 2023	As at 31 March 2022
a) Gratuity		
Current	0.28	6.00
Non-current	-	19.07
	0.28	**25.07**
b) Compensated absences		
Current	21.43	20.70
	21.43	**20.70**

(Amount in INR million, unless otherwise stated)

Note 34 Fair Value

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 2023 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	Total Fair Value
Assets:						
Investment in subsidiaries	5	274.58	-	-	274.58	274.58
Other Investment	5A	-	-	0.03	0.03	0.03
Loans	6	330.38	-	-	330.38	330.38
Other financial assets	7	1,208.82	-	-	1,208.82	1,208.82
Trade receivables	10	1,047.44	-	-	1,047.44	1,047.44
Cash and cash equivalents	11	153.22	-	-	153.22	153.22
Bank balances other than cash and cash equivalents	12	136.43	-	-	136.43	136.43
Liabilities:						
Borrowings	15	1,815.51	-	-	1,815.51	1,815.51
Lease liabilities	16	105.73	-	-	105.73	105.73
Trade payables	19	783.29	-	-	783.29	783.29
Other financial liabilities	20	213.54	-	-	213.54	213.54

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	Total Fair Value
Assets:						
Investment in subsidiaries	5	269.86	-	-	269.86	269.86
Other Investment	5A	-	-	0.03	0.03	0.03
Loans	6	310.17	-	-	310.17	310.17
Other financial assets	7	928.89	-	-	928.89	928.89
Trade receivables	10	905.92	-	-	905.92	905.92
Cash and cash equivalents	11	94.44	-	-	94.44	94.44
Bank balances other than cash and cash equivalents	12	53.14	-	-	53.14	53.14

(Amount in INR million, unless otherwise stated)

Note 34 Fair Value (Contd)

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	Total Fair Value
Liabilities:						
Borrowings	15	2,146.99	-	-	2,146.99	2,146.99
Lease liabilities	16	109.57	-	-	109.57	109.57
Trade payables	19	635.20	-	-	635.20	635.20
Other financial liabilities	20	123.58	-	-	123.58	123.58

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	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares	-	-	0.03	-	-	0.03

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

(a) Holding Company (having control over the entity)

Verlinvest Group SA (Until 19 december 2022)

(b) Subsidiary company (wholly owned)

Artisan Spirits Private Limited

Sula International Limited #

(c) Fellow subsidiaries

Verlinvest Asia Pte Ltd. (Until 19 December 2022)

Verlinvest S.A (Until 19 December 2022)

Cofintra S.A. (Until 19 December 2022)

Verlinvest France S.A (Until 19 December 2022)

(Amount in INR million, unless otherwise stated)

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

(d) Key management personnel (KMP)

Rajeev Samant	Chief Executive Officer and Managing Director
Chetan Desai	Chairman and Independent Director
Arjun Anand	Independent Director
Deepak Shahdapuri	Director (resigned w.e.f. 1 July 2021)
Roberto Italia	Director (appointed w.e.f. 15 July 2021)
Hank Uberoi	Director (resigned w.e.f. 1 July 2021)
Kerry Damskey	Director (resigned w.e.f. 29 September 2021)
Alok Vajpeyi	Independent Director
Sangeeta Pendurkar	Independent Director (appointed w.e.f. 15 December 2021)
Shagun Tiwari	Director (resigned w.e.f. 5 October 2021)
Chaitanya Rathi*	Chief Operating Officer
Bittu Varghese*	Chief Financial Officer
Ruchi Sathe*	Company Secretary

(e) Relatives of Key Management Personnel:

Sulabha Samant ^^	Mother of Rajeev Samant
Suresh Samant ^^	Father of Rajeev Samant
Bharat Samant^^	Brother of Rajeev Samant

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

Rasa Holdings	Rajeev Samant, Trustee

* 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.

Struck off w.e.f 19 April 2022

^^ During the previous year, Rajeev Samant (CEO and Managing Director) has entered into a Family Settlement cum Separation Agreement with the aforementioned relatives along with certain other members of the family. However, these parties continue to be considered as 'Relatives' in accordance with section 2(77) of the Companies Act, 2013.

B. Nature of Transactions

Transactions with related parties:	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Sale of products		
Artisan Spirits Private Limited	72.97	39.61
Rajeev Samant	0.13	0.43
Suresh Samant	-	0.34
	73.10	**40.38**
Interest income		
Artisan Spirits Private Limited	22.73	20.51
Sula International Limited	-	0.19
	22.73	**20.70**
Interest expense		
Rajeev Samant	-	0.05
Rent income		
Artisan Spirits Private Limited.	0.59	0.39
Corporate guarantee commission		
Artisan Spirits Private Limited	1.68	-

(Amount in INR million, unless otherwise stated)

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

Transactions with related parties:	Year ended 31 March 2023	Year ended 31 March 2022
Deemed investment		
Artisan Spirits Private Limited	4.72	-
Purchase of Raw materials		
Artisan Spirits Private Limited	21.33	4.62
Rajeev Samant	6.02	5.01
Suresh Samant	-	4.98
Sulabha Samant	-	0.03
Bharat Samant	-	1.40
	27.35	**16.04**
Purchase of finished goods		
Artisan Spirits Private Limited	126.13	44.04
Purchase of property, plant and equipment		
Rajeev Samant	-	166.93
Suresh Samant	-	23.65
Artisan Spirits Private Limited	-	0.01
	-	**190.59**
Sale of property, plant and equipment		
Artisan Spirits Private Limited	-	6.74
Conversion of warrants into equity shares		
Rajeev Samant	470.38	216.45
Alok Vajpeyi	38.39	-
	508.77	**216.45**
Director's sitting fees paid/payable		
Arjun Anand	2.00	0.89
Chetan Desai	1.70	1.30
Alok Vajpeyi	1.90	1.20
Roberto Italia	0.70	-
Kerry Damskey	-	0.07
Shagun Tiwari	-	0.30
Sangeeta Pendurkar	1.30	0.30
	7.60	**4.06**
Reimbursement of expenses		
Artisan Spirits Private Limited	90.92	173.76
Repayment of Lease Liability		
Rajeev Samant	3.09	2.00
Suresh Samant	-	1.49
	3.09	**3.49**
Commission expense		
Chetan Desai	1.20	1.20
Loan taken		
Rajeev Samant	-	20.00

(Amount in INR million, unless otherwise stated)

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

Transactions with related parties:	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Loan taken repaid		
Rajeev Samant	-	20.00
Loan given		
Artisan Spirits Private Limited	144.74	504.28
Sula International Limited	-	0.25
	144.74	**504.53**
Repayment of loan		
Artisan Spirits Private Limited	125.46	458.97
Receipt of interest on loan		
Artisan Spirits Private Limited	20.46	40.54
Compensation to key managerial person		
Rajeev Samant	39.87	28.27
Chaitanya Rathi	23.18	2.21
Bittu Varghese	11.56	0.98
Ruchi Sathe	2.74	0.20
	77.35	**31.66**
Corporate guarantee given on behalf of subsidiary	77.35	31.66
Artisan Spirits Private Limited	**-**	**159.57**

Note : The transactions with related parties are made on terms equivalent to those prevailing in arm's length transaction.

C) **Outstanding balances:**

Trade and other payables	**As at 31 March 2023**	**As at 31 March 2022**
Trade and other payables		
Rajeev Samant	0.35	1.46
Suresh Samant	-	2.13
Sulabha Samant	-	0.01
Bharat Samant	-	0.49
Roberto Italia	0.76	-
Chetan Desai	1.08	1.08
Artisan Spirits Private Limited	1.52	-
	3.71	**5.17**
Other receivables		
IPO expense recoverable from selling shareholder [Refer note 35(C)(i)]	28.10	19.72
Loan given outstanding		
Artisan Spirits Private Limited	298.98	279.70
Sula International Limited^^	-	2.59
	298.98	**282.29**

^^ During the year ended 31 March 2022, loan given to Sula International has been fully provided (Refer note 6).

(Amount in INR million, unless otherwise stated)

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

Trade and other payables	As at 31 March 2023	As at 31 March 2022
Money Received against share warrants		
Rajeev Samant	-	2.19
Interest accrued		
Artisan Spirits Private Limited	0.00 *	-
* Represents less than INR 10,000		
Compensation to key managerial person [Refer note 35(C)(ii)]		
Rajeev Samant	7.81	1.76
Chaitanya Rathi	3.25	2.76
Bittu Varghese	1.90	1.81
Ruchi Sathe	0.36	0.34
	13.32	**6.67**
Corporate guarantee given on behalf of subsidiary		
Artisan Spirits Private Limited	119.31	174.63

Note 35(C)(i) : The Company has completed its Initial Public Offer (IPO) of 26,900,530 equity shares of face value of INR 2 each at an issue price of INR 357 per share (including a share premium of INR 355 per share) that were listed on National Stock Exchange of India Limited (NSE) and Bombay Stock exchange Limited (BSE) on 22 December 2022. Entire IPO comprised of offer to sale of 26,900,530 equity shares by selling shareholders.

During the year the Company has incurred expenses aggregating to INR 520.04 million (31 March 2022: INR 14.85 million) towards various services availed in connection with aforesaid IPO under the terms of agreement executed between the Company and respective service providers. Such expenses have been recovered from the selling shareholders during the year and the balance recoverable amount of INR 28.10 million (31 March 2022: INR 19.72 million) from selling shareholders has been presented under other current financial assets in these financial statements.

Note 35(C)(ii) : Compensation to key managerial person does not include provisional gratuity liability valued by an actuary, as separate figures are not available

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.

Note 36 Financial risk management objectives and policies (Contd)

Interest rate sensitivity

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on profit before tax	(9.08)	9.08	(10.73)	10.73

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

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 2023:

(INR equivalent in million)

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	2.35	13.06	2.13	-	-
Advance to suppliers	-	1.11	-	0.05	-
Capital advance	-	2.58	-	-	-
	2.35	**16.75**	**2.13**	**0.05**	**-**
Liabilities					
Trade payables	0.37	3.90	-	0.25	0.03
Liability for capital goods	-	4.83	-	-	-
	0.37	**8.73**	**-**	**0.25**	**0.03**
Net assets / (liabilities)	**1.98**	**8.02**	**2.13**	**(0.20)**	**(0.03)**

The following table analysis foreign currency risk from financial instruments as at 31 March 2022:

(INR equivalent in million)

Particulars	USD	UR	GBP	AUD	Others *
Assets					
Trade receivables	8.02	5.38	0.83	-	
Advance to suppliers	-	-	2.45	-	-
Capital advance	0.18	-	-	-	-
	8.20	**5.38**	**3.27**	**-**	**-**
Liabilities					
Trade payables	9.73	19.82	-	-	0.48
Liability for capital goods		0.16	-	-	-
	9.73	**19.98**	**-**	**-**	**0.48**
Net assets / (liabilities)	**(1.53)**	**(14.60)**	**3.27**	**-**	**(0.48)**

* Includes Emirates Dirham

Note 36 Financial risk management objectives and policies (Contd)

Note :

The Company's exposure of foreign currency financial instruments as at respective reporting dates is not material and consequentially the impact on Statement of Profit and Loss due to fluctuation in exchange rates would also be immaterial. Therefore, the disclosure for sensitivity analysis not been included in the standalone financial statements

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.

At the reporting date, the exposure to:

- o unlisted equity securities at fair value through other comprehensive income is INR 0.03 million (31 March 2022: INR 0.03 million).
- o unlisted equity in subsidiaries at cost of INR 274.58 million (31 March 2022: INR 269.86 million)

ii Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

a Trade receivables (net of loss allowance)

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	INR million	%	INR million	%
Trade receivables				
o from government corporation	519.86	49.63%	556.64	61.44%
o from private parties	527.58	50.37%	349.28	38.56%
Total trade receivables (Refer note 10)	**1,047.44**	**100.00%**	**905.92**	**100.00%**

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

(Figures in INR million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	70.99	27.05
Impairment allowance	3.05	43.94
Written off during the year	(10.44)	-
Balance at the end of the year	**63.60**	**70.99**

Note 36 Financial risk management objectives and policies (Contd)

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.

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 2023					
Borrowings	640.00	705.48	470.03	-	1,815.51
Trade payables	-	783.29	-	-	783.29
Lease liabilities	-	56.81	61.52	-	118.34
Other financial liabilities	-	213.54	-	-	213.54
	640.00	**1,759.12**	**531.55**	**-**	**2,930.68**
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**

Note 37 Capital management

The primary objective of the Company's capital management is to maximise the shareholder's wealth.The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a debt equity ratio, which is total debt divided by total capital.

(Figures in INR million)

	As at 31 March 2023	As at 31 March 2022
Total debt	1,815.51	2,146.99
Total equity	5,559.07	4,149.27
Total debts to equity ratio (Gearing ratio)	**0.33**	**0.52**

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

As at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 38 Leases - Ind AS 116 (Contd)

In the long run, the Company's strategy is to continue to maintain the gearing ratio of less than 0.75. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. 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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current or previous financial year.

Note 38 Leases - Ind AS 116

Right-of-use Assets:

The net carrying value of right-o f-use assets as at 31 March 2023 amounts to INR 89.81 million (31 March 2022 : INR 92.81 million) have been disclosed on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

As at 31 March 2023, the obligations under finance leases amounts to INR 105.73 million (31 March 2022 : INR 109.57 million) which have been classified to lease liabilities, under financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current Lease liabilities	49.62	47.20
Non-Current Lease liabilities	56.11	62.37
Total Lease liabilities	**105.73**	**109.57**

(i) The following is the movement in lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	109.57	139.01
Additions during the year	42.46	18.34
Finance cost accrued during the year	10.91	11.45
Payment of lease liabilities	(55.14)	(53.39)
Termination during the year	(2.07)	(5.84)
Closing Balance	**105.73**	**109.57**

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

Lease Liabilities	Carrying amount	Contractual cash flows			
		Total	0-1 year	1-5 years	5 years and above
31 March 2023	105.73	118.34	56.81	61.52	-
31 March 2022	109.57	121.84	54.79	67.05	-

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expenses on right-of-use assets (Refer notes 3A and 30)	43.51	44.20
Finance cost on lease liabilities (Refer note 29)	10.91	11.45
Rent expense pertaining to leases with less than 12 months of lease included under other expenses (Refer note 28)	6.12	5.36

Note 40 Unhedged foreign currency exposure

Note 39 Dividend on equity shares

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Dividend on equity shares declared and paid during the year		
Dividend of INR 2.4 per equity share of face value INR 2 each	195.84	-
Interim dividend of INR 3.1 per equity share of INR 2 Face value (Year ended 31 March 2022: NIL)	258.29	194.49
Proposed dividend on equity shares not recognised as liability*	**454.13**	**194.49**
Final dividend of INR 5.25 per share of face value INR 2 each (31 March 2022: INR 2.4 per share)	442.49	195.84

* The Board of directors at its meeting held on 3 May 2023 have recommended a payment of final dividend of INR 5.25 per equity share of INR 2 each for the financial year ended 31 March 2023. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as liability.

