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RED HERRING PROSPECTUS
Dated December 5, 2022
Please read Section 32 of the Companies Act 2013
100% Book Built Offer

SULA VINEYARDS LIMITED

CORPORATE IDENTITY NUMBER: U15549MH2003PLC139352

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
901, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India	Ruchi Sathe *Company Secretary and Compliance Officer*	+91 22 6128 0606 cs@sulawines.com	www.sulavineyards.com

PROMOTER OF OUR COMPANY: RAJEEV SAMANT

DETAILS OF THE OFFER

Type	Offer for Sale Size	Total Offer Size	Eligibility And Reservations
Offer for Sale	Offer for sale of up to 26,900,530 Equity Shares aggregating up to ₹ [●] million	Up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 401. For details in relation to share reservation among QIBs, NIIs and RIBs, see "***Offer Structure***" on page 422.

DETAILS OF THE OFFER FOR SALE

Name of Selling Shareholder	Type	Number of Equity Shares offered/ amount	Average cost of acquisition per Equity Share[(1)] (in ₹)
Rajeev Samant	Promoter Selling Shareholder	Up to 937,203 Equity Shares aggregating to ₹ [●] million	41.38
Cofintra S.A.	Investor Selling Shareholder	Up to 7,191,835 Equity Shares aggregating to ₹ [●] million	58.64
Haystack Investments Limited	Investor Selling Shareholder	Up to 200,000 Equity Shares aggregating to ₹ [●] million	96.46
Saama Capital III, Ltd.	Investor Selling Shareholder	Up to 687,389 Equity Shares aggregating to ₹ [●] million	170.00
SWIP Holdings Limited	Investor Selling Shareholder	Up to 121,076 Equity Shares aggregating to ₹ [●] million	175.42
Verlinvest S.A.	Investor Selling Shareholder	Up to 7,191,835 Equity Shares aggregating to ₹ [●] million	58.64
Verlinvest France S.A	Investor Selling Shareholder	Up to 6,579,565 Equity Shares aggregating to ₹ [●] million	101.74
Dinesh G. Vazirani	Other Selling Shareholder	Up to 50,000 Equity Shares aggregating to ₹ [●] million	1.43
J.A. Moos	Other Selling Shareholder	Up to 2,250 Equity Shares aggregating to ₹ [●] million	10.76
Karishma Singh	Other Selling Shareholder	Up to 479,063 Equity Shares aggregating to ₹ [●] million	Nil
Major A.V. Phatak (Retd.)	Other Selling Shareholder	Up to 8,625 Equity Shares aggregating to ₹ [●] million	6.98
Narain Girdhar Chanrai	Other Selling Shareholder	Up to 1,007,314 Equity Shares aggregating to ₹ [●] million	170.00
Ruta M. Samant	Other Selling Shareholder	Up to 2,014,758 Equity Shares aggregating to ₹ [●] million	Nil
Sanjay Naraindas Kirpalani	Other Selling Shareholder	Up to 429,617 Equity Shares aggregating to ₹ [●] million	170.00

(1) *Calculated on a fully diluted basis;*
(2) *As certified by N B T and Co., Chartered Accountants, by way of their certificate dated December 5, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 2 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company acting through the IPO Committee, in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "***Basis for Offer Price***" beginning on page 123, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 30.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling

Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, NSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

kotak Investment Banking	**Kotak Mahindra Capital Company Limited**	**Contact person:** Ganesh Rane	**Tel:** +91 22 4336 0000 **E-mail:** sulavineyards.ipo@kotak.com
CLSA A CITIC Securities Company	**CLSA India Private Limited**	**Contact person:** Prachi Chandgothia/ Rahul Singhal	**Tel.:** +91 22 6650 5050 **E-mail:** sula.ipo@clsa.com
IIFL SECURITIES	**IIFL Securities Limited**	**Contact person:** Yogesh Malpani/ Pawan Kumar Jain	**Tel.:** +91 22 4646 4728 **E-mail:** sula.ipo@iiflcap.com

REGISTRAR TO THE OFFER

KFin Technologies Limited# *#Formerly known as KFin Technologies Private Limited*	**Contact person:** M. Murali Krishna	**Tel:** + 91 40 6716 2222 **E-mail:** einward.ris@kfintech.com

BID/OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD	Friday, December 9, 2022*	**BID/ OFFER OPENS ON**	Monday, December 12, 2022	**BID/ OFFER CLOSES ON**	Wednesday, December 14, 2022

** Our Company acting through the IPO Committee may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.*

RED HERRING PROSPECTUS
Dated December 5, 2022
Please read Section 32 of the Companies Act 2013
100% Book Built Offer

SULA VINEYARDS LIMITED

Our Company was incorporated as "Nashik Vintners Limited" as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") on February 26, 2003. Our Company was granted the certificate for commencement of business on March 6, 2003 by the RoC. The name of our Company was changed to "Nashik Vintners Private Limited", pursuant to a fresh certificate of incorporation consequent on change of name issued by the RoC on January 24, 2006. Subsequently, the name of our Company was changed to "Sula Vineyards Private Limited", pursuant to a certificate of incorporation pursuant to change of name issued by the RoC on August 11, 2014. On the conversion of our Company to a public limited company, pursuant to a resolution passed by our Shareholders on December 27, 2021, our name was changed to "Sula Vineyards Limited" and a fresh certificate of incorporation was issued by the RoC on February 11, 2022. For details of the change in registered office of our Company, see "***History and Certain Corporate Matters***" beginning on page 234.

Corporate Identity Number: U15549MH2003PLC139352
Registered and Corporate Office: 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India
Contact Person: Ruchi Sathe, Company Secretary and Compliance Officer; **Tel**: +91 22 6128 0606
E-mail: cs@sulawines.com; **Website**: www.sulavineyards.com

PROMOTER OF OUR COMPANY: RAJEEV SAMANT

INITIAL PUBLIC OFFERING OF UP TO 26,900,530 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF SULA VINEYARDS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE" OR THE "OFFER") COMPRISING AN OFFER FOR SALE OF UP TO 937,203 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RAJEEV SAMANT (THE "PROMOTER SELLING SHAREHOLDER"), UP TO 7,191,835 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY COFINTRA S.A., UP TO 200,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY HAYSTACK INVESTMENTS LIMITED, UP TO 687,389 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SAAMA CAPITAL III, LTD., UP TO 121,076 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SWIP HOLDINGS LIMITED, UP TO 7,191,835 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VERLINVEST S.A. AND UP TO 6,579,565 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VERLINVEST FRANCE S.A. (THE "INVESTOR SELLING SHAREHOLDERS"), UP TO 50,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DINESH G. VAZIRANI, UP TO 2,250 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY J.A. MOOS, UP TO 479,063 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KARISHMA SINGH, UP TO 8,625 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MAJOR A.V. PHATAK (RETD.), UP TO 1,007,314 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NARAIN GIRDHAR CHANRAI, UP TO 2,014,758 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RUTA M. SAMANT AND UP TO 429,617 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SANJAY NARAINDAS KIRPALANI (THE "OTHER SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER AND THE INVESTOR SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY, ACTING THROUGH THE IPO COMMITTEE, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER AND MUMBAI EDITION OF NAVSHAKTI, A MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by an intimation to Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). The Offer is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "**QIBs**") (the "**QIB Category**"), provided that our Company acting through the IPO Committee, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Offer will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Offer only through an Application Supported by Blocked Amount ("**ASBA**") process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Banks. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "**Offer Procedure**" beginning on page 425.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2 each. The Floor Price and Cap Price determined by our Company acting through the IPO Committee, in consultation with the BRLMs and Offer Price determined by our Company, acting through the IPO Committee, in consultation with the BRLMs, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "***Basis for Offer Price***" beginning on page 123 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 30.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements specifically made by such Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to itself and the respective portion of its Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, no Selling Shareholder assumes any responsibility for any other statements, including without limitation, any and all statements made by or relating to our Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated August 16, 2022 and August 17, 2022, respectively. For the purposes of the Offer, NSE is the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and material documents available for inspection from the date of this Red Herring Prospectus up to the Bid/ Offer Closing Date, see "***Material Contracts and Documents for Inspection***" beginning on page 461.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C – 27 'G' Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** Sulavineyards.ipo@kotak.com **Website:** https://investmentbank.kotak.com **Investor Grievance E-mail:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No.:** INM000008704	**CLSA India Private Limited** 8/F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India **Tel:** +91 22 6650 5050 **E-mail:** sula.ipo@clsa.com **Website:** www.india.clsa.com **Investor Grievance E-mail:** investor.helpdesk@clsa.com **Contact Person:** Prachi Chandgothia/ Rahul Singhal **SEBI Registration No.:** INM000010619	**IIFL Securities Limited** 10th Floor, IIFL Centre Kamala City Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4728 **E-mail**: sula.ipo@iiflcap.com **Website**: www.iiflcap.com **Investor Grievance E-mail**: ig.ib@iiflcap.com **Contact Person**: Yogesh Malpani/ Pawan Kumar Jain **SEBI Registration No.**: INM000010940	**KFin Technologies Limited** (*Formerly known as KFin Technologies Private Limited*) Selenium, Tower B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032, Telangana, India **Tel:** +91 40 6716 2222 **E-mail:** sula.ipo@kfintech.com **Website:** www.kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com **Contact person:** M Murali Krishna **SEBI registration No.:** INR000000221