Particulars	Currencies	As at 31 March 2023		As at 31 March 2022	
		Foreign currency	INR million	Foreign currency	INR million
Trade receivables	USD	28,567	2.35	1,05,615	8.02
	EUR	1,46,269	13.06	63,895	5.38
	GBP	20,944	2.13	8,268	0.83
Trade payables	USD	4,560	0.37	1,28,152	9.73
	EUR	43,634	3.90	2,35,356	19.82
	AUD	4,469	0.25	-	-
	Others *	1,262	0.03	43,177	0.48
Liability for capital goods	EUR	54,123	4.83	1,914	0.16
Advance to suppliers	USD	-	-	2,405	0.18
	EUR	12,456	1.11	-	-
	AUD	886	0.05	-	-
Capital advances	EUR	28,857	2.58	5,152	0.43
Loan to subsidiary	GBP	-	-	24,500	2.45
Investment in subsidiary	GBP	-	-	1,000	0.10

* Includes Emirates Dirham

Note 41 Corporate Social Responsibility expenditure

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

(Figures in INR million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Gross amount required to be spent by the Company during the year	5.24	2.82
B. Amount spent during the year on CSR activities		
(a) For construction / acquisition of any assets	-	-
(b) For purposes other than (a) above	7.17	8.82
	7.17	**8.82**
Infrastructure and Social Support in Nashik	2.98	1.85
Plantation Afforestation and Maintenance of Existing Plantation Project	1.71	0.97
Contribution to Prime Ministers National Relief Fund	1.14	3.00
Chief Ministers' Disaster Management Fund	-	3.00
Swach Bharat Kosh	1.14	-
CSR administritive overheads	0.20	-
Total	**7.17**	**8.82**

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

The Company has granted stock options under the employee stock option schemes. As at 31 March 2023, employee stock option scheme 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. Each option when exercised would be converted into one fully paid-up equity share of INR 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 Exercise Price
Options outstanding as at 1st April 2021	**166,291**	**810.49**
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 13(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**
Options outstanding as at 1 April 2022	**2,811,510**	**170.00**
Options granted during the year	54,870	170.00
Options forfeited/lapsed/expired during the year	(53,700)	170.00
Options exercised during the year *	(2,656,923)	170.00
Options outstanding as at 31 March 2023 ^	**155,757**	**170.00**

* The weighted average share price at the date of exercise of option was INR 166.39 (31 March 2022 INR 122.80) per share.

^ The options outstanding as at 31 March 2023 are with the weighted average exercise price of INR 170.00 per share (31 March 2022 INR 170.00 per share). The weighted average of the remaining contractual life is 1.03 years. (31 March 2022: 1.5 years)

(Amount in INR million, unless otherwise stated)

Note 42 Disclosures required pursuant to Ind AS 102 - Share Based Payment (Contd)

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

Name of the Shareholder	ESOS 2018 (2)	ESOS 2019		ESOS 2019 (2)		ESOS 2019 (3)	
	3 years Vesting year	CFO - 24 months vesting year	COO - 15 months vesting year	CFO - 12 months vesting year	COO - 12 months vesting year	CFO - 12 months vesting year	COO - 12 months vesting year
Date of Grant	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020	15 July 2021	15 July 2021
Market Price (INR)	76.25	76.25	76.25	76.25	76.25	122.8	122.8
Expected life (in years)	3	3	3	3	3	1.09	1.09
Volatility*	46.00%	46.00%	46.00%	46.00%	46.00%	42.76%	42.76%
Risk Free rate (%)	5.41%	5.41%	5.41%	5.41%	5.41%	3.78%	3.78%
Exercise Price	170	170	170	170	170	170	170
Dividend Yield (%)	1.31%	1.31%	1.31%	1.31%	1.31%	2.44%	2.44%
Option Fair Value (INR)	7.25	11.87	7.32	7.69	7.69	8.85	8.85

Name of the Shareholder	ESOS 2020	ESOS 2020 (2)	ESOS 2020 (3)	ESOS 2021	ESOS 2021 (2)	ESOS 2019 (3)
	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year
Date of Grant	29 Sep 2020	15 July 2021	19 May 2022	30 July 2021	19 May 2022	25 March 2023
Market Price (INR)	76.25	122.8	155.10	122.8	155.10	359.25
Expected life (in years)	3	1.17	1.25	1.61	1.25	1.26
Volatility*	46.00%	43.03%	46.91%	43.07%	46.91%	44.48%
Risk Free rate (%)	5.41%	3.78%	5.43%	4.15%	5.43%	7.03%
Exercise Price	170	170	170	170	170	170
Dividend Yield (%)	1.31%	2.44%	3.16%	2.44%	3.16%	1.36%
Option Fair Value (INR)	7.06	9.68	27.20	13.54	27.20	199.96

Notes:

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

ii) Above mentioned schemes existed as at 31 March 2022, except for ESOS 2020 (3), ESOS 2021 (2) and ESOS 2021 (3) and consequently disclosure for previous year have not been given separately.

(Amount in INR million, unless otherwise stated)

Note 43

As at 31 March 2023, the Company has non-current investments and non-current loans amounting to INR 274.58 million and INR 298.98 million, respectively, in its wholly owned subsidiary Artisan Spirits Private Limited ('ASPL'). As at 31 March 2023, 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 44

There is a disputed excise duty demand of INR 1,158.95 million (31 March 2022: INR 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 demand notice is not tenable in law.

Note 45 Segment reporting

a) The Company is engaged in the business of manufacture, purchase and sale of alcoholic beverages (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 Company as a whole and hence the management considers Company's business activities as a single operating segment.

b) The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	India	Outside India	India	Outside India
Revenue from operations	5,202.18	93.83	4,115.50	78.68
Non-current assets	4,650.80	-	3,954.85	-

Note 46 Government grants

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

Particulars	31 March 2023	31 March 2022
Government grants at the beginning of the year	866.96	653.94
Add: Government grant accrued during the year	423.73	343.53
Less: Government grant received during the year	(193.17)	(140.84)
Add: Interest on financial assets carried at amortised cost	13.85	10.33
Government grants at the end of the year	**1,111.37**	866.96
Current	798.06	704.38
Non-current	313.32	162.58

(Amount in INR million, unless otherwise stated)

Government grants relate to Wine Incentive Promotion Subsidy (WIPS) scheme launched by the state of Maharashtra. Under the WIPS scheme, Value Added Tax (VAT) paid by Company on wine manufactured from grapes produced in Maharashtra including blending of wine manufactured from grapes purchased within the state of 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 47 Disclosure of ratios

	Particulars	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31 March 2023	As at and for the year ended 31 March 2022
a	Current Ratio	Current assets / Current liabilities	Times	1.51	1.20
b	Debt Equity Ratio	Debt / Equity	Times	0.33	0.52
c	Debt Service coverage Ratio	EBIDTA / (Finance costs + Principal repayment of long term borrowings within one year)	Times	2.51	2.04
d	Return on Equity	Profit after tax / Average shareholder's equity	Percentage	18.19%	13.16%
e	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	0.78	0.70
f	Trade Receivable Turnover Ratio	Revenue from sale of product and services / Average trade receivables	Times	4.97	3.82
g	Trade Payable Turnover Ratio	Purchases / Average Trade Payables	Times	0.48	1.95
h	Net Capital Turnover Ratio	Revenue from operations / Working capital	Times	3.95	7.58
i	Net Profit Ratio	Profit after tax / Revenue from operations	Percentage	16.68%	11.65%
j	Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	22.84%	19.34%
k	Return on Investment (ROI)	NA	Percentage	NA	NA

Notes:

1. Debt = Non-current borrowings + Current borrowings
2. Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
3. EBIDTA = Earnings before finance costs, depreciation expense and tax
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
8. Capital employed = Total equity + Non-current borrowings
9. Average shareholder's fund= (Opening total equity + closing total equity)/2

(Amount in INR million, unless otherwise stated)

Disclosure of change in ratio by more than 25%

	Particulars	% Variance in ratio between 31 March 2023 and 31 March 2022	Reason for Variance in excess of 25%
a	Current Ratio	26%	Owing to increase in current assets and reduction in current liabilities
b	Debt Equity Ratio	-37%	Owing to decrease in total debt and increase in equity
c	Debt Service coverage Ratio	23%	Refer note below
d	Return on Equity	38%	Owing to increase in Profit after Tax
e	Inventory Turnover Ratio	11%	Refer note below
f	Trade Receivable Turnover Ratio	30%	Owing to increase in revenue from sale of product/services
g	Trade Payable Turnover Ratio	-75%	Owing to increase in Trade Payables
h	Net Capital Turnover Ratio	-48%	Owing to increase in the working capital
i	Net Profit Ratio	43%	Owing to increase in revenue followed by increase in profit with fixed cost being constant
j	Return on Capital Employed (ROCE)	18%	Refer note below
k	Return on Investment (ROI)	NA	NA

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

Note 48 Events after the reporting year

Subsequent to the reporting date, 19,271 shares were alloted against the share application money received pending allotment of INR 3.28 millions. Accordingly, there are no share application money received pending allotment as on the date of adoption of the standalone financial statement of the Company.

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 year.

(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.

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
ICAI Firm Registration No.: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No.109632

Place :Mumbai
Date : 3 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 3 May 2023

CONSOLIDATED FINANCIAL STATEMENTS

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 ('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 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a 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 2023, 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.

Key Audit Matters

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

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
Refer note 2(xx) to the accompanying consolidated financial statements for the accounting policy on revenue recognition and note 22 for the details of revenue recognised during the year. The Group derives its revenue from sale of products (alcoholic beverages i.e. wine and spirits) to a wide network of distributors and state government corporations. Further, revenue from sale of services represents revenue from hospitality services.	Our audit procedures relating to revenue recognition included, but were not limited to, the following procedures: o Understood the process of revenue recognition and evaluated the appropriateness of the accounting policy adopted by the management on revenue recognition including determination of transaction price and satisfaction of performance obligations, in accordance with Ind AS 115;

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for sale of products and services in accordance with the principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), for the Group involves certain key judgements, such as, identification of performance obligations in a contract, determination of transaction price including variable consideration in the form of rebates, discounts and pay-outs to distributors under various promotional schemes offered by the Group, and assessment of satisfaction of the performance obligations represented by the transfer of control of the products sold and services rendered to the customers, including state government corporations. Owing to the significance of amount, multiplicity of Group's products and revenue streams, volume of transactions, size of distribution network, nature of customers with varied terms of contracts, audit of revenue recognized during the year requires significant auditor attention and industry knowledge, and accordingly, revenue recognition is considered as a key audit matter in the current year audit.	o Evaluated the design and tested the operating effectiveness of relevant key controls around revenue recognition including controls over pricing, dispatch and general IT environment; o Performed substantive testing, on a sample basis, on revenue transactions recorded during the year, and transactions recorded before and after year end, by inspecting supporting documents such as customer contracts/ purchase orders, invoices, proofs of dispatch and delivery etc., to ensure the accuracy and completeness of revenue recorded for such transactions; o Performed substantive analytical procedures such as variance analysis on revenue to identify any unusual trends; o Performed substantive testing by selecting a sample of discount, rebate and other pay-out transactions with distributors recorded during the year as well as period end accrual basis the promotion schemes offered by the Group; o Evaluated the adequacy of disclosures made in the accompanying consolidated financial statements in respect of revenue recognition in accordance with financial reporting framework.

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report, Report on Corporate Governance and Management Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon. The Board Report, Report on Corporate Governance and Management Discussion and Analysis are expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Board Report, Report on Corporate Governance and Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

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

7. 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 Holding Company's

Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. 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.

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

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

10. 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.

11. 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:

    o 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;

    o 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;

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

    o 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;

    o 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

- o 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.

12. 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.

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one (1) subsidiary, whose financial statements reflects total assets of NIL and net liabilities of NIL as at 19 April 2022, total revenues of NIL and net cash outflows amounting to INR 0.09 million for the period 1 April 2022 to 19 April 2022, 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, is 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

16. As required by section 197(16) of the Act based on our audit, we report that the Holding Company has paid remuneration to 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 incorporated in India whose financial statements have been audited under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable for such subsidiary.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued by us 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.

18. 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 are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls 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 32(A)(ii), (iii) and 43 to the consolidated financial statements;

   ii. Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

   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 2023;

   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 50(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 Holding Company or its subsidiary 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 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 50(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

      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/final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

Further, as stated in Note 40 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend ; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Rakesh R. Agarwal
Partner
Membership No.:109632

UDIN: 23109632BGXEAB3971
Place: Mumbai
Date: 3 May 2023

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 (till 19.04.2022)	Subsidiary

Annexure II

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** ('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 2023, 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.

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 2023, 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: 23109632BGXEAB3971
Place: Mumbai
Date: 3 May 2023

CONSOLIDATED BALANCE SHEET

As at 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,970.77	3,444.12
Right-of-use assets	3A	92.73	93.05
Capital work-in-progress	3B	19.13	9.80
Goodwill	4	8.54	8.54
Other intangible assets	4	59.96	66.78
Financial assets			
Investments	5	0.03	0.03
Loans	6	17.14	19.21
Other financial assets	7	367.93	209.68
Non-current tax assets (net)	8	1.84	2.11
Other non-current assets	9	30.95	26.85
Total non-current assets		**4,569.02**	**3,880.17**
Current assets			
Inventories	10	1,788.61	1,622.62
Financial assets			
Trade receivables	11	1,145.37	1,093.94
Cash and cash equivalents	12	163.72	101.99
Bank balances other than cash and cash equivalents	13	173.90	93.85
Loans	6	16.00	11.51
Other financial assets	7	885.85	736.21
Other current assets	9	71.23	45.31
Total current assets		**4,244.68**	**3,705.43**
TOTAL ASSETS		**8,813.70**	**7,585.60**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	168.52	157.20
Other equity	15	5,151.93	3,795.38
Total equity		5,320.45	3,952.58
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	542.77	480.67
Lease liabilities	17	57.93	62.43
Provisions	18	-	19.92
Deferred tax liabilities (net)	8	181.63	168.61
Total non-current liabilities		**782.33**	**731.63**
Current liabilities			
Financial liabilities			
Borrowings	16	1,374.81	1,808.64
Lease liabilities	17	50.84	47.39
Trade payables	19		
o Total outstanding dues of micro enterprises and small enterprises		30.71	4.78
o Total outstanding dues of creditors other than micro enterprises and small enterprises		789.76	669.67
Other financial liabilities	20	218.82	142.29
Other current liabilities	21	197.56	186.86
Provisions	18	22.23	27.23
Current tax liabilities (net)	8	26.19	14.53
Total current liabilities		**2,710.92**	**2,901.39**
TOTAL EQUITY AND LIABILITIES		**8,813.70**	**7,585.60**

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

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 03 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 03 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	22	5,532.38	4,539.16
Other income	23	34.87	27.84
Total income		**5,567.25**	**4,567.00**
Expenses			
Cost of materials consumed	24	1,204.54	1,114.18
Excise duty on sales		369.69	295.04
Purchase of stock-in-trade		211.43	204.30
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(84.66)	(147.00)
Employee benefits expense	26	774.56	653.40
Other expenses:			
o- Selling, distribution and marketing expense	27	553.08	445.45
o Others	28	929.12	840.92
		3,957.76	**3,406.29**
Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)		**1,609.49**	**1,160.71**
Finance costs	29	210.84	229.23
Depreciation and amortisation expense	30	258.87	236.11
Profit before tax		**1,139.78**	**695.37**
Tax expense	8		
Current tax		288.84	165.12
Deferred tax		10.60	8.86
		299.44	**173.98**
Net profit for the year (A)		**840.34**	**521.39**
Other comprehensive Income/ (loss) (OCI)			
Items that will not be reclassified to profit or loss			
o Gain/(loss) on remeasurement of defined benefit plans (net of taxes)	34	8.06	(1.47)
Other comprehensive gain/ (loss) for the year, net of tax (B)		**8.06**	**(1.47)**
Total comprehensive income for the year (A+B)		**848.40**	**519.92**
Earnings per equity share of nominal value INR 2 each	32		
Basic (in INR)		10.19	6.79
Diluted (in INR)		10.18	6.79

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

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 03 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 03 May 2023