BID/ OFFER PERIOD	
BID/ OFFER OPENS ON*	Monday, December 12, 2022
BID/ OFFER CLOSES ON	Wednesday, December 14, 2022

** Our Company acting through the IPO Committee may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date i.e., Friday, December 9, 2022.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation framed from time to time under that provision.

*Unless the context otherwise indicates, all references to "**the Company**", and "**our Company**", are references to Sula Vineyards Limited, a public limited company incorporated in India under the Companies Act, 1956 with its registered office at 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India. Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company and our Subsidiary (as defined below) on a consolidated basis.*

*The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in "**Industry Overview**", "**Key Regulations and Policies**", "**Statement of Special Tax Benefits**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**" and "**Main Provisions of Articles of Association**" beginning on pages 145, 225, 134, 264, 390 and 445, respectively, shall have the meaning ascribed to them in the relevant section.*

Company Related Terms

Term	Description
"AoA" / "Articles of Association" / "Articles"	The articles of association of our Company, as amended
ASPL	Artisan Spirits Private Limited
Audit Committee	The audit committee of our Board, as described in "***Our Management – Board committees***" on page 245
"Board" / "Board of Directors"	The board of directors of our Company, or a duly constituted committee thereof
Chairman	Chetan Rameshchandra Desai, the chairman of our Board
"Chief Executive Officer" / "CEO"	Rajeev Samant, the chief executive officer of our Company
"Chief Financial Officer" / "CFO"	Bittu Varghese, the chief financial officer of our Company
"Chief Operating Officer"/ "COO"	Chaitanya Rathi, the chief operating officer of our Company
Company Secretary and Compliance Officer	Ruchi Sathe, the company secretary and compliance officer of our Company
CSR Committee	The corporate social responsibility committee of our Board, as described in "***Our Management – Board committees***" on page 245
Director(s)	The director(s) on our Board of Directors, as appointed from time to time
Erstwhile ESOP Schemes	Collectively, ESOP 2018 and ESOP 2019
ESOP 2018	Sula Vineyards Limited Employees Stock Option Scheme, 2018(2)
ESOP 2019	Sula Vineyards Limited Employees Stock Option Scheme for COO and CFO, 2019
ESOP 2020	Sula Vineyards Limited Employees Stock Option Scheme, 2020
ESOP 2021	Sula Vineyards Limited Employees Stock Option Scheme, 2021
ESOP Schemes	Collectively, ESOP 2020 and ESOP 2021
Equity Shares	The equity shares of our Company bearing face value of ₹ 2 each
Executive Director	An executive Director of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term 'group companies' includes companies (other than our Subsidiary) with which there were related party transactions in accordance with Ind AS 24 as disclosed in the Restated Consolidated Financial Information as covered under the applicable accounting standards and any other companies as considered material by our Board, as specified in "***Group Companies***" beginning on page 261
Independent Directors	Independent Directors of our Company
IPO Committee	The committee constituted by our Board for the Offer as described in "***Our Management***" on page 240

Term	Description
"Key Managerial Personnel"/ "KMP"	Key managerial personnel of our Company identified in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management***" beginning on page 240
"Key Performance Indicators" or "KPIs"	Key financial and operational performance indicators of our Company, as included in "***Basis for Offer Price***" beginning on page 123
Managing Director	Rajeev Samant, the managing director of our Company
Materiality Policy	The policy adopted by our Board in its meeting dated July 15, 2022 for determining identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Material Subsidiary	ASPL
"MoA"/ "Memorandum of Association"	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "***Our Management – Board committees***" on page 245
Non-executive Directors	Non-executive Directors of our Company
"PADPL" / "Progressive Alcobev"	Progressive Alcobev Distributors Private Limited
PADPL Divestment	Refers to the Company's divestment of 51 per cent holding in PADPL to Mr. Pravin Ilango, Mr. Rakshit Arora, and Mrs. Sejal Fredericks for an aggregate consideration of ₹29.69 million, which was completed on March 31, 2021
Promoter	Rajeev Samant
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Promoter and Promoter Group-Promoter Group***" beginning on page 258
"Registered and Corporate Office"/ "Registered Office"	The registered office of our company situated at 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India
"Registrar of Companies"/ "RoC"	Registrar of Companies, Maharashtra at Mumbai. For further information, see "***General Information***" beginning on page 79
Restated Consolidated Financial Information	Our Restated Consolidated Balance Sheet as at and for the six month period ended September 30, 2022 and September 30, 2021 and as at and for the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Restated Consolidated Statement of Profit and loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows and other explanatory information for the six month period ended September 30, 2022 and September 30, 2021 and for the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, of our Company and its Subsidiaries, each derived from our audited consolidated financial statements as at and for the six month period ended September 30, 2022 and September 30, 2021 and for the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, each prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations, as amended from time to time, the Companies Act, 2013 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI
Risk Management Committee	The risk management committee of our Board, as described in "***Our Management – Board committees***" on page 245
Shareholders	The holders of the Equity Shares from time to time
"Shareholders' Agreement"/ "SHA"	Amended and Restated Shareholders' Agreement dated January 22, 2022 executed among our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A., Saama Capital III Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin Diwan Lai, Dolly Lai, Shashi Vig, Mousserena, L.P., SWIP Holdings Limited, DSGCP Buildout II, Rajeev Samant, RASA Holdings, Karishma Singh, Gurnam Singh Sumal, Ruta M. Samant, Dinesh G. Vazirani, Major A.V. Phatak (Retd.), J A. Moos, Daisy Damskey (*subsequently referred to as Dale George Damskey in the corporate records maintained by our Company)*, Cecilia Oldne, Manojj Rawat, Monit Dhavale, Nana Madhav Shelke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi
SHA Amendment Agreements	Amendment agreement dated March 7, 2022 to the SHA executed among our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A., Saama Capital III Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin Diwan Lai, Dolly Lai, Shashi Vig, Mousserena, L.P., SWIP Holdings Limited, DSGCP Buildout II, Rajeev Samant, RASA Holdings, Karishma Singh, Gurnam Singh Sumal, Ruta M. Samant, Dinesh G. Vazirani, Major A.V. Phatak (Retd.), J A. Moos, Dale Damskey, Cecilia Oldne, Manojj Rawat, Monit Dhavale, Nana Madhav Shelke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi (collectively, the "**SHA Amendment Parties**"), the second amendment agreement dated September 29, 2022 to the SHA executed among the SHA Amendment

Term	Description
	Parties, and the third amendment agreement dated November 23, 2022 to the SHA executed among the SHA Amendment Parties
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in "***Our Management – Board committees***" on page 245
Statutory Auditors	The current statutory auditors of our Company, being Walker Chandiok & Co. LLP
Subsidiary	The Subsidiary of our Company, as disclosed in "***History and Certain Corporate Matters – Subsidiary of our Company***" on page 234
Technopak	Technopak Advisors Private Limited
Technopak Report	Report titled "*Industry Report on Indian Wine Retail*" dated November 23, 2022, prepared by Technopak, commissioned and paid for by our Company and prepared exclusively in connection with the Offer
Verlinvest Group	Collectively, Verlinvest S.A., Cofintra S.A., Verlinvest France S.A. and Verlinvest Asia Pte. Ltd.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot or Allotment or Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the transfer of the respective portion of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company acting through the IPO Committee, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company acting through the IPO Committee, in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder

Term	Description
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, the Public Offer Account Bank, the Sponsor Banks and the Refund Bank, as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in "***Offer Procedure***" beginning on page 425
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. Our Company acting through the IPO Committee, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Member and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	Collectively, Kotak, CLSA and IIFL
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted