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,139.78	695.37
Adjustments for		
Depreciation and amortisation expense	258.87	236.11
Interest expense	190.44	214.20
Interest income	(27.38)	(21.53)
Allowance for non-moving/ obsolete inventory	16.08	14.43
Provisions no longer required written back	(11.81)	(23.02)
Profit on cancellation of lease agreement	(0.05)	(0.40)
Share based payment expenses	10.36	18.61
Loss allowance on financial and non-financial assets (net)	20.20	46.39
Impairment loss on assets classified as held for sale	-	17.05
Unrealised exchange gain on foreign currency translations (net)	(1.13)	0.39
Loss on disposal of property, plant and equipment (net)	6.03	0.47
	461.61	**502.70**
Operating profit before working capital changes	**1,601.39**	**1,198.07**
Adjustments for changes in working capital:		
Increase in inventories	(182.07)	(160.90)
(Increase) / Decrease in trade receivables	(76.23)	163.76
Increase in current/ non-current financial and other assets	(346.98)	(206.75)
Increase in trade payables,other financial liabilities, other liabilities and provisions	164.38	46.88
	(440.90)	**(157.01)**
Cash generated from operations	**1,160.49**	**1,041.06**
Direct taxes paid (net of refund)	(277.81)	(166.67)
Net cash generated from operating activities	**882.68**	**874.39**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2 below)	(691.01)	(549.77)
Payment in relation to purchase consideration of business combination	(2.11)	(161.65)
Proceeds from sale of property, plant and equipment	2.01	90.85
Proceeds from divestment of entire stake in group entity	-	29.69
Net proceeds from bank deposits with original maturity of more than three months	(64.73)	(0.04)
Interest received	28.69	23.00
Net cash used in investing activities	**(727.15)**	**(567.92)**

CONSOLIDATED
CASH FLOW STATEMENT

for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	959.96	561.08
Share application money pending allotment	3.28	-
Proceeds from long-term borrowings	574.18	306.67
Repayment of long-term borrowings	(512.08)	(417.19)
Repayment of short-term borrowings (net)	(433.83)	(612.73)
Repayment of lease liabilities	(56.01)	(53.50)
Interest paid	(175.17)	(202.36)
Dividend paid	(454.13)	(194.49)
Net cash used in financing activities	**(93.80)**	**(612.52)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**61.73**	**(306.05)**
Cash and cash equivalents at the beginning of the year	101.99	407.91
Add: Cash and cash equivalents acquired in business combination (Refer note 46)	-	0.13
Cash and cash equivalents at the end of the year	163.72	101.99

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

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

Place: Mumbai
Date : 03 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 03 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

a) Equity share capital

Particulars	Number	INR million
Equity shares of INR 2 per share (INR 10 per share until 30 July 2021) issued, subscribed and fully paid up		
As at 1 April 2021	**15,080,374**	**150.80**
Employee stock options exercised until 30 July 2021	30,000	0.30
Total outstanding shares as at 30 July 2021, before share split	15,110,374	151.10
Impact of share split	60,441,496	-
Total outstanding shares post share split	75,551,870	151.10
Issued during the period	1,375,000	2.75
Shares warrants converted during the period	1,671,221	3.35
As at 31 March 2022	**78,598,091**	**157.20**
Shares warrants converted during the year	3,002,784	6.01
Employee stock options exercised during the year	2,656,923	5.31
As at 31 March 2023	**84,257,798**	**168.52**

b) Other Equity

Particulars	Share application money received pending allotment (A)	Reserves and surplus (B)					Other Comprehensive income/(loss) (C)		Total (A+B+C)
		Securities premium	Share option outstanding reserve	General reserve	Retained earnings	Money received against share warrants	Currency fluctuation reserve	Cash flow hedge reserve	
As at 1 April 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	-	213.10	-	-	-	(4.30)	-	-	208.80
Issue of equity shares	-	347.58	-	-	-	-	-	-	347.58
Share based payment expense	-	-	18.61	-	-	-	-	-	18.61
Exercise of employee stock options	-	-	(1.70)	-	-	-	-		(1.70)
Other comprehensive loss reclassified	-	-	-	-	(0.21)	-	-	0.21	-
Currency translation difference	-	-	-	-	-	-	0.07	-	0.07
Payment of dividend	-	-	-	-	(194.49)	-	-	-	(194.49)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

b) Other Equity

Particulars	Share application money received pending allotment (A)	Reserves and surplus (B)					Other Comprehensive income/(loss) (C)		Total (A+B+C)
		Securities premium	Share option outstanding reserve	General reserve	Retained earnings	Money received against share warrants	Currency fluctuation reserve	Cash flow hedge reserve	
As at 31 March 2022	**-**	**2,203.94**	**23.54**	**35.95**	**1,529.82**	**2.19**	**(0.06)**	**-**	**3,795.38**
Net profit for the year	-	-	-	-	840.34	-	-	-	840.34
Other comprehensive gain for the year	-	-	-	-	8.06	-	-	-	8.06
Conversion of warrants into equity shares	-	504.47	-	-	-	(2.19)	-	-	502.28
Issue of equity shares	-	476.99	-	-	-	-	-	-	476.99
Share based payment expense	-	-	10.36	-	-	-	-	-	10.36
Exercise of employee stock options	-		(30.63)	-	-	-	-		(30.63)
Cancellation of employee stock options	-	-	(0.78)	0.78	-	-	-		-
Currency translation difference	-	-	-	-	(0.06)	-	0.06	-	-
Payment of dividend	-	-	-	-	(454.13)	-	-	-	(454.13)
Share application money received pending allotment	3.28	-	-	-	-	-	-	-	3.28
As at 31 March 2023	**3.28**	**3,185.40**	**2.49**	**36.73**	**1,924.03**	**-**	**-**	**-**	**5,151.93**

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

Place: Mumbai
Date : 03 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 03 May 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 1 Corporate Information

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) (the "Holding 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 has completed its Initial Public Offer ('IPO') of its equity shares and the equity shares got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited on 22 December 2022. The Holding Company having CIN L15549MH2003PLC139352 is located at 901 Solaris One 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 alcoholic wines and spirits. This consolidated financial statements of the Group for the year ended 31 March 2023 were authorised for issue in accordance with resolution of Board of Directors on 3 May 2023.

Note 2.1 Significant Accounting Policies

i. Basis of Preparation

The Consolidated Financial Statements have been prepared in accordance with the requirements of 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 Consolidated Financial Statements are also compliant with the disclosure requirements as made applicable to companies with effect from 1 April 2021 vide amendments to Schedule III to the Act dated 24 March 2021.

The Consolidated 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 prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The Group's consolidated financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are presented in INR million and (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 Holding Company's standalone financial statements.

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

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

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

f. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the 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 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) Useful lives of various assets

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

b) Current Income Taxes

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

c) Provision and Contingencies

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

d) Accounting for defined benefit plans

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

e) Impairment of financial/ non-financial assets

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

vi. Fair Value Measurement

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

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

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

o 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.

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, if applicable. Fair values are determined on an annual basis.

(Amount in INR million, unless otherwise stated)

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

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable

The appropriate level of management must be committed to sell the asset or disposal group expected within one year from the date of classification. Non-current assets or disposal group (along with associated assets and liabilities) classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. Once classified as held for sale, the assets are no longer amortized or depreciated.

xii. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

xiii. 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

xiv. 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:

o **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.

o **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.

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

o **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.

o **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.

o **De-recognition of Financial Liabilities**

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

c) Cash flow hedge

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

d) Offsetting Financial Instruments

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

xv. 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 Group 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.

xvi. 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:

- o Raw Materials, Traded goods, Packing Materials and Consumables, chemicals, stores and spares are valued using the weighted average method.
- o 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.

xvii. 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.

xviii. 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 single segment of "Manufacture, purchase and sale of alcoholic wines and spirits". Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one single operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xix. 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.

xx. 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. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes and such amounts collected on behalf of third parties.

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. Therefore, revenue includes excise duty. However, sales tax/ value added tax (VAT) and goods and services tax (GST) is not received by the Group on its own account and are taxes collected on value added to the commodities by the seller on behalf of the government. Accordingly, these are excluded from revenue.

(a) Revenue from sale of products.

Revenue from sale of products is recognised at a point in time when control of the product transfers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of allowances, discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty.

(b) Revenue from sale of services

Revenue from sale of services represents revenue from hospitality services which mainly comprise of sale of room nights, food and beverages and allied services relating to the resort and winery. Revenue is recognized at a point in time when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable (net of allowances or discounts) excluding taxes or duties collected on behalf of the government.

c) Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the Statement of Profit and Loss.

(d) Dividend Income

Dividend income 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.

xxi. 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.

xxii. 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.

xxiii. 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.

xxiv. 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 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.

xxv. Share Based Payments

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

xxvi. 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.

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.

xxvii. 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.

xxviii. 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:

- o In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- o 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.

xxix. Provisions, Contingent Liabilities and Contingent Assets

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

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

xxx. 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).

xxxi. Earnings Before Interest, Tax, Depreciation and amortisation (EBIDTA)

Earnings Before Interest, Tax, Depreciation and amortization (EBIDTA) is computed by adding interest(finance cost), tax expenses and depreciation and amortization expense to net profit for the period/year.

xxxii. 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.

xxxiii. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

The Holding Company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group does not expect any significant impact of the amendment on its financial statements.

(Amount in INR million, unless otherwise stated)

Note 3 Property, plant and equipment

Particulars	Freehold land	Buildings	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 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 46)	-	49.68	20.93	0.68	0.33	1.13	0.04	1.86	-	74.65
Disposals	-	(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**
Additions	3.62	271.63	353.33	19.79	18.53	34.83	7.05	29.53	-	738.31
Disposals	-	(0.59)	(11.06)	(2.23)	(1.03)	(3.81)	(2.80)	(0.73)	(0.09)	(22.34)
As at 31 March 2023	**953.79**	**1,804.00**	**1,709.65**	**163.04**	**82.09**	**118.48**	**40.51**	**120.73**	**2.78**	**4,995.07**
Accumulated depreciation										
As at 1 April 2021	**-**	**216.92**	**275.25**	**47.04**	**31.29**	**42.17**	**22.14**	**39.56**	**1.79**	**676.16**
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**	**834.98**
Depreciation charge		58.12	88.37	16.00	8.17	13.53	4.90	14.43	0.16	203.68
Accumulated depreciation on disposals		(0.55)	(4.90)	(1.28)	(0.93)	(3.51)	(2.60)	(0.56)	(0.03)	(14.36)
As at 31 March 2023	**-**	**315.12**	**435.86**	**76.08**	**40.62**	**63.18**	**28.12**	**64.22**	**1.10**	**1,024.30**
Net carrying value										
As at 31 March 2022	**950.17**	**1,275.41**	**1,014.99**	**84.12**	**31.21**	**34.30**	**10.44**	**41.58**	**1.90**	**3,444.12**
As at 31 March 2023	**953.79**	**1,488.88**	**1,273.79**	**86.96**	**41.47**	**55.30**	**12.39**	**56.51**	**1.68**	**3,970.77**

Notes:

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

(ii) Refer note 32(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 the Group is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Group.

(Amount in INR million, unless otherwise stated)

Note 3A Right-of-use assets

Particulars	Land	Buildings	Vehicles	Total
Gross carrying value				
As at 1 April 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**
Additions	41.34	4.32	0.27	45.93
Disposals	(27.32)	(8.33)	(1.01)	(36.66)
As at 31 March 2023	**68.40**	**146.76**	**0.88**	**216.04**
Accumulated depreciation				
As at 1 April 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**
Depreciation charge	13.22	30.82	0.26	44.30
Accumulated depreciation on disposals	(27.32)	(6.38)	(1.01)	(34.71)
As at 31 March 2023	**21.85**	**100.83**	**0.63**	**123.31**
Net carrying value				
As at 31 March 2022	**18.43**	**74.38**	**0.24**	**93.05**
As at 31 March 2023	**46.55**	**45.93**	**0.25**	**92.73**

Note: Refer note 39 for Ind AS 116 leases and related disclosures.

Note 3B Capital work-in-progress ('CWIP')

Particulars	Projects in progress
Gross carrying value	
As at 1 April 2021	**1.07**
Additions	218.48
Transferred to property,plant and equipment	(209.75)
As at 31 March 2022	**9.80**
Additions	663.88
Transferred to property,plant and equipment	(654.55)
As at 31 March 2023	**19.13**

Note: CWIP does not include any project temporarily suspended

CWIP ageing schedule:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	19.13	9.78
1-2 years	-	-
2-3 years	-	0.02
> 3 years	-	-
Total	**19.13**	**9.80**

(Amount in INR million, unless otherwise stated)

Note 4 Intangible assets

Particulars	Brands (A)	Computer softwares (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 2021	**161.63**	**51.13**	**212.76**	**5.11**	**217.87**
Additions	-	2.64	2.64	-	2.64
Acquisition on business combination (Refer note 46)	60.30	-	60.30	8.43	68.73
Disposals	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**221.93**	**51.88**	**273.81**	**13.54**	**287.35**
Additions	-	4.18	4.18	-	4.18
Disposals	-	(0.70)	(0.70)	-	(0.70)
As at 31 March 2023	**221.93**	**55.36**	**277.29**	**13.54**	**290.83**
Accumulated amortisation/impairment					
As at 1 April 2021	**161.63**	**39.18**	**200.81**	**5.00**	**205.81**
Amortisation charge	4.86	3.25	8.11	-	8.11
Reversal on disposal	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**166.49**	**40.54**	**207.03**	**5.00**	**212.03**
Amortisation charge	7.26	3.63	10.89	-	10.89
Reversal on disposal	-	(0.59)	(0.59)	-	(0.59)
As at 31 March 2023	**173.75**	**43.58**	**217.33**	**5.00**	**222.33**
Net carrying value					
As at 31 March 2022	**55.44**	**11.34**	**66.78**	**8.54**	**75.32**
As at 31 March 2023	**48.18**	**11.78**	**59.96**	**8.54**	**68.50**

(a) Impairment testing for Brand

Brands are tested for impairment periodically in accordance with the Group procedure for determining the recoverable amount of such assets. The recoverable amount of the assets is based on value-in-use. The value-in-use is determined based on Royalty Relief Method.

(b) Impairment testing for Goodwill

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 CGU is based on value-in-use. The value-in-use for Goodwill is determined based on discounted cash flow projections.

(c) Key assumptions used for value-in-use :

- Rate of royalty
- Discount Rate
- Growth Rate used to extrapolate cash flows
- Terminal Growth Rate

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 5 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Investments in equity shares valued at fair value through other comprehensive income, unquoted fully paid up		
The Saraswat Co-operative Bank	0.03	0.03
2,500 (31 March 2022: 2,500) equity shares of INR 10 each		
Total	**0.03**	**0.03**

Note 6 Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans		
o to employees	17.14	16.19
o to others	-	3.02
Total non-current loans	**17.14**	**19.21**
Current		
Loans		
o to employees	14.67	11.51
o to others	1.33	
Total current loans	**16.00**	**11.51**
Total loans	**33.14**	**30.72**
Break-up of security details		
Loans receivable considered good - secured	-	-
Loans receivable considered good - unsecured	33.14	30.72
Loans receivable which have significant increase in credit risk	-	-
Loans receivable - credit impaired	-	-
Total	**33.14**	**30.72**

Note 7 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Government grants receivable (Refer note 45)	324.50	163.72
Security deposits	42.75	29.54
Banks deposits with maturity of more than 12 months	0.68	16.42
(pledged with excise authorities or earmarked against bank guarantees taken by the Group or security against borrowings)		
Total non-current financial assets	**367.93**	**209.68**

(Amount in INR million, unless otherwise stated)

Note 7 Other financial assets (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Government grants receivable (Refer note 45)	812.49	713.16
Security deposits	44.39	1.14
Interest accrued	0.87	2.19
Share issue expenses recoverable (Refer note 7.2)	28.10	19.72
Total current financial assets	**885.85**	**736.21**
Total other financial assets	**1,253.78**	**945.89**

Note 7.1 : Refer note 16 for information on government grant pledged as security against borrowings of the Company.

Note 7.2 : Share issue expenses recoverable represents amounts incurred by the Holding Company towards Initial Public Offer ('IPO) of the equity shares held by the selling shareholders. As per the Offer Agreement, these expenses are entirely recoverable from the selling shareholders in proportion to the shares that are offered.