Term	Description
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
CLSA	CLSA India Private Limited
"Collecting Depository Participant"/ "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company acting through the IPO Committee, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of this Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs and Non-Institutional Bidders Bidding with an application size of up to ₹ 500,000 (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	NSE
"Draft Red Herring Prospectus"/ "DRHP"	The draft red herring prospectus dated July 15, 2022 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, and filed with SEBI, including any addenda or corrigenda thereto
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	The account(s) opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	Agreement dated December 5, 2022 entered amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Member, the Bankers to the Offer and Registrar to the Offer, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer

Term	Description
	of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
IIFL	IIFL Securities Limited
Investor Selling Shareholders	Collectively, Cofintra S.A., Haystack Investments Limited, Saama Capital III, Ltd., SWIP Holdings Limited, Verlinvest S.A., and Verlinvest France S.A.
Kotak	Kotak Mahindra Capital Company Limited
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Offer less Offer expenses. For further details regarding the Net Proceeds and the Offer expenses, see "***Objects of the Offer***" beginning on page 121
Net QIB Portion	The QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
"Non-Institutional Bidders"/ "Non-Institutional Investors"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer	The initial public offer of Equity Shares comprising the Offer for Sale
Offer Agreement	Agreement dated July 15, 2022 entered amongst our Company, the Selling Shareholders, the BRLMs ("**Parties to the Offer Agreement**"), pursuant to which certain arrangements have been agreed to in relation to the Offer, and the amendment thereto dated November 26, 2022 executed by the Parties to the Offer Agreement
Offer for Sale	The offer for sale of up to 26,900,530 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of this Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company acting through the IPO Committee, in consultation with the BRLMs, in terms of this Red Herring Prospectus and the Prospectus The Offer Price will be decided by our Company acting through the IPO Committee, in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and this Red Herring Prospectus
Offered Shares	Up to 26,900,530 Equity Shares aggregating to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer
Other Selling Shareholders	Persons listed under "***Summary of the Offer Document – Aggregate pre-Offer shareholding of Selling Shareholders – Other Selling Shareholders***" on page 22
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company acting through the IPO Committee, in consultation with the BRLMs, and will be advertised,

Term	Description
	at least two Working Days prior to the Bid/Offer Opening Date, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company acting through the IPO Committee, in consultation with the BRLMs, will finalise the Offer Price
Promoter Selling Shareholder	Rajeev Samant
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account opened with the Public Offer Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank	The bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI (Bankers to an Issue), Regulations, 1994 and with which the Public Offer Account has been opened, in this case being Axis Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	This red herring prospectus dated December 5, 2022 issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. This Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Refund Account will be opened, in this case being Axis Bank Limited
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 and other applicable circulars issued by SEBI
Registrar Agreement	Agreement dated July 15, 2022 entered by and amongst our Company, the Selling Shareholders and the Registrar to the Offer ("**Parties to the Registrar Agreement**"), in relation to the responsibilities and obligations of the Registrar pertaining to the Offer, and the amendment thereto dated November 26, 2022 executed by the Parties to the Registrar Agreement
"Registrar and Share Transfer Agents"/ "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer"/ "Registrar"	KFin Technologies Limited
"Retail Individual Bidder(s)"/ "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System

Term	Description
"Self Certified Syndicate Bank(s)"/ "SCSB(s)"	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Selling Shareholders	Collectively, Promoter Selling Shareholder, Investor Selling Shareholders and Other Selling Shareholders
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely, KFin Technologies Limited
Share Escrow Agreement	Agreement dated November 26, 2022 entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms
Sponsor Banks	Axis Bank Limited and Kotak Mahindra Bank Limited, being Bankers to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Syndicate/ Member of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated December 5, 2022 entered amongst our Company, the Selling Shareholders, the BRLMs, the Registrar and the Syndicate Member, in relation to collection of Bids by the Syndicate
Syndicate Member	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, Kotak Securities Limited.
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is

Term	Description
	up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with circular number 25/2022 issued by NSE and circular number 20220803-40 issued by BSE, each dated August 3, 2022 and any other circulars issued by SEBI, Stock Exchanges or any other governmental authority in relation thereto from time to time
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter(s)	Wilful defaulter(s) as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, Working Day shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, Working Days shall mean all trading days excluding Sundays and bank holidays in India, as per the circulars issued by SEBI

Industry Related Terms or Abbreviations

Term	Description
BRC	British Retail Consortium Global Standards, a third-party certification scheme for food and non-food categories
Bulk Wine	Wine that is transported in containers rather than in bottles or smaller packaging
Cash conversion cycle	Cash conversion cycle is calculated basis days sales outstanding plus days inventory outstanding less days payable outstanding
Days inventory outstanding	Days inventory outstanding is calculated basis average inventory (i.e. opening inventory plus closing inventory divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade plus consumables, stores and spares consumed) * 365 days
Days payable outstanding	Days payable outstanding is calculated basis average trade payables (i.e. opening trade payables plus closing trade payables divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade) * 365 days
Days sales outstanding	Days sales outstanding is calculated basis average trade receivables (i.e. opening trade receivables plus closing trade receivables divided by 2) divided by revenue from operations *365 days
Debt to equity ratio	Debt to equity ratio is calculated basis total debt divided by total equity
D2C	Direct to consumer selling channel, whereby we sell our products under our Own Brands and Third Party Brands to consumers directly
EBITDAE	Earnings before Interest, Taxes, Depreciation and Amortization Expenses and Exceptional Items

Term	Description
EBITDAE Margin	Calculated as EBITDAE divided by revenue from operation
ECL	Expected credit loss, represents our weighted average credit losses, with the estimated risks of a default representing the respective weights
EIR	Effective interest rate, represents the rate that discounts estimated future cash payments or receipts through the expected life of a financial asset or financial liability to the (i) gross carrying amount of a financial asset or (ii) amortised cost of a financial liability, as applicable
Excise Duty	Duty charged by the respective state Government on manufacture, dispatch and sale of alcoholic beverages within or outside the state
Government Grants	Wine industry promotion subsidies provided by the State Government of Maharashtra.
Gross Billing	Gross billing is billed value (excluding taxes) to customers before making adjustment for selling and distribution expenses and excise duty
Gross margin	Gross margin is calculated as the revenue from operations less (a) cost of materials consumed; (b) purchase of stock-in-trade; (c) changes in inventories of finished goods, work-in-progress and stock-in-trade; (d) restaurant expenses; (e) resort maintenance expenses; and (f) excise duty on sales
Gross margin (%)	Gross margin (%) is calculated as gross margin divided by revenue from operations
Heritage	Brands and assets of Heritage Winery
HoReCa	Refers to an industry term that includes hotels, restaurants, and caterers
IMFL	Indian-made foreign liquor, a term typically used to describe liquor manufactured in India which is indigenous to a foreign country and is manufactured in its indigenous style, such as whiskey, rum, vodka, gin etc.
Interest coverage ratio	Interest coverage ratio is calculated basis earnings before finance cost and tax, divided by finance cost
IWCA	International Wineries for Climate Action, a collaborative working group of environmentally committed wineries
Net working capital days	Net working capital days is calculated basis current asset less current liability divided by revenue from operations
OCI	Other Comprehensive Income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind AS
Off-trade	Refers to our retail sales for off-premise consumption via supermarkets and licensed wine shops
On-trade	Refers to our sales to on-premise consumption venues, such as hotels, bars, restaurants and cafes
Own Brands	Brands manufactured, bottled and sold by our Company
PAT margin (%)	PAT margin (%) is calculated as net profit/ (loss) for the year (PAT) divided by revenue from operations
PPE	Property, plant, and equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period
PPP	Purchasing power parity, a macroeconomic analysis metric to compare economic productivity and standards of living between countries
Revenue contribution	Revenue contribution is calculated as contribution to the total revenue of operation from our Own Brand portfolio
ROCE - reported	ROCE – reported is calculated basis earnings before interest and tax and exceptional item, divided by capital employed (i.e. total equity plus non-current borrowing)
Secondary sales	Sales derived by our direct buyers (i.e. distributors and corporations) from their customers, which are split across three channels: (i) Off-trade; (ii) On-trade; and (iii) D2C sales at our Wine Tourism Business facilities
Third Party Brands	Collectively refers to 21 international labels (18 wine labels, two vodka labels and one brandy label) that the Company imports and distributes in India
Volume contribution	Volume contribution is calculated as contribution to the total volume of our Own Brand portfolio
Wine Business	Refers to our business of the production, importation, and distribution of wines and spirits
Wine Tourism Business	Refers to the sale of services from ownership and operation of wine tourism venues, including vineyard resorts and tasting rooms