Note 8 Current tax liabilities (net)

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

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Income tax liabilities	602.79	313.05
(b) Income tax assets	(578.44)	(300.63)
Net Income tax liabilities	**24.35**	**12.42**
Current income tax liabilities in case of an entity	26.19	14.53
Non-current tax assets in case of an entity	(1.84)	(2.11)
Net Income tax liabilities	**24.35**	**12.42**

ii. The gross movement in the current income tax liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Net income tax liabilities at the beginning	**12.42**	**11.31**
Income tax paid (net)	(277.81)	(166.67)
Current tax expense	288.84	165.12
Interest on tax payable	0.90	2.66
Net current income tax liabilities at the end	**24.35**	**12.42**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense	288.84	165.12
Deferred tax expense	10.60	8.86
Income tax expenses in Statement of Profit and Loss	**299.44**	**173.98**
Deferred tax credit in other comprehensive Income	2.41	-
Income tax expenses	**301.85**	**173.98**

(Amount in INR million, unless otherwise stated)

Note 8 Current tax liabilities (net) (Contd..)

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:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income tax	1,139.78	695.37
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense	**286.88**	**175.02**
Effect of expenses that are not deductible for determining taxable profits	1.80	1.94
Effect of deferred tax asset written-off / written-back	-	5.32
Effect of deferred tax assets on loss of subsidiaries	10.61	(4.33)
Tax Impact on consolidated adjustment	0.15	(3.98)
Income tax expense charged to the Consolidated Statement of Profit and Loss	**299.44**	**173.97**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Deferred tax liabilities		
o Timing difference on tangible and intangible assets depreciation and amortisation	293.47	277.60
	293.47	**277.60**
(b) Deferred tax assets		
o Expenses allowable on payment basis	43.33	40.39
o Business loss / unabsorbed depreciation	6.09	3.22
o Impairment allowance on financials assets	25.77	28.75
o Others	36.65	36.63
	111.84	**108.99**
Total deferred tax liabilities (net)	**181.63**	**168.61**

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

	Timing difference on tangible and intangible assets depreciation and amortisation	Expenses allowable on payment basis	Business loss / unabsorbed depreciation	Impairment allowance on financials assets	Others	Net deferred tax liabilities
	(A)	(B)	(C)	(D)	(E)	(A)-(B)-(C)-(D)-(E)
As at 1 April 2021	**275.75**	**47.87**	**-**	**27.14**	**41.00**	**159.75**
o to profit or loss	1.85	(7.48)	3.22	1.61	(4.37)	8.86
o to other comprehensive income	-	-	-	-	-	-

(Amount in INR million, unless otherwise stated)

Note 8 Current tax liabilities (net) (Contd..)

	Timing difference on tangible and intangible assets depreciation and amortisation	Expenses allowable on payment basis	Business loss / unabsorbed depreciation	Impairment allowance on financials assets	Others	Net deferred tax liabilities
	(A)	(B)	(C)	(D)	(E)	(A)-(B)-(C)-(D)-(E)
As at 31 March 2022	**277.60**	**40.39**	**3.22**	**28.75**	**36.63**	**168.61**
o to profit or loss	15.87	5.35	2.87	(2.98)	0.02	10.60
o to other comprehensive income	-	(2.42)	-	-	-	2.42
As at 31 March 2023	**293.47**	**43.33**	**6.09**	**25.77**	**36.65**	**181.63**

Note 8.1: In the absence of convincing evidence of future taxable profits against which unused tax losses (including unabsorbed depreciation) can be utilised, the Subsidiary Company, Artisan Spirits Private Limited has recognized deferred tax assets in respect of the below mentioned temporary differences only to the extent of deferred tax liabilities.

Loss incurred in assessment year	Loss carried forward				Carried forward valid Upto	
	As at 31 March 2023		As at 31 March 2022			
	Business loss	Unabsorbed depreciation	Business loss	Unabsorbed depreciation	Business loss	Unabsorbed depreciation
2012-13	-	0.17	-	0.17	-	Indefinite
2013-14	-	7.97	-	7.97	-	Indefinite
2014-15	-	7.07	-	7.07	-	Indefinite
2015-16	-	6.25	-	6.25	-	Indefinite
2016-17	-	5.50	-	5.50	-	Indefinite
2017-18	-	4.97	1.72	4.97	-	Indefinite
2018-19	7.64	3.79	11.39	3.79	2026-27	Indefinite
2019-20	20.44	2.99	20.44	2.99	2027-28	Indefinite
2020-21	24.90	2.10	24.90	2.10	2028-29	Indefinite
2023-24	123.23	28.49	-	-	2031-32	Indefinite

Note 9 Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances	14.15	2.64
Balances with government authorities	13.20	23.70
Prepaid gratuity (Refer note 33)	0.37	-
Prepaid expenses	3.23	0.51
Total other non-current assets	**30.95**	**26.85**

(Amount in INR million, unless otherwise stated)

Note 9 Other assets (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advance to suppliers*	27.45	131.82
Less: Loss allowance	-	(123.72)
	27.45	**8.10**
Balances with government authorities	14.64	13.27
Prepaid expenses	29.14	23.94
Total other current assets	**71.23**	**45.31**
Total other assets	**102.18**	**72.16**

*During the year ended 31 March 2023, advance to suppliers amounting to INR 123.72 million in respect of which loss allowance was recognised in earlier years, has been written off.

Note 10 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Work-in-progress / Semi-finished goods	1,330.29	1,202.42
Finished goods [including provision for excise duty INR 65.77 million (31 March 2022: INR 33.28 million)]	243.90	212.69
Stock-in-trade [including goods-in-transit of INR 3.31 million (31 March 2022: INR 11.68 million)]	44.52	86.46
Consumables, chemicals, stores and spares	65.83	42.91
Packing materials	104.07	78.14
Total inventories	**1,788.61**	**1,622.62**

Note 10.1: Allowance for obsolete and non moving inventories amounting to INR 16.08 million (31 March 2022 : INR 14.43 million) has been recognised as an expense in statement of profit and loss

Note 10.2: Refer note 16 for details on inventory pledged as security against borrowings of the Group

Note 11 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	15.40	22.10
Trade receivables considered good - unsecured	1,129.97	1,071.84
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	**88.11**	**78.35**
	1,233.48	1,172.29
Less: Loss allowance	(88.11)	(78.35)
Total trade receivables	**1,145.37**	**1,093.94**

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.

(Amount in INR million, unless otherwise stated)

11.3 Trade receivable ageing schedule

As at 31 March 2023	Outstanding for following periods from the transaction date						
	Unbilled 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	0.36	1,120.71	19.29	3.44	1.40	0.17	1,145.37
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	1.07	0.81	0.50	0.29	0.09	2.76
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	6.87	-	21.61	25.39	31.48	85.35
	0.36	**1,128.65**	**20.10**	**25.55**	**27.08**	**31.74**	**1,233.48**

As at 31 March 2022	Outstanding for following periods from the transaction date						
	Unbilled 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	-	972.58	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	-	6.06	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 at the end of the reporting period

Note 12 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	163.48	101.67
Cash on hand	0.24	0.32
Total cash and cash equivalents	**163.72**	**101.99**

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

Note 13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with maturity of more than 3 months but less than 12 months	173.90	93.85
(represents 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	**173.90**	**93.85**

Note 14 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
101,030,000 Equity shares of INR 2 each	202.06	202.06
(31 March 2022: 101,030,000)		
Total authorised share capital	**202.06**	**202.06**
Issued, subscribed and fully paid-up equity share capital:		
84,257,798 Equity shares of INR 2 each	168.52	157.20
(31 March 2022: 78,598,091)		
Total issued, subscribed and fully paid-up equity share capital	**168.52**	**157.20**

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

	Number	INR million
As at 1 April 2021	15,080,374	150.80
Add: Employee stock options exercised until 30 July 2021 (Refer note 42)	30,000	0.30
Total outstanding shares before share split	**15,110,374**	**151.10**
Add: Impact of share split [Refer note 14(h)]	60,441,496	-
Total outstanding shares as at 30 July 2021, post share split	**75,551,870**	**151.10**
Issued during the period [Refer note below]	1,375,000	2.75
Shares warrants converted during the period [Refer note 14(f)(i)]	1,671,221	3.35
As at 31 March 2022	**78,598,091**	**157.20**
Shares warrants converted during the year [Refer note 14(f)(ii)]	3,002,784	6.01
Add: Employee stock options exercised during the year [Refer note 42]	2,656,923	5.31
As at 31 March 2023	**84,257,798**	**168.52**

Note: During the year ended 31 March 2022, the Holding Company has issued 1,375,000 equity shares of INR 2 each at premium of INR 238 per share on preferential basis, in compliance with requirements of section 42 and section 62 of the Act and the rules formed thereon.

b. Terms/rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of INR 2 per share (INR 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.

(Amount in INR million, unless otherwise stated)

Note 14 Equity share capital (Contd..)

c. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% held	No. of shares	% held
Rajeev Samant	21,921,416	26.02%	20,091,660	25.56%
Verlinvest Asia Pte Ltd.	17,642,275	20.94%	17,642,275	22.45%
Verlinvest S.A	-	-	7,191,835	9.15%
Cofintra S.A.	-	-	7,191,835	9.15%
Verlinvest France S.A	-	-	6,579,565	8.37%
Ruta Samant	2,462,482	2.92%	4,477,240	5.70%

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

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

As at 31 March 2023, the Holding Company has 155,757 (31 March 2022: 2,811,510) employee stock options issued under the Employee stock option scheme of the Holding Company to its employees. (Refer note 42)

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

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash

FY 2020-21 : 2,012 equity shares (face value INR 10 per share) at a premium of INR 716.93 per share

FY 2019-20 : 2,746 equity shares (face value INR 10 per share) at a premium of INR 921.76 per share

FY 2018-19 : 2,441 and 2,118 equity shares (face value INR 10 per share) at a premium of INR 750 and INR 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

f. Share warrants issued and converted

(i) As at 31 March 2022, the Holding Company had issued convertible share warrants as follows:

Financial year in which warrants have been issued	Pre share split		Post share split^		Number of warrants converted during the year (b)	No of warrants outstanding as at 31 March 2022 [(c)= (a)-(b)]
	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
2021-22	-	-	1,908,025	170	-	1,908,025
Total	**553,196**		**4,674,005**		**1,671,221**	**3,002,784**

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

(Amount in INR million, unless otherwise stated)

Note 14 Equity share capital (Contd..)

(ii) As at 31 March 2023, the Holding Company has issued convertible share warrants as follows:

Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2022	Exercise price	Number of warrants converted during the year	No of warrants outstanding as at 31 March 2023
2018-19	1,094,759	170	1,094,759	-
2021-22	1,908,025	170	1,908,025	-
Total	**3,002,784**		**3,002,784**	**-**

(iii) 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.

(iv) The warrants from financial year 2016-17 to financial year 2018-19 have been issued at INR 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.

(v) During the year ended 31 March 2022, share warrants have been issued with no subscription amount required 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.

(vi) During the current year, 3,002,784 (31 March 2022: 1,671,221) share warrants have been converted into equivalent number of equity shares of INR 2 each at the exercise price of INR 170 per equity share.

(vii) 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.

g. Shareholding of promoters:

As on 31 March 2023

Particulars	Name of Promoter	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 INR 2 each, fully paid up	Rajeev Samant	20,091,660	25.56%	21,921,416	26.02%	0.44%

As on 31 March 2022

Particulars	Name of Promoter	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 INR 2 each, fully paid up	Rajeev Samant	18,063,105	23.96%	20,091,660	25.56%	1.61%

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

(Amount in INR million, unless otherwise stated)

Note 14 Equity share capital (Contd..)

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 INR 10 each was sub-divided to 5 (five) Equity Share of INR 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 Earnings Per Share as per the requirements of Ind AS 33. Further, the outstanding number of share warrants and employee stock options and their respective exercise prices have also been revised accordingly.

Note 15 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and Surplus		
o Securities Premium	3,185.40	2,203.94
o Share Option outstanding account	2.49	23.54
o General Reserve	36.73	35.95
o Retained earnings	1,924.03	1,529.82
o Currency Fluctuation Reserve	-	(0.06)
Money received against share warrants	-	2.19
Share application money received pending allotment	3.28	-
	5,151.93	**3,795.38**

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.

ii. Share option outstanding reserve

The share option reserve represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plans.

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.

(Amount in INR million, unless otherwise stated)

Note 15 Other Equity (Contd..)

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. Share Application money pending allotment

Represents share application money received towards equity shares of the Holding Company for which allotment is yet to be done.

Note 16 Borrowings

I Non-current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loan from banks (Refer note 16.1)	1,020.23	820.64
Unsecured		
Deferred sales tax liabilities (Refer note 16.2)	-	0.37
	1,020.23	**821.01**
Less: Current maturities of long-term borrowings	(477.46)	(340.34)
	542.77	**480.67**

II Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Loans from banks		
o Working capital demand loans (repayable on demand) (Refer note 16.3)	640.00	1,287.50
o Current maturities of long-term borrowings	477.46	339.97
	1,117.46	**1,627.47**
Unsecured		
o Other bank loans (Refer note 16.4)	257.35	180.80
o Current maturities of long term borrowings	-	0.37
	257.35	**181.17**
Total current borrowings	**1,374.81**	**1,808.64**
Total borrowings (I+II)	**1,917.58**	**2,289.31**

(Amount in INR million, unless otherwise stated)

Note 16.1: Details of security and terms of repayment of non-current borrowings

As at 31 March 2023

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee Term loan	6 quarterly installments	10.31	7.75% to 8.60%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	2 quarterly installments	11.24	7.35% to 9.05%	First pari passu on Holding Company's all the existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	4 quarterly installments	12.50	7.75% to 9.45%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	6 quarterly installments	7.50	7.75% to 8.60%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	6 quarterly installments	6.88	7.80% to 8.65%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	10 monthly installments	5.56	7.20% to 8.80%	Exclusive charge on Holding Company's immovable assets and Wine Industry Production Subsidy (WIPS) receivable ageing more than 180 days
Rupee Term loan	18 monthly installments	11.11	7.95% to 8.70%	Exclusive charge on Holding Company's immovable assets and Wine Industry Production Subsidy (WIPS) receivable ageing more than 180 days
Rupee Term loan	14 quarterly installments	10.94	7.80% to 8.55%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	48 monthly installments	4.17	7.95%	Exclusive charge on Holding Company's assets funded out of the term loan and First pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	48 monthly installments	3.42	7.69% to 8.64%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	13 quarterly installments	0.59	8.95% to 9.20%	First pari passu on Subsidiary Company's entire fixed assets and current assets, including book debts both present and future.
Rupee Term loan	14 quarterly installments	6.74	8.95% to 9.20%	First pari passu on Subsidiary Company's entire fixed assets and current assets, including book debts both present and future.

(Amount in INR million, unless otherwise stated)

Note 16.1: Details of security and terms of repayment of non-current borrowings (Contd..)

As at 31 March 2022

Particulars	Number of installments Outstanding	Amount per installment	Rate of Interest	Security
Rupee term loan	18 monthly installments	5.56	7.20%	Exclusive charge on Holding Company's 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 Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	10 quarterly installments	10.31	7.75%	First pari passu charge on Holding Company's 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 Holding Company's 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 Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	8 quarterly installments	12.50	7.7% to 7.75%	First pari passu charge on Holding Company's all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	8 quarterly installments	6.25	6.95% to 7.80%	0.35x of Holding Company's and subservient charge on Holding Company's current assets
Rupee term loan	6 quarterly installments	11.24	7.35% to 7.40%	First pari passu on Holding Company's all the existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
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 (WIPS) receivable ageing more than 180 days
Rupee term loan	2 quarterly installments	5.21	7.35% to 7.4%	Exclusive charge on Holding Company's immovable assets - commercial unit premises (building).
Rupee term loan	1 quarterly installment	14.44	7.70%	Exclusive charge on Holding Company's immovable assets - commercial unit premises (building).
Rupee term loan	16 quarterly installments	7.33	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.