Conventional and General Terms or Abbreviations

Term	Description
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
AGM	Annual General Meeting

Term	Description
BSE	BSE Limited
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
Central Government	Government of India
CGST	Central goods and services tax
CIN	Corporate Identity Number
"Companies Act, 2013"/ "Companies Act"	Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI
EGM	Extraordinary general meeting
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
Factories Act	The Factories Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI
"Financial Year"/ "Fiscal"/ "Fiscal Year"	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
FSS Act	Refers to the Food Safety and Standard Act of 2006
FSSAI	Refers to the Food Safety and Standards Authority of India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
Gazette	Official Gazette of India
GDP	Gross Domestic Product
GoI	Central Government/Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
"Ind AS"/ "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
"Indian GAAP"/ "IGAAP"	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended
"INR"/ "Indian Rupee"/ "Rs."/ "₹"	Indian Rupee, the official currency of the Republic of India
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
kWH	Kilowatt hour
Legal Metrology Act	Legal Metrology Act, 2009

Term	Description
"MCA"/ "Ministry of Corporate Affairs"	Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"NA"/ "N.A."	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRE	Non-Resident External
NRO	Non-Resident Ordinary
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB"/ "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
ODI	Offshore derivative instruments
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on Capital Employed
ROE	Return on Equity
RoNW	Return on Net Worth
Rule 144A	Rule 144A under the U.S. Securities Act
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
Sq. ft.	Square feet
STT	Securities Transaction Tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. QIB	"Qualified institutional buyer", as defined in Rule 144A of the U.S. Securities Act
U.S. Securities Act	United States Securities Act of 1933, as amended
"US$"/ "USD"/ "US Dollar"	United States Dollar, the official currency of the United States of America

Term	Description
“USA”/ “U.S.”/ “US”	United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Red Herring Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable. All references to "U.S.", "USA" or "United States" are to the United States of America and their territories and possessions and all references to "U.K.", or "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland, respectively.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Red Herring Prospectus is derived from the Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this Red Herring Prospectus as at and for the six month period ended September 30, 2022 and September 30, 2021 and as at and for the Fiscal Years ended March 31, 2022, March 31, 2021 and March 31, 2020, have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act 2013 and the guidance notes issued by ICAI. For further information, see "***Financial Information***" beginning on page 264. Further, the financial statements of our erstwhile subsidiary, Sula International Limited (a company which was incorporated in U.K.) which form part of the Restated Consolidated Financial Information for Fiscals ended March 31, 2022 and 2021 and which was not material in the respective years, are unaudited, and have been subsequently audited post the date of the issuance of the audit report on the audited consolidated financial statements of our Company for Fiscals ended March 31, 2022 and 2021, respectively.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "***Risk Factors – 67 Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as International Financial Reporting Standards ("IFRS") and Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP"), which may be material to investors' assessments of our financial condition, result of operations and cash flows.***" on page 67. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditional and Results of Operations***" beginning on pages 30, 194 and 350, respectively, and elsewhere in this Red Herring Prospectus have been derived from Restated Consolidated Financial Information.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Consolidated Financial Information in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP financial measures relating to our financial performance have been included in this Red Herring Prospectus such as EBITDAE. For details, see "***Other Financial Information***" on page 264. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- 'Rupees' or '₹' or 'INR' or 'Rs.' are to Indian Rupee, the official currency of the Republic of India;
- 'USD' or 'US$' or '$' are to United States Dollar, the official currency of the United States of America; and

Our Company has presented certain numerical information in this Red Herring Prospectus in 'lakh', 'million' and 'crores' units or in whole numbers where the numbers have been too small to represent in such units. One million represents 10 lakhs or 1,000,000 and ten million represents one crore or 10,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	As at				
	September 30, 2022	September 30, 2021	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	74.25	74.30	73.50	75.39

Source: www.fbil.org.in
Note: In case March 31 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus is derived from the report titled, "*Industry Report on Indian Wine Retail*" dated October 14, 2022 ("**Technopak Report**") prepared by Technopak Advisors Private Limited, appointed by our Company pursuant to an engagement letter dated October 22, 2021 and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. Technopak has required us to include the following disclaimer in connection with the Technopak Report:

"This information package is distributed by Technopak Advisors Private Limited (hereinafter "Technopak") on a strictly private and confidential and on 'need to know' basis exclusively to the intended recipient. This information package and the information and projections contained herein may not be disclosed, reproduced, or

used in whole or in part for any purpose or furnished to any other person(s) other than in relation to the proposed IPO of Sula Vineyards Pvt. Ltd or as may be required by SEBI or Stock Exchanges or any other regulator. The person(s) who is/are in possession of this information package or may come in possession at a later day hereby undertake(s) to observe the restrictions contained herein.