Note 16.2: Deferred sales tax loan is interest free and has been fully repaid during the year ended 31 March 2023.

Note 16.3: Working capital demand loans of Holding Company are repayable on demand. They carry interest rate ranging from 7.25% to 8.81% p.a. (31 March 2022: 7.20% to 12.00%) 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% to 8.95% p.a. (31 March 2022: 8.60%) and are secured by first pari passu on entire Property, Plant and Equipment and current assets, including trade receivables both present and future.

(Amount in INR million, unless otherwise stated)

Note 16.4: Other Bank loans of Holding Company carry interest ranging from 7.20% to 7.50% p.a. (31 March 2022: 7.20% to 7.30% p.a.) and are repayable within 1 year.

Note 16.5: The Group is in compliance with the applicable debt covenants prescribed in the terms of borrowings. Also there has been no default in repayment of borrowings and payment of interest 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 2023 and 31 March 2022 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Non-current borrowings	542.77	480.67
(B) Current borrowings	1,374.81	1,808.64
(C) Interest payable	17.02	13.74
(D) Cash and cash equivalents	(163.72)	(101.99)
Net debt (E)=(A+B+C+D)	**1,770.88**	**2,201.06**

Particulars	Liabilities from financing activities			Other assets	Net Debt
	Non-current borrowings (A)	Current borrowings (B)	Interest payable (C)	Cash and cash equivalents (D)	(E) = (A+B+C+D)
Balances as at 1 April 2021	**591.19**	**2,421.37**	**16.03**	**(407.91)**	**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 46)	-	-	-	(0.13)	(0.13)
Balances as at 31 March 2022	**480.67**	**1,808.64**	**13.74**	**(101.99)**	**2,201.06**
Net increase in cash and cash equivalents	-	-	-	(61.73)	(61.73)
Proceeds from long-term borrowings	574.18	-	-	-	574.18
Repayment of long-term borrowings	(512.08)	-	-	-	(512.08)
Net repayment of short-term borrowings	-	(433.83)	-	-	(433.83)
Exchange rate fluctuations	-		-	-	-
Interest expense	-	-	178.45	-	178.45
Interest paid	-	-	(175.17)	-	(175.17)
Balances as at 31 March 2023	**542.77**	**1,374.81**	**17.02**	**(163.72)**	**1,770.88**

(Amount in INR million, unless otherwise stated)

Note 16.7: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix) (a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act: (Contd..)

Sula Vineyards Limited

Year ended 31 March 2023

Quarter ended	Name of Bank	Particulars	Amount as per books	Amount reported in the quarterly return/ statement	Differences	Reason for variances
March 2023	HDFC Bank Axis Bank	Inventories	1,692.37	1,695.73	(3.36)	The difference is due to submissions being made basis provisional financial information prior to the Holding Company's financial reporting closure process.
	Saraswat Bank					
	Kotak Mahindra Bank Yes Bank	Trade Receivables	1,047.44	1,050.09	(2.65)	
June 2022	HDFC Bank Axis Bank	Inventories	1,437.72	1,404.14	33.58	The difference is due to submissions being made basis provisional financial information prior to the Holding Company's financial reporting closure process.
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	743.78	753.19	(9.41)	

Year ended 31 March 2022

Quarter ended	Name of Bank	Particulars	Amount as per books	Amount reported in the quarterly return/ statement	Differences	Reason for variances
Decemeber 2021	HDFC Bank Axis Bank	Inventories	915.94	925.69	(9.75)	The difference is due to submissions being made basis provisional financial information prior to the Holding Company's financial reporting closure process
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	1,514.11	1,515.00	(0.89)	

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 16.7: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix) (a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act: (Contd..)

Quarter ended	Name of Bank	Particulars	Amount as per books	Amount reported in the quarterly return/ statement	Differences	Reason for variances
September 2021	HDFC Bank Axis Bank Kotak Mahindra Bank Saraswat Bank Yes Bank	Inventories	1,227.14	1,163.02	64.12	The difference is due to submissions being made basis provisional financial information prior to the Holding Company's financial reporting closure process
		Trade Receivables	1,011.72	1,099.06	(87.34)	
June 2021	HDFC Bank Axis Bank Kotak Mahindra Bank Saraswat Bank Yes Bank	Inventories	1,409.23	1,304.12	105.11	The difference is due to submissions being made basis provisional financial information prior to the Holding Company's financial reporting closure process
		Trade Receivables	893.75	904.30	(10.55)	

Artisan Spirits Private Limited

Year ended 31 March 2023

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Differences	Reason for variances
March 2023	SBM Bank	Inventories	96.83	98.66	(1.83)	The difference is due to submissions being made basis provisional financial information prior to the subsidiary company's financial reporting closure process and/or limited review or audit by statutory auditors
		Trade Receivables	99.45	97.38	2.07	
June 2022	SBM Bank	Inventories	126.72	123.96	2.76	The difference is due to submissions being made basis provisional financial information prior to the subsidiary company's financial reporting closure process and/or limited review or audit by statutory auditors
		Trade Receivables	164.87	164.87	(0.00)	

(Amount in INR million, unless otherwise stated)

Note 16.7: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix) (a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act: (Contd..)

Year ended 31 March 2022

Quarter ended	Name of Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Differences	Reason for variances
December 2021	SBM Bank	Inventories	118.04	118.65	(0.61)	The difference is due to submissions being made basis provisional financial information prior to the subsidiary company's financial reporting closure process and/or limited review or audit by statutory auditors
		Trade Receivables	199.71	211.04	(11.33)	
September 2021	SBM Bank	Inventories	106.54	103.52	3.02	The difference is due to submissions being made basis provisional financial information prior to the subsidiary company's financial reporting closure process and/or limited review or audit by statutory auditors
		Trade Receivables	193.04	189.92	3.12	
June 2021	ICICI Bank	Inventories	71.08	57.63	13.45	The difference is due to submissions being made basis provisional financial information prior to the subsidiary company's financial reporting closure process and/or limited review or audit by statutory auditors
		Trade Receivables	184.84	186.57	(1.73)	

(Amount in INR million, unless otherwise stated)

Note 17 Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current	57.93	62.43
Current	50.84	47.39
Total lease liabilities	**108.77**	**109.82**

Note: Refer note 39 for Ind AS 116 Leases and related disclosures

Note 18 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits (Refer note 33)		
o Gratuity	-	19.92
Total non-current provisions	**-**	**19.92**
Current		
Provision for employee benefits (Refer note 33)		
o Gratuity	0.28	6.00
o Compensated absences	21.95	21.23
Total current provisions	**22.23**	**27.23**
Total provisions	**22.23**	**47.15**

Note 19 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 19.2)	30.71	4.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	789.76	669.67
Total trade payables	**820.47**	**674.45**

(Amount in INR million, unless otherwise stated)

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:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
o Principal amount due to micro and small enterprises	30.71	4.78
o Interest due	0.14	0.07
(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 year 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.	1.51	0.35
(d) The amount of interest accrued and remaining unpaid at the end of the year	1.65	0.42
(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	4.15	2.49

Note 19.3: Trade Payable ageing schedule

As at 31 March 2023	Outstanding from following year 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	-	-	30.71	-	-	-	30.71
(ii) Others	-	158.33	622.03	5.83	1.07	2.32	789.58
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	0.18	0.18
	-	**158.33**	**652.74**	**5.83**	**1.07**	**2.50**	**820.47**

(Amount in INR million, unless otherwise stated)

Note 19 Trade payables

As at 31 March 2022	Outstanding from following year 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**

Note 20 Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued and due	4.15	2.49
Interest accrued but not due	17.02	13.74
Others		
o Liability for capital goods	94.24	21.92
o Security deposits	30.28	35.39
o Due to employees	71.63	58.75
o Purchase consideration payable towards business combination (Refer note 46)	1.50	10.00
Total other current financial liabilities	**218.82**	**142.29**
Other financial liabilities carried at amortised cost	218.82	142.29
Other financial liabilities carried at FVTPL	-	-

Note 21 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	9.20	11.87
Statutory dues payable	188.36	174.99
Total other current liabilities	**197.56**	**186.86**

Note 22 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products (including excise duty)	4,627.46	3,812.82
(b) Sale of services	449.60	346.21
(c) Other operating revenues	455.32	380.13
Total revenue from operations (a+b+c)	**5,532.38**	**4,539.16**

(Amount in INR million, unless otherwise stated)

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

(A) Based on nature of product or service:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products		
o Manufactured goods	4,050.47	3,379.41
o Traded goods	576.99	433.41
	4,627.46	**3,812.82**
(b) Sale of services	449.60	346.21
(c) Other operating revenues		
o Government grant	439.32	353.45
o Provisions no longer required written back	11.81	23.02
o Others	4.19	3.66
	455.32	**380.13**
Total revenue from operations (a+b+c)	**5,532.38**	**4,539.16**

(B) Based on timing of revenue recognition:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Products transferred at a point of time	4,627.45	3,812.82
Services transferred at a point of time	449.60	346.21

The amounts receivable from customers become due after expiry of credit year 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 single operating segment of "Manufacture, purchase and sale of alcoholic beverags (wine and spirits)" (Refer note 44).

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price	5,846.55	4,814.41
Add: Excise duty	369.69	295.04
Less: Items offset against revenue from contracts with customers as required under Ind AS 115	(1,139.18)	(950.42)
	5,077.06	**4,159.03**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from top customer	827.37	695.51
Revenue from top five customers	1,990.94	1,690.76

For the year ended 31 March 2023, one (1) customer [(31 March 2022: one (1) customers)], individually accounted for more than 10% of Sale of products and services amounting to INR 827.37 million (31 March 2022: INR 695.51 million)

Note 22.3: Refer note 45 for disclosure on government grants

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 23 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income		
o on financial assets measured at amortised cost	14.19	14.48
o on bank deposits	9.36	4.20
o on tax refund	0.12	0.38
o on others	3.71	2.47
	27.38	**21.53**
(b) Other non-operating income		
o Insurance claim	2.47	2.49
o Exchange gain (net)	3.07	-
o Rent Income	0.47	2.97
o Miscellaneous income	1.48	0.85
	7.49	**6.31**
Total other income	**34.87**	**27.84**

Note 24 Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Stock as at the beginning of the year		
o Raw materials	-	-
o Packing materials	78.14	57.94
	78.14	**57.94**
(b) Add: Purchases		
o Raw materials	715.30	717.50
o Packing materials	515.17	416.88
	1,230.47	**1,134.38**
(c) Less: Stock at the end of the year		
o Raw materials	-	-
o Packing materials	104.07	78.14
	104.07	**78.14**
(d) Total cost of materials consumed (a+b-c)		
o Raw materials	715.30	717.50
o Packing materials	489.24	396.68
Total cost of materials consumed	**1,204.54**	**1,114.18**

Note 25 Changes in inventories of finished goods, work-in-progress/semi finished goods and stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Opening stock		
o Finished goods	212.69	150.87
o Work-in-progress	1,202.42	1,045.99
o Stock-in-trade	86.46	143.04
	1,501.57	**1,339.90**

(Amount in INR million, unless otherwise stated)

Note 25 Changes in inventories of finished goods, work-in-progress/semi finished goods and stock-in-trade (Contd..)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(b) Closing stock		
o Finished goods	243.90	212.69
o Work-in-progress	1,330.29	1,202.42
o Stock-in-trade	44.52	86.46
	1,618.71	**1,501.57**
(c) Increase in excise duty on finished goods	32.48	14.67
	32.48	14.67
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (a-b+c)	**(84.66)**	**(147.00)**

Note 26 Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	701.60	580.57
Contribution to provident and other fund (Refer note 33)	18.74	18.03
Defined benefit plans (Refer note 33)	15.62	19.53
Share based payment expenses	10.36	18.61
Staff welfare expenses	28.24	16.66
Total employee benefits expense	**774.56**	**653.40**

Note 27 Selling, distribution and marketing expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sales promotion expenses	418.06	324.02
Commission expenses	76.09	73.59
Marketing expense	58.93	47.84
Total selling, distribution and marketing expenses	**553.08**	**445.45**

Note 28 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores, spares and consumables	136.75	99.38
Power and fuel	90.74	76.05
Repairs and maintenance		
o Building	8.98	12.37
o Plant and Machinery	28.72	30.11
o Others	44.61	39.77
Rates and taxes	68.64	118.58
Insurance	9.21	9.46
Security charges	26.57	17.58

(Amount in INR million, unless otherwise stated)

Note 28 Other expenses (Contd..)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Travelling and conveyance	49.58	34.35
Rent (Refer note 39)	11.56	11.53
Payment to auditor (Refer note below)	7.75	5.08
Legal and professional fees	88.24	39.96
Director sitting fees (Refer note 35)	7.60	4.06
Restaurant expenses	81.80	62.49
Resort maintenance expenses	59.33	46.51
Freight and handling charges	97.63	90.57
Loss allowance on financial and non-financial assets (net)	20.20	46.39
Exchange loss (net)	-	0.72
Loss on disposal of property, plant and equipment (net)	6.03	0.47
Impairment allowance on assets classified as held for sale	-	17.05
Corporate social responsibility expenses	7.17	8.82
Printing, stationary, postage and telephone expenses	15.80	15.12
Office expenses	19.78	17.86
Miscellaneous expenses	42.43	36.64
Total other expenses	**929.12**	**840.92**

Note 28.1: Payment to auditor*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
o for statutory audit	6.97	4.83
o for other services (certification)	0.62	0.20
o for reimbursement of expenses	0.16	0.05
	7.75	**5.08**

*Excluding INR 18.42 million (31 March 2022: INR 1.71 million) towards attest services in connection with Initial Public Offering

Note 29 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on:		
o loan from banks	167.76	192.83
o lease liabilities (Refer note 39)	11.09	11.47
o cash credit facilities	-	4.18
o income tax	0.90	2.66
o others	10.69	3.06
	190.44	**214.20**
Other borrowing costs	20.40	15.03
Total finance costs	**210.84**	**229.23**

Note 30 Depreciation and amortisation expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on tangible assets (Refer note 3)	203.68	183.70
Depreciation on right-of-use assets (Refer note 3A)	44.30	44.30
Amortisation of intangible assets (Refer note 4)	10.89	8.11
Total depreciation and amortisation expense	**258.87**	**236.11**

Note 31 Earnings per share (EPS)

Basic and diluted EPS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Profit computation for basic earnings per share of INR 2 each:		
Net profit as per the Consolidated Statement of Profit and Loss available for equity shareholders of parent (INR million)	840.34	521.39
B. Weighted average number of equity shares for calculating basic earning per share	82,461,907	76,771,141
Add: Effect of dilution on account of employee stock options issued*	81,387	-
Weighted average number of Equity shares adjusted for the effect of dilution	**82,543,294**	**76,771,141**
Nominal Value	2	2
C. o Basic EPS (INR)	10.19	6.79
o Diluted EPS (INR)	10.18	6.79

*As at 31 March 2022 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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Guarantees issued by banks on behalf of the Group	192.55	177.56
ii) Disputed liability related to stamp duty	15.41	15.41
iii) Others	2.43	1.01

iv) 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 Holding Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Holding 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 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.

(Amount in INR million, unless otherwise stated)

Note 32 Contingent liabilities and commitments (Contd..)

B. Other Commitments

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Capital commitments (net of capital advances)	42.85	14.87

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.

Particulars	31 March 2023	31 March 2022
a) Changes in defined benefit obligations		
Present value of the obligation as at the beginning of the year	141.53	120.55
Current service cost	14.04	12.96
Interest cost	9.02	7.07
Remeasurements - Net actuarial (gain) /loss	(12.23)	2.50
Benefits paid	(5.68)	(4.26)
Liability assumed on account of group transfer	-	2.71
Present value of the obligation as at the end of the year	**146.68**	**141.53**
b) Changes in fair value of plan assets of the gratuity plan		
Plan assets at the beginning of the year	115.61	15.36
Interest income	7.44	0.54
Contribution by employer	31.16	100.18
Benefits paid	(5.68)	(4.26)
Remeasurements - Net actuarial (gain) /loss	(1.66)	3.79
Actual return on plan assets (excluding interest income)	(0.10)	-
Fair value of the plan assets at the end of the year	**146.77**	**115.61**
c) Expenses recognised in the Consolidated Statement of Profit and Loss		
Interest cost (net)	1.58	6.53
Current service cost	14.04	13.00
Total	**15.62**	**19.53**
d) Remeasurement losses recognised in OCI		
Remeasurement - Net actuarial gain/(loss) on defined benefit obligations	(12.23)	2.50
Remeasurement - Net actuarial gain/(loss) on planned assets	1.66	(0.97)
Adjustment to recognize asset ceiling	0.10	(0.06)
	(10.47)	**1.47**
Tax effect on above	2.41	-
Total	**(8.06)**	**1.47**
e) Movement in asset ceiling		
Opening value of asset ceiling	-	0.03
Interest on opening balance of asset ceiling	-	0.00*
Remeasurements due to changes in deficit	-	(0.03)
Closing value of asset ceiling	**-**	**-**

(Amount in INR million, unless otherwise stated)

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

Particulars	31 March 2023	31 March 2022
f) Actuarial assumptions		
(i) Economic assumptions:		
Discount rate	7.45%	6.90%
Salary escalation rate	Staff: 11%, Director: 15.00% until year 1 inclusive, then 11.00%	Staff: 11.00%, Director: 0.00%
(ii) Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)
Attrition rate:		
o For ages 21-30 years	13.50% p.a.	13.50% p.a.
o For ages 31-40 years	8.50% p.a.	8.50% p.a.
o For ages 41-50 years	8.50% p.a.	8.50% p.a.
o For ages 51-57 years	12.00% p.a.	12.00% 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.

g) Investment details of plan assets

Major Categories of Plan Assets:

	31 March 2023	31 March 2022
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 year, 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.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i. Impact of change in discount rate on defined benefit obligations:		
Present value of obliation at the end of the year		
a) Impact due to increase of 0.50%	(4.07)	(4.29)
b) Impact due to decrease of 0.50%	4.29	4.55
ii. Impact of change in salary on defined benefit obligations:		
Present value of obliation at the end of the year		
a) Impact due to increase of 0.50%	3.58	3.66
b) Impact due to decrease of 0.50%	(3.47)	(3.54)

(Amount in INR million, unless otherwise stated)

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

Sensitivities due to mortality and withdrawals are not material and hence the impact of change due to these are not calculated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

a) **Salary increases -** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability

b) **Investment risk -** If plan is funded then assets/liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

c) **Discount rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability

d) **Mortality and disability -** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

e) **Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability

Particulars	As at March 31, 2023	As at March 31, 2022
i) Maturity analysis of defined benefit obligation		
Within the next 12 months	23.22	21.64
Between 2 and 5 years	80.47	73.71
Beyond 5 years	146.49	146.18
Total expected payments	**250.18**	**241.53**

Note :

(i) The weighted average duration to the payment of these cash flows for the Holding Company is 5.42 years (31 March 2022 : 5.94 years)

(ii) The weighted average duration to the payment of these cash flows for the Subsidiary Company is 14.44 years (31 March 2022 : 15.81 years)

II Defined contribution plans

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

(Amount in INR million, unless otherwise stated)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Following amounts have been charged in the Consolidated Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	18.31	17.19
(ii) Contribution to ESIC	0.43	0.84
	18.74	**18.03**

III Liabilities for leave obligation

The leave obligations (compensated absences) cover the Groups' liability for sick and privilege leaves. The amount of provision with respect to leave obligation of INR 21.95 million (31 March 2022 : INR 21.23 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 INR 8.28 million [31 March 2022 : INR 15.09 million].

IV Current/ non-current classification as at end of the year

Particulars	As at March 31, 2023	As at March 31, 2022
a) Gratuity		
(i) Current	0.28	6.00
	0.28	**6.00**
(ii) Non-current	-	19.92
	-	**19.92**
(iii) Non-current prepaid gratuity	(0.37)	-
Total Gratuity liability (net)	**(0.09)**	**25.92**
b) Compensated absences		
Current	21.95	21.23
	21.95	**21.23**

Note 34 Financial instruments

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

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

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

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows:

(Amount in INR million, unless otherwise stated)

Note 34 Financial instruments (Contd..)

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	Total fair value
Assets:							
Investments	5	-	-	0.03	-	0.03	0.03
Loans	6	33.14	-	-	-	33.14	33.14
Trade receivables	11	1,145.37	-	-	-	1,145.37	1,145.37
Cash and cash equivalents	12	163.72	-	-	-	163.72	163.72
Bank balances other than cash and cash equivalents	13	173.90	-	-	-	173.90	173.90
Other financial assets	7	1,253.78	-	-	-	1,253.78	1,253.78
Liabilities:							
Borrowings	16	1,917.58	-	-	-	1,917.58	1,917.58
Lease Liabilities	17	108.77	-		-	108.77	108.77
Trade payables	19	820.47	-	-	-	820.47	820.47
Other financial liabilities	20	218.82	-	-	-	218.82	218.82

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	Total fair value
Assets:							
Investments	5	-	-	0.03	-	0.03	0.03
Loans	6	30.72	-	-	-	30.72	30.72
Trade receivables	11	1,093.94	-	-	-	1093.94	1,093.94
Cash and cash equivalents	12	101.99	-	-	-	101.99	101.99
Bank balances other than cash and cash equivalents	13	93.85	-	-	-	93.85	93.85
Other financial assets	7	945.89	-	-	-	945.89	945.89
Liabilities:							
Borrowings	16	2,289.31	-	-	-	2289.31	2,289.31
Lease Liabilities	17	109.82	-		-	109.82	109.82
Trade payables	19	674.45	-	-	-	674.45	674.45
Other financial liabilities	20	142.29	-	-	-	142.29	142.29

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)

(Amount in INR million, unless otherwise stated)

Note 34 Financial instruments (Contd..)

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

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares	-	-	0.03	-	-	0.03

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

A. Names of related parties and nature of relationship

(a) Holding Company (having control over the entity)

Verlinvest Group SA (Until 19 December 2022)

(b) Fellow subsidiaries

Verlinvest Asia Pte Ltd. (Until 19 December 2022)

Verlinvest S.A (Until 19 December 2022)

Cofintra S.A. (Until 19 December 2022)

Verlinvest France S.A (Until 19 December 2022)

(c) Key management personnel (KMP)

Rajeev Samant	Chief Executive Officer and Managing Director
Chetan Desai	Chairman and Independent Director
Arjun Anand	Independent Director
Roberto Italia	Director (appointed w.e.f. 15 July 2021)
Alok Vajpeyi	Independent Director
Sangeeta Pendurkar	Independent Director (appointed w.e.f. 15 December 2021)
Shagun Tiwari	Director (resigned w.e.f. 5 October 2021)
Kerry Damskey	Director (resigned w.e.f. 29 September 2021)
Deepak Shahdapuri	Director (resigned w.e.f. 1 July 2021)
Hank Uberoi	Director (resigned w.e.f. 1 July 2021)
Chaitanya Rathi*	Chief Operating Officer
Bittu Varghese*	Chief Financial Officer
Ruchi Sathe*	Company Secretary

(d) Relatives of Key Management Personnel:

Bharat Samant ^^	Brother of Rajeev Samant
Suresh Samant ^^	Father of Rajeev Samant
Sulabha Samant ^^	Mother of Rajeev Samant

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

Rasa Holdings	Rajeev Samant, Trustee

* 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.

^^ During the previous year, Rajeev Samant (CEO and Managing Director) has entered into a Family Settlement cum Separation Agreement with the aforementioned relatives along with certain other members of the family. However, these parties continue to be considered as 'Relatives' in accordance with section 2(77) of the Companies Act, 2013.

(Amount in INR million, unless otherwise stated)

Note 35 Disclosure in accordance with Ind AS 24 Related Party Disclosures (Contd..)

B. Nature of Transactions

Transactions with related parties:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Rajeev Samant	0.13	0.43
Suresh Samant	-	0.34
	0.13	**0.77**
Purchase of property, plant and equipment		
Rajeev Samant	-	166.93
Suresh Samant	-	23.65
	-	**190.58**
Purchase of raw materials		
Rajeev Samant	6.02	5.01
Suresh Samant	-	4.98
Sulabha Samant	-	0.03
Bharat Samant	-	1.40
	6.02	**11.42**
Interest expense		
Rajeev Samant	-	0.05
Conversion of share warrants into equity shares		
Rajeev Samant	470.38	216.45
Alok Vajpeyi	38.39	-
	508.77	**216.45**
Director's sitting fees paid/payable		
Kerry Damskey	-	0.07
Arjun Anand	2.00	0.89
Chetan Desai	1.70	1.30
Alok Vajpeyi	1.90	1.20
Shagun Tiwari	-	0.30
Roberto Italia	0.70	-
Sangeeta Pendurkar	1.30	0.30
	7.60	**4.06**
Lease rentals		
Rajeev Samant	3.09	2.00
Suresh Samant	-	1.49
	3.09	**3.49**
Commission expense		
Chetan Desai	1.20	1.20
Loan taken		
Rajeev Samant	-	20.00
Loan repaid		
Rajeev Samant	-	20.00
Compensation to key managerial person^		
Rajeev Samant	39.87	28.27
Chaitanya Rathi	23.18	2.21
Bittu Varghese	11.56	0.98
Ruchi Sathe	2.74	0.20
	77.35	**31.66**

Note : The transactions with related parties are made on terms equivalent to those prevailing in arm's length transaction.

(Amount in INR million, unless otherwise stated)

Note 35 Disclosure in accordance with Ind AS 24 Related Party Disclosures (Contd..)

C) Outstanding balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade and other payables		
Rajeev Samant	0.35	1.46
Suresh Samant	-	2.13
Sulabha Samant	-	0.01
Bharat Samant	-	0.49
Roberto Italia	0.76	-
Chetan Desai	1.08	1.08
	2.19	**5.17**
Other receivables		
IPO expense recoverable from selling shareholder**	28.10	-
Money received against share warrants		
Rajeev Samant	-	2.19
Compensation payable to key managerial person		
Rajeev Samant	7.81	1.76
Chaitanya Rathi	3.25	2.76
Bittu Varghese	1.90	1.81
Ruchi Sathe	0.36	0.34
	13.32	**6.67**

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

** The Holding Company has completed its Initial Public Offer (IPO) of 26,900,530 equity shares of face value of INR 2 each at an issue price of INR 357 per share (including a share premium of INR 355 per share) that were listed on National Stock Exchange of India Limited (NSE) and Bombay Stock exchange Limited (BSE) on 22 December 2022. Entire IPO comprised of offer to sale of 26,900,530 equity shares by selling shareholders.

During the year the Holding Company has incurred expenses aggregating to INR 520.04 million (31 March 2022: INR 14.85 million) towards various services availed in connection with aforesaid IPO under the terms of agreement executed between the Holding Company and respective service providers. Such expenses have been recovered from the selling shareholders during the year and the balance recoverable amount of INR 28.10 million (31 March 2022: INR 19.72 million) from selling shareholders has been presented under other current financial assets in these financial statements.

Note 36 Financial risk management objectives and policies

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

i Market risk

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

(Amount in INR million, unless otherwise stated)

Note 36 Financial risk management objectives and policies (Contd..)

a. Interest rate risk

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

Interest rate sensitivity

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2023	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on profit before tax	9.59	(9.59)	11.44	(11.44)

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 period.

b. Foreign currency risk

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 as at 31 March 2023:

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	8.73	13.06	2.13	-	-
Capital advances	-	2.58	-	-	-
Advance to suppliers	-	1.11	-	0.05	-
	8.73	**16.75**	**2.13**	**0.05**	**-**
Liabilities					
Trade payables	4.50	6.01	-	0.25	0.03
Liability for capital goods	-	4.83	-	-	-
	4.50	**10.84**	**-**	**0.25**	**0.03**
Net assets / (liabilities)	**4.23**	**5.91**	**2.13**	**(0.20)**	**(0.03)**

The following table presents the foreign currency risk from financial instruments as at 31 March 2022:

Particulars	USD	EUR	GBP	AUD	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	-	-	0.48
Liability for capital goods	-	0.16	-	-	-
	19.18	**20.17**	**-**	**-**	**0.48**
Net assets / (liabilities)	**6.57**	**(14.36)**	**0.83**	**-**	**(0.48)**

* Includes Emirates Dirham

Note 36 Financial risk management objectives and policies (Contd..)

Note:

The Group's exposure of foreign currency financial instruments as at respective reporting dates is not material and consequentially the impact on Statement of Profit and Loss due to fluctuation in exchange rates would also be immaterial. Therefore, the disclosure for sensitivity analysis not been included in the consolidated financial statements.

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.

At the reporting date, the exposure to:

Unlisted equity securities at fair value through other comprehensive income is INR 0.03 million (31 March 2022: INR 0.03 million).

ii Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

a Trade receivables (net of loss allowance)

Trade receivables are unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from sales to government corporations and receivables from sales to private 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.

Particulars	As at 31 March 2023		As at 31 March 2022	
	INR million	%	INR million	%
Trade receivables				
o from government corporation	577.47	50.42%	611.34	55.88%
o from private parties	567.90	49.58%	482.60	44.12%
Total trade receivables (Refer note 11)	**1,145.37**	**100.00%**	**1,093.94**	**100.00%**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period	78.35	33.32
Impairment allowance (net)	20.20	45.03
Written off during the year	(10.44)	-
Balance at the end of the period	**88.11**	**78.35**

(Amount in INR million, unless otherwise stated)

Note 36 Financial risk management objectives and policies (Contd..)

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.

iii Liquidity risk

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

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

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2023					
Borrowings	640.00	734.81	542.77	-	1,917.58
Trade payables	-	820.47	-	-	820.47
Lease liabilities	-	58.26	63.46	-	121.72
Other financial liabilities	-	218.82	-	-	218.82
	640.00	**1,832.36**	**606.23**	**-**	**3,078.59**
As at 31 March 2022					
Borrowings	1,287.50	521.14	480.67	-	2,289.31
Trade payables	-	674.45	-	-	674.45
Lease liabilities	-	54.92	67.20	-	122.12
Other financial liabilities	-	142.29	-	-	142.29
	1,287.50	**1,392.80**	**547.87**	**-**	**3,228.17**

Note 37 Capital management

The primary objective of the Group's capital management is to maximise the shareholder's wealth.The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of Holding Company monitor the return on capital employed as well as the level of dividend to shareholders.

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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt equity ratio, which is total debt divided by total capital.

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	1,917.58	2,289.31
Total equity	5,320.45	3,952.58
Total debts to equity ratio (Gearing ratio)	**0.36**	**0.58**

(Amount in INR million, unless otherwise stated)

Note 37 Capital management (Contd..)

In the long run, the Group's strategy is to continue to maintain the gearing ratio of less than 0.75. 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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current or previous financial year.

Note 38 Interest in other entities - Subsidiaries

The Group's subsidiaries 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 2023	31 March 2022	31 March 2023	31 March 2022	
Artisan Spirits Private Limited	India	100.00%	100.00%	-	-	Business of manufacturing of wines and Trading of alcoholic beverages
Sula International Limited^	United Kingdom	-	100.00%	-	-	Business of Trading of alcoholic beverages

^Sula International Limited, a wholly owned subsidiary has been struck off w.e.f 19 April 2022 .