Only leading players are profiled and benchmarked for the purpose of the report and does not necessarily cover all types of players.

The information contained herein is of a general nature and is not intended to address the facts and figures of any individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. No one should act upon Such information without taking appropriate additional professional advice and/or thorough examination of the situation.

Technopak and its directors, employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of contained in or derived from, or of any omissions from the information package and any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this information package and/or further communication in relation to this information package,"

The Technopak Report is also available at our Company's website at https://sulavineyards.com/pdf/Industry-Report-Sula.pdf.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

In accordance with the SEBI ICDR Regulations, "***Basis for the Offer Price***" beginning on page 123 includes information relating to our peer group companies. Such information has been derived from publicly available sources and accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely amongst different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Industry information included in this Red Herring Prospectus has been exclusively derived from an industry report commissioned and paid for by us in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***" on page 59. Accordingly, investment decisions should not be based solely on such information.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "**U.S. QIBs**") in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and (ii) outside the United States in an "offshore transaction" as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under the applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Notice to Prospective Investors in the European Economic Area

This Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive (as defined below), as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulations (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the BRLMs to produce a prospectus for such offer. None of our Company, the Selling Shareholders, or the BRLMs have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLMs which constitute the final placement of Equity Shares contemplated in this Red Herring Prospectus.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, 'distributors' (for the purposes of the MiFID II Product Governance Requirements) ("**Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, and the BRLMs will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

Notice to Prospective Investors in the United Kingdom

This Red Herring Prospectus has been prepared on the basis that all offers of Equity shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "UK Prospectus Regulation" means Prospectus Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the Managers to produce a prospectus for such offer. None of our Company, the Selling Shareholders and the Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the

Members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Red Herring Prospectus.

Information to Distributors

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook ("**PROD**") (the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***propose***", "***project***", "***will***", "***seek to***", "***will continue***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Red Herring Prospectus that are not statements of historical fact are 'forward-looking statements'.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those suggested by the relevant forward-looking statement. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industries in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Subjected to a licensing and excise regime with changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws;
- Reduction or elimination of high import duties imposed on imports of international wines in India, adversely affecting our Wine Business;
- Impact of adverse climatic conditions on the quality of wine grapes which are our key raw materials;
- Any supply disruptions in our raw materials could adversely and materially affect our business;
- Inability to adjust the retail prices of our products as a result of state regulation;
- Changes in consumers' taste and preference and the likelihood that they may not prefer wine in the future. Failure to adapt our product offerings to changing market trends and consumer tastes, preferences and spending habits could cause our sales to decline, and we may not be able to maintain our competitive position in the alcohol beverage and wine industries;
- Heavy reliance on our brand portfolio and the dependence of the success of our business strategy on our ability to enhance our brands;
- Dependence of our revenue from operations upon a limited number of customers (which includes state run corporations, wholesalers and independent distributors) may adversely affect us in case of any adverse developments or inability to enter into or maintain such relationships. Furthermore, competition for shelf space in retail stores and for marketing focus by our distributors, most of whom carry extensive product portfolios;
- Subjected to an inspection by the Ministry of Corporate Affairs and a subsequent complaint filed by the Deputy Registrar of Companies, Maharashtra against our Company, Promoter and certain individuals who were appointed on the board of directors of our Company during the period of inspection; and
- Reported a restated loss in past fiscals and may incur additional losses in the future.

For details regarding factors that could cause actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 30, 194 and 350, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders, severally and not jointly, shall ensure that the Bidders in India are informed, through the Company, of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the respective portion of the Offered Shares pursuant to the Offer. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, as the case may be, in this Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including "***Risk Factors***", "***The Offer***", "***Capital Structure***", "***Objects of the Offer***", "***Industry Overview***", "***Our Business***", "***Restated Consolidated Financial Information***", "***Outstanding Litigation and Material Developments***", "***Offer Procedure***", and "***Main Provisions of Articles of Association***" beginning on pages 30, 73, 88, 121, 145, 