Note 39 Leases - Ind AS 116

Right-of-use Assets:

(i) The net carrying value of right-of-use assets as at 31 March 2023 amounts to INR 92.73 million (31 March 2022: INR 93.05 million) have been presented on the face of the balance sheet (Also refer note 3A)

Lease liabilities:

(i) As at 31 March 2023, the obligations under finance leases amounts to INR 108.77 million (31 March 2022 : INR 109.82 million) which have been classified to lease liabilities, under financial liabilities. (Also refer note 17)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease liabilities	50.84	47.39
Non-Current Lease liabilities	57.93	62.43
Total Lease liabilities	**108.77**	**109.82**

(Amount in INR million, unless otherwise stated)

Note 39 Leases - Ind AS 116 (Contd..)

(ii) The following is the movement in lease liabilities for the years ended :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	109.82	139.01
Additions during the year	45.93	18.68
Finance cost accrued during the year	11.09	11.47
Payment of lease liabilities	(56.01)	(53.50)
Termination during the year	(2.06)	(5.84)
Closing balance	**108.77**	**109.82**

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

Lease liabilities	Carrying amount	Contractual cash flows			
		Total	0-1 year	1-5 years	5 years and above
31 March 2023	**108.77**	**121.72**	**58.26**	**63.46**	**-**
31 March 2022	**109.82**	**122.12**	**54.92**	**67.20**	

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expenses on Right-of-use assets (Refer notes 3A and 30)	44.30	44.30
Interest on lease liabilities (Refer note 29)	11.09	11.47
Rent expense pertaining to leases with less than 12 months of lease included under rent expenses (Refer note 28)	11.56	11.53

Note 40 Dividend on equity shares

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Dividend on equity shares declared and paid during the year		
Dividend of INR 2.4 per equity share of face value INR 2 each	195.84	-
Interim dividend of INR 3.1 per equity share of INR 2 Face value (Year ended 31 March 2022: INR 2.5 per share)	258.29	194.49
	454.13	**194.49**
Proposed dividend on equity shares not recognised as liability*		
Final dividend of INR 5.25 per share of face value INR 2 each (31 March 2022: INR 2.4 per share)	442.49	195.84

* The Board of directors of the Holding Company at its meeting held on 3 May 2023 have recommended a payment of final dividend of INR 5.25 per equity share of INR 2 each for the financial year ended 31 March 2023. The above is subject to approval at the ensuing Annual General Meeting of the Holding Company and hence not recognised as liability.

(Amount in INR million, unless otherwise stated)

Note 41 Unhedged foreign currency exposure

Particulars	Currencies	As at 31 March 2023		As at 31 March 2022	
		Foreign currency	Amount in INR	Foreign currency	Amount in INR
Trade receivables	USD	1,06,339	8.73	3,35,655	25.48
	EUR	1,46,269	13.06	63,895	5.38
	GBP	20,944	2.13	8,268	0.83
Trade payables	USD	54,802	4.50	2,52,663	19.18
	EUR	67,304	6.01	2,37,616	20.01
	AUD	4,469	0.25	-	
	Others*	1,262	0.03	43,177	0.48
Liability for capital Goods	EUR	54,153	4.83	1,944	0.16
Advance to suppliers	USD	-	-	3,605	0.27
	EUR	12,456	1.11	-	-
	AUD	886	0.05	-	-
Capital advances	EUR	28,857	2.58	5,152	0.43

* Includes Emirates Dirham

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

The Holding Company has granted stock options under the employee stock option schemes. As at 31 March 2023, employee stock option scheme 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 INR 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 Exercise Average Price
Options outstanding as at 1 April 2021	**166,291**	**810.49**
Options exercised during the period	(30,000)	(631.00)
Total outstanding options before share split	**136,291**	**850.00**
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 period	2,153,055	170.00
Options forfeited/lapsed/expired during the period	(23,000)	170.00
Options outstanding as at 31 March 2022^	**2,811,510**	**170.00**
Options outstanding as at 1 April 2022	**2,811,510**	**170.00**
Options granted during the year	54,870	170.00
Options forfeited/lapsed/expired during the year	(53,700)	170.00
Options exercised during the year *	(2,656,923)	170.00
Options outstanding as at 31 March 2023	**155,757**	**170.00**

* The weighted average share price at the date of exercise of option was INR 166.39 (31 March 2022 INR 122.80) per share.

^ The options outstanding as at 31 March 2023 are with the weighted average exercise price of INR 170.00 per share (31 March 2022 INR 170.00 per share). The weighted average of the remaining contractual life is 1.03 years. (31 March 2022: 1.5 years)

(Amount in INR million, unless otherwise stated)

Note 42 Disclosures required pursuant to Ind AS 102 - Share Based Payment (Contd..)

B. Fair value of the options has been calculated using Binomial/Black Scholes 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)		ESOS 2019 (3)	
	3 years Vesting year	CFO - 24 months vesting year	COO - 15 months vesting year	CFO - 12 months vesting year	COO - 12 months vesting year	CFO - 12 months vesting year	COO - 12 months vesting year
Date of Grant	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020	15 July 2021	15 July 2021
Market Price (INR)	76.25	76.25	76.25	76.25	76.25	122.8	122.8
Expected life (in years)	3	3	3	3	3	1.09	1.09
Volatility*	46.00%	46.00%	46.00%	46.00%	46.00%	42.76%	42.76%
Risk Free rate (%)	5.41%	5.41%	5.41%	5.41%	5.41%	3.78%	3.78%
Exercise Price	170	170	170	170	170	170	170
Dividend Yield (%)	1.31%	1.31%	1.31%	1.31%	1.31%	2.44%	2.44%
Option Fair Value (INR)	7.25	11.87	7.32	7.69	7.69	8.85	8.85

Particulars	ESOS 2020	ESOS 2020 (2)	ESOS 2020 (3)^	ESOS 2021	ESOS 2021 (2)^	ESOS 2021 (3)^
	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year	1 Year Vesting year
Date of Grant	29 Sep 2020	15 July 2021	19 May 2022	30 July 2021	19 May 2022	25 Mar 2023
Market Price (INR)	76.25	122.8	155.10	122.8	155.10	359.25
Expected life (in years)	3	1.17	1.25	1.61	1.25	1.26
Volatility*	46.00%	43.03%	46.91%	43.07%	46.91%	44.48%
Risk Free rate (%)	5.41%	3.78%	5.43%	4.15%	5.43%	7.03%
Exercise Price	170	170	170	170	170	170
Dividend Yield (%)	1.31%	2.44%	3.16%	2.44%	3.16%	1.36%
Option Fair Value (INR)	7.06	9.68	27.20	13.54	27.20	199.96

Notes:

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

ii) Above mentioned schemes existed as at 31 March 2022, except for ESOS 2020 (3), ESOS 2021 (2) and ESOS 2021 (3) and consequently disclosure for previous year have not been given separately.

Note 43: There is a disputed excise duty demand of INR 1,158.95 million (31 March 2022: INR 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 demand notice is not tenable in law.

Note 44 Segment reporting

(a) The Group is engaged in the business of manufacture, purchase and sale of alcoholic 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.

(Amount in INR million, unless otherwise stated)

Note 44 Segment reporting (Contd..)

(b) The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	India	Outside India	India	Outside India
Revenue from operations	5,438.54	93.84	4,444.38	94.78
Non-current assets	4,568.99	-	3,880.14	-

Note 45: Government grants

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

Particulars	As at March 31, 2023	As at March 31, 2022
Government grants at the beginning of the year	876.88	653.94
Add: Government grant accrued during the year	439.32	353.45
Less: Government grant received during the year	(193.17)	(144.50)
Add: Interest on financial assets carried at amortised cost	13.95	13.99
Government grants at the end of the year	**1,136.98**	**876.88**
Current	812.49	713.16
Non-current	324.50	163.72

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

Note 46 Business Combination

Summary of acquisition

Artisan Spirits Private Limited (ASPL) a wholly owned subsidiary of the Holding Company w.e.f. 1 August 2021, 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 INR 171.65 million.

YWPL is engaged in the business of manufacturing and sale of domestic wines from its winery in Nasik, 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

(Amount in INR million, unless otherwise stated)

Note 46 Business Combination (Contd..)

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 on the date of acquisition
Property plant and equipment	74.65
Inventories	36.83
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	(5.72)
Net identifiable assets at fair value	**163.22**
Goodwill arising on acquisition (Refer note 4)	8.43
Purchase consideration payable	**171.65**
Cash flow on acquisition	
Purchase consideration paid/adjusted (Refer note below)	**161.65**

- Pursuant to business transfer agreement, deferred consideration of INR 10 million was to be payable after realisation of certain assets acquired. During the current year INR 8.5 million were paid/adjusted against the said deferred consideration.
- 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 INR 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.
- During the current year subsidiary company has paid INR 2.10 million and adjusted INR 6.40 million to York Winery Private Limited against outstanding purchase consideration.

(Amount in INR million, unless otherwise stated)

Note 47 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

As at and for the year ended 31 March 2023

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2023	Net assets i.e. total assets less total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income/ (loss)		Share in total Comprehensive income/ (loss)	
			Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income /(loss)	Amount	As % of consolidated total Comprehensive income/ (loss)
Parent Company										
Sula Vineyards Limited	India	-	5,559.07	104.48%	883.15	105.09%	7.17	88.96%	890.32	104.94%
Subsidiaries										
Artisan Spirits Private Limited	India	100%	32.99	0.62%	(42.08)	-5.01%	0.89	11.04%	(41.19)	-4.86%
Sula International Limited*	United Kingdom	100%	-	-	-	-	-	-	-	-
Total			**5,592.06**	**105.11%**	**841.07**	**100.09%**	**8.06**	**100.00%**	**849.13**	**100.09%**
Adjustments arising out of consolidation			(271.61)	-5.12%	(0.73)	-0.09%	-	-	(0.73)	-0.09%
			5,320.45	**100.00%**	**840.34**	**100.00%**	**8.06**	**100.00%**	**848.40**	**100.00%**

* For the period 1 April 2022 to 19 April 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Note 47 (Contd..)

As at and for the year ended 31 March 2022

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2023	Net assets i.e. total assets less total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income/ (loss)		Share in total Comprehensive income/ (loss)	
			Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income /(loss)	Amount	As % of consolidated total Comprehensive income/ (loss)
Parent Company										
Sula Vineyards Limited	India	-	4,149.27	104.98%	488.57	93.71%	(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%	-	0.00%	(0.35)	-0.02%
Total			**4,220.84**	**106.79%**	**505.21**	**96.90%**	**(1.47)**	**100.00%**	**503.74**	**96.89%**
Adjustments arising out of consolidation			(268.26)	-6.79%	16.18	3.10%	-	0.00%	16.18	3.11%
			3,952.58	**100.00%**	**521.39**	**100.00%**	**(1.47)**	**100.00%**	**519.92**	**100.00%**

(Amount in INR million, unless otherwise stated)

Note 48 Disclosure of ratios

Particulars	Formula for computation	Measure (In times / percentage)	As at March 31, 2023	As at March 31, 2022
Current Ratio	Current assets / Current liabilities	Times	1.57	1.28
Debt Equity Ratio	Debt / Equity	Times	0.36	0.58
Debt Service Coverage Ratio	EBITDA / (Finance costs + Principal repayment of long term borrowings within one year)	Times	2.34	2.04
Return on Equity	Profit after tax / Average shareholder's fund	Percentage	18.12%	14.90%
Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	0.78	0.77
Trade Receivable Turnover Ratio	Revenue from sale of product and services / Average trade receivables	Times	4.53	3.57
Trade Payable Turnover Ratio	Purchases / Average trade payables	Times	1.93	2.13
Net Capital Turnover Ratio	Revenue from operations / Working capital	Times	3.61	5.65
Net Profit Ratio	Profit after tax / Revenue from operations	Percentage	15.19%	11.49%
Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	23.04%	20.86%
Return on Investment (ROI)	NA	NA	NA	NA

Notes:

1 Debt = Non-current borrowings + Current borrowings

2 Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses- Share application money received pending allotment

3 EBITDA = Earnings before finance costs, depreciation expense,tax

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 Purchases = 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

8 Capital employed = Total equity + Non-current borrowings

9 Average shareholder's fund= (Opening total equity + closing total equity) / 2

Disclosure of change in ratio by more than 25%

Particulars	% Variance in ratio between 31 March 2023 and 31 March 2022	Reason for Variance
Current Ratio	23%	Refer note below
Debt Equity Ratio	-38%	Owing to decrease in total debt and increase in equity
Debt Service coverage Ratio	15%	Refer note below

(Amount in INR million, unless otherwise stated)

Note 48 Disclosure of ratios (Contd..)

Particulars	% Variance in ratio between 31 March 2023 and 31 March 2022	Reason for Variance
Return on Equity	22%	Refer note below
Inventory Turnover Ratio	2%	Refer note below
Trade Receivable Turnover Ratio	27%	Owing to increase in revenue from sale of products and services
Trade Payable Turnover Ratio	-9%	Refer note below
Net Capital Turnover Ratio	-36%	Owing to increase in revenue from operation
Net Profit Ratio	32%	Owing to increase in the net profit after tax
Return on Capital Employed (ROCE)	10%	Refer note below
Return on Investment (ROI)	NA	NA

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

Note 49 Events after the reporting period

Subsequent to the reporting date, 19,271 equity shares were allotted by the Holding Company against the share application money received pending allotment of INR 3.28 million. Accordingly, there are no share application money received pending allotment as on the date of adoption of the consolidated financial statements.

Note 50 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 period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous 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 Group 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.

Note 50 Other Statutory Information (Contd..)

(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.

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

Place: Mumbai
Date : 03 May 2023

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

Rajeev Samant
Managing Director and CEO
DIN: 00020675

Chetan Desai
Chairman and Director
DIN: 03595319

Bittu Varghese
Chief Financial Officer
ACA: 117278

Ruchi Sathe
Company Secretary
Membership No. A33566

Place: Mumbai
Date : 03 May 2023

Notice of Annual General Meeting

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING ("AGM/ 20th AGM")** of the members of **SULA VINEYARDS LIMITED** ("the Company") will be held on **Friday, June 23, 2023 at 11.00 AM (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. **To recieve, consider and adopt:**

    a. The audited standalone financial statements of the Company for the financial year ended March 31, 2023, including balance sheet as at March 31 2023, the statement of profit and loss and cash flow statement for the financial year ended on that date together with the reports of the board of directors and the statutory auditors thereon; and

    b. The audited consolidated financial statements of the Company for the financial year ended March 31, 2023, including balance sheet as at March 31 2023, the statement of profit and loss and cash flow statement for the financial year ended on that date together with the report of the statutory auditors thereon.

2. To consider and declare final dividend for financial year 2022-23 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 INR 5.25/- per equity share be and is hereby declared out of profits of financial year 2022-23 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company as on May 15, 2023."

3. **Re-appointment of director in the place of retiring director**

    To re-appoint Mr. Roberto Italia (DIN: 09228481) as director, 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. Roberto Italia (DIN 09228481) who is liable to retire by rotation at the 20th 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."

SPECIAL BUSINESS

4. **Regularization of appointment of Mr. Riyaaz Amlani (DIN: 00261209) additional Independent Director as an Independent Director**

    To consider and, if thought fit, to pass the following resolution as an **Special Resolution**

    "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Mr. Riyaaz Amlani (DIN : 00261209), who was appointed as an additional Independent Director of the Company with effect from April 19, 2023 under Section 161 of the Companies Act, 2013, upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 3 consecutive years commencing from April 19, 2023."

By Order of the Board of Directors
FOR SULA VINEYARDS LIMITED

Ruchi Sathe
Company Secretary & Compliance Officer
Membership No. A33566

Place : Mumbai
Date: May 31, 2023

Registered Office:
901, Solaris One,
N.S.Phadke Marg,
Andheri (E), Mumbai – 400 069
CIN: L15549MH2003PLC139352

NOTES:

1. VIRTUAL MEETING

a. 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 ("MCA") followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022, and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time in this respect ("MCA Circulars"), has inter-alia, permitted conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 30th September 2023 wherein physical attendance of the Members to the AGM venue is not required and general meeting be held through OAVM. Hence, Members can attend and participate in this AGM through VC/OAVM. Since the AGM is being held through VC/ OAVM facility, the route map is not annexed in this Notice.

b. The deemed venue for the this AGM shall be the registered office of the Company.

c. Facility of joining the AGM through VC facility for members shall open 30 minutes before the time scheduled for the AGM. Alternatively, members can also view the proceedings of the AGM through live webcast facility available at https://www.evoting.nsdl.com

d. Members may note that the VC/ OAVM facility provided by National Securities Depository Limited, allows participation of at least one thousand members on a first-come-first-served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served basis.

2. ELECTRONIC COPY OF ANNUAL REPORT AND NOTICE OF THE 20TH ANNUAL GENERAL MEETING

a. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13 2022, and MCA Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depositories.

b. Members may note that the Notice and Annual Report for the financial year 2022-23 will also be available on the Company's website www.sulawines.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and website of National Securities Depository Limited at https://evoting.nsdl.com/

c. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2022-23 and Notice of the AGM of the Company, he may send request to the Company's email address at cs@sulawines.com mentioning Folio No./ DP ID and Client ID.

3. PROCESS FOR REGISTRATION OF E-MAIL ADDRESSES

To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s KFin Technologies Limited in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

We request you to provide the ISR -1 and 2 Forms for the updation of KYC and signature respectively. As email Id updation is part of KYC, you may download the form from the link given below:" https://ris.kfintech.com/clientservices/isc/default.aspx#

4. PROXY

Pursuant to the provisions of the Companies Act, 2013 ("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, in terms of the MCA circulars, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and therefore the Proxy Form and Attendance Slip are 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.

5. AUTHORISED REPRESENTATIVE

In pursuance of Section 112 and Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals HUF, NRI. Etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to Mr. Martinho Ferrao at mferraocs@yahoo.com with a copy marked to the Company Secretary of the Company at cs@sulawines.com

6. DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

The explanatory 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 & 4 set out above and the details as required under Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and Regulation 36(3) of the SEBI Listing Regulations, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed hereto and forms part of this Notice. (Annexure - I) The Board of Directors have considered Item No. 4, as unavoidable and therefore included it as Special Business(es) in this notice.

7. DOCUMENT OPEN FOR INSPECTION

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and Certificate from the secretarial auditor of the Company under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for inspection in electronic form by the members during the AGM. 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 AGM.

8. UPDATION OF RECORDS, KYC AND OTHER QUERIES

a. Members are requested to direct notifications about change of name / address, email address, telephone / mobile numbers, PAN, Nomination, power of attorney, bank account details or any other information to their respective depository participant(s) (DP) in case the shares are held in electronic mode or to M/s KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company at einward.ris@kfintech.com in case the shares are held in physical form.

b. SEBI vide its Circulars dated November 3, 2021 and December 14, 2021, has mandated furnishing of PAN, KYC details and Nomination / opt out of Nomination, by holders of physical securities. Folios wherein any one of the abovementioned details are not registered by October 1, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ opt out of Nomination by submitting the prescribed forms duly filled and signed by sending a physical copy of the prescribed forms to M/s KFin Technologies Limited at einward.ris@kfintech.com rom their registered email id.

c. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Company's Registrar and Share Transfer Agent, M/s. KFin Technologies Limited for assistance in this regard.

d. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company and RTA.

e. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

f. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

9. NOMINATION

As per the provisions of Section 72 of the Act, the facility for making Nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their Nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier Nomination and record a fresh Nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. KFin Technologies Limited in case the shares are held in physical form.

10. E-VOTING

Pursuant to provions of Section 108 of the Act, read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, the Company is pleased to provide the facility to Members to exercise their right to vote, on the Resolutions proposed to be passed at AGM, by electronic means. The Company has engaged the services of National Securities Depository Limited to provide the remote e-voting facility. The Company has appointed M/s. Martinho Ferrao & Associates, Practising Company Secretaries, holding Membership No. 6221 and Certificate of Practice No. 5676, as the Scrutinizer for conducting the postal ballot through e-voting process in a fair and transparent manner.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

Remote e-voting : Procedure

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. 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.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://sulavineyards.com/ The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of

NSDL (agency for providing the Remote e-voting facility) i.e. www.evoting.nsdl.com.

5. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on June 20, 2023 09:00 A.M. and ends on June, 22, 2023 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. June 16, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being June 16, 2023.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
IIndividual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) a) If you are already registered for e-voting, then you can user your existing password to login and cast your vote.

   b) b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mferraocs@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@sulawines.com .

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16

digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@sulawines.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the EGM/AGM.

3. Members who have voted through Remote e-voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. June 16, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. June 16, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system"

3. Members are encouraged to join the Meeting through Laptops for better experience.

4. Further Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@sulawines.com . The same will be replied by the company suitably.

7. Members who would like to express their view/

ask questions during the 20th AGM with regard to the financial statements or any other matter to be placed at the 20th AGM, need to pre-register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number and mobile number, to reach the Company's email address at cs@sulawines.com at least 48 hours in advance before the start of the meeting i.e. by June 21, 2023, 10:00 A.M. (IST). Those members who have pre-registered themselves as a speaker will be allowed to express their view/ ask questions during the 20th AGM, depending upon the availability of time.

8. When a pre-registered speaker is invited to speak at the meeting, but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.

9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the 20th AGM.

11. DECLARATION OF VOTING RESULTS

The Board of Directors has appointed M/s. Martinho Ferrao & Associates, Practising Company Secretaries, holding Membership No. 6221 and Certificate of Practice No. 5676, as the Scrutinizer to scrutinize the AGM process in fair and transparent manner.

The Scrutinizer will submit his consolidated report to the Chairman, or any other person authorised by him, after completion of scrutiny of the votes cast, and the result of the voting will be announced by the Chairman or any other person authorized by him, on or before Sunday, June 25, 2023. The Scrutinizer's decision on the validity of votes cast will be final.

GENERAL INSTRUCTIONS FOR DIVIDEND

The Board of Directors of Sula Vineyards Limited at their Meeting held on Wednesday, May 03, 2023 recommended payment of dividend of INR 5.25/- per equity share on face value of INR 10/- each for the Financial Year ended 31st March, 2023, subject to approval of Members in the Annual General Meeting (AGM). The record date for determining the entitlement of the members to the final dividend for 2023 is May 15, 2023.

As you are aware, as per the Income-tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividends declared, distributed or paid by the Company on or after April 01, 2020, shall be taxable in the hands of the Members and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to such Members.

The TDS rate would depend on the residential status of the Members, eligibility of non- resident shareholders to claim the benefit of relevant Double Taxation Avoidance Agreement and basis the documents submitted and accepted by the Company. Accordingly, the Dividend will be paid after deducting TDS as provided below.

GENERAL INFORMATION:

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository participant(s); or in case of shares held in physical form, with the Company.

Please note that the following details, in case you have already registered with the Company, as available with the Company in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied by the Company, for the purpose of complying with the applicable TDS provisions:

a. Permanent Account Number (PAN);

b. Residential status as per the Act i.e. Resident or Non-Resident for FY22-23;

c. Category of the Member viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII), Foreign Company, FPI/FII, Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.),Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP),Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, etc.

d. Valid e-mail address; &

e. Address.

DOCUMENTATION:

Members are requested to take note of the TDS rates and document(s), if any, required to be submitted to the Company by end of day, Wednesday, June 07, 2023 for their respective category, in order to comply with the applicable TDS provisions.

A. For Indian Resident Members

Category of Members	Documentation or Exemptions applicable
Mutual Funds	No TDS is required to be deducted as per Section 196(iv) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
Insurance Companies	No TDS is required to be deducted as per Section 194 of the Act, subject to specified conditions. Self-attested copy of valid IRDAI registration certificate needs to be submitted.
Category I and II Alternative Investment Fund	No TDS is required to be deducted as per Section 197A (1F) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
Recognized Provident Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
Approved Superannuation Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
Approved Gratuity Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted.
National Pension Scheme	No TDS is required to be deducted as per Section 197A(1E) of the Act.
Central/State Government	No TDS is required to be deducted as per Section 196(i) of the Act.
Any other entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted.
Other resident Member	i. TDS is required to be deducted at the rate of 20% under Section 206AA of the Act, if valid PAN of the Member is not available. ii. Where valid PAN is available, TDS is required to be deducted at the rate of 10% under Section 194 of the Act. iii. TDS is required to be deducted at a lower rate if prescribed under a lower tax withholding certificate provided under Section 197 of the Act, where such valid certificate is submitted with the Company's RTA, KFin Technologies Limited. iv. No TDS is required to be deducted, if the aggregate dividend distributed or likely to be distributed during the financial year to an individual Member does not exceed INR 5000/-. v. No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). Applicable formats are being uploaded on the Company's website – https://sulavineyards.com/investor-relations.php#dividend

B. For Non-Resident Members:

Category of Members	Documentation or Exemptions applicable
FPIs and FIIs	TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess as may be applicable) under Section 196D of the Act. However, in case FII's & FPI's want tax to be deducted at a lower rate as per the DTAA applicable to them, they may obtain a certificate under Section 197 of the Income Tax Act, 1961 to this effect.
Any entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS is to be submitted.
Other non-resident Members	i. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 of the Act. ii. Further, as per Section 90 of the Act, the non-resident Member has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the Member, if they are more beneficial to them. For this, the non-resident Members will have to provide the following: a. Self-attested copy of the PAN allotted by the Indian Income Tax authorities; b. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the Member is a resident; Self-declaration in Form 10F – format is available on the Company's website https://sulavineyards.com/investor-relations.php#dividend c. Self-declaration in the attached format certifying: i. Member is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23; ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner; iv. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and v. Member does not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23. d. TDS is required to be deducted at the rate prescribed under a lower tax withholding rate provided under Section 197 of the Act, if such valid certificate is provided.

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
2. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being uploaded by the Member, the Member undertakes to send the original document(s) on the request by the Company. Prescription of the list of documents for processing dividend payments lies with the Company.
3. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

4. Above communication on TDS sets out the provisions of law in a summary manner as per our understanding and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions that may be applicable to them.

5. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.

6. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the Member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

7. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

8. All the documents referred in this communication and as applicable will need to be scanned and sent to einward.ris@kfintech.com or may be uploaded at the link https://ris.kfintech.com/form15/

9. These documents, valid in all respects, should reach us on or before June 07, 2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

Place: Mumbai
Date: May 31, 2023

By Order of the Board of Directors
FOR SULA VINEYARDS LIMITED

Registered Office:
901, Solaris One,
N.S.Phadke Marg,
Andheri (E), Mumbai – 400 069
CIN: L15549MH2003PLC139352

Ruchi Sathe
Company Secretary & Compliance Officer
Membership No. A33566

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Sepcial Business

Item No. 4

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Riyaaz Amlani as an Additional Director of the Company with effect from 19th April, 2023. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Riyaaz Amlani shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto 3 years. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Riyaaz Amlani signifying his candidature as an Independent Director of the Company.

A brief profile of Mr. Riyaaz Amlani, including nature of his expertise, as required under Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard – 2 and other applicable provisions is provided as an annexure of this Notice.

The Company has received a declaration of independence from Mr. Riyaaz Amlani. In the opinion of the Board, Mr. Riyaaz Amlani fulfills the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, for appointment as Independent Director of the Company. The terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company https://sulavineyards.com/files/0523/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Director.pdf

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Riyaaz Amlani, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Special Resolution set out at Item no. 4 for approval of the Members.

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

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard – 2 on General Meetings]

Name	Mr. Roberto Italia	Mr. Riyaaz Amlani
Directors Identification Number (DIN)	09228481	00261209
Age	57	48
Qualification	Graduated in Economics at LUISS in Rome (Italy) MBA from INSEAD in Fontainebleau (France)	B.Com Graduate
Experience	Over 25 Years	MD of Impresario Handmade Restaurants. Impresario is a multi brand empire consisting of 63 restaurants across 18 cities.
Terms & Conditions of appointment/re-appointment	-	As set out in the appointment letter
Remuneration Details	Sitting fees as per Companies Act	Sitting fees as per Companies Act
Date of first Appointment on the Board of the Company	15th July, 2021	April 19, 2023
Shareholding in the Company	-	-
Relation with other Directors, Manager or KMP	-	-
No. of Meetings of Board attended during the year	6	-
Brief profile, skills, expertise and capabilities required for the role and the manner in which meets such requirements	He is currently serving as the Chief Executive Officer and Managing Director of Verlinvest S.A. He holds a master's degree in economics from Libera Università Internazionale degli Studi Sociali Guido Carli, Italy and a master's degree in business administration from INSEAD, France	Please refer to the brief profile below
Other Directorship, Membership/ Chairmanship of committees of other Boards.	**Other Directorship:** 1. Red Black Capital SA (Luxembourg) 2. Insopi I SA (Luxembourg) 3. Redseed Srl (Italy)	**Other Directorship:** 1. Wholesome Foods Private Limited 2. Berrys Hotels Private Limited 3. NRAI Hospitality Private Limited 4. Impresario Entertainment and Hospitality Private Limited 5. Roasted Today Coffee Project LLP
Listed entities from which the person has resigned in the past three years	NIL	NIL
Disclosure of relationships between directors inter-se	NIL	NIL

Brief profile of Directors Seeking Appointment/ Re-Appointment at the Annual General Meeting

Riyaaz Amlani is the Managing Director at Impresario Entertainment & Hospitality Pvt. Ltd. (IEHPL). As the former two-term President of the National Restaurant Association of India (NRAI), he has been a pioneer of new dining formats, evolving the food and beverage landscape in India, and elevating customer experiences.

Riyaaz holds a masters in Entertainment Management from UCLA, and started his professional life as a consultant for one of India's leading family entertainment centres, helping them scale newer heights through keen insights and an agile approach. His entrepreneurial journey with Impresario began by introducing cafe culture to Indians, and has now culminated in iconic brands like SOCIAL, antiSOCIAL, Smoke House Deli, Salt Water Cafe, Slink & Bardot, Mocha, Prithvi Café, BOSS Burger and 60 + restaurants across 18 cities in India. Throughout his celebrated professional journey, he has emerged as one of the strongest voices and most respected leaders in the subcontinent's f&b and entertainment landscape.

Under Riyaaz's leadership, Impresario has created exciting and unexpected concepts, establishing itself as a trendsetting house of brands with a deep understanding of the Indian audience, their tastes and expectations. A passionate focus on the evolving F&B landscape and leveraging it to deliver economic viability for its stakeholders has driven him to successfully lead Impresario to become one of the most sought after brands for investors and customers alike. Through the past two decades, he has built a profitable brand that consistently challenges industry benchmarks whilst also setting new, more robust ones. Riyaaz's core strengths lie in his deep understanding of the fast-evolving mindsets and dining habits of young India and building spaces that exude a hyperlocal relevance balanced with a global approach to delight their patrons.

An award-winning restaurateur and thought leader, Riyaaz has been recognised by many-a coveted lists, including Game Changer of the Year by Condé Nast Traveller India, Restaurateur of the Year by the Times Food & Nightlife Awards, 50 Most Influential Young Indians by GQ Magazine, Best CEO by Coca-Cola Golden Spoon Awards amongst many others. Riyaaz was also recognised and appointed as the Keeper of the Quaich in 2019.

Notes

Notes

Notes

Disclaimer

SULA
VINEYARDS

Registered and Corporate Office

901, Solaris One, N.S. Phadke Marg,
Andheri (E), Mumbai 400069,
Maharashtra, India

Tel No: 022-61280606/607

Email: cs@sulawines.com

Website: https://sulavineyards.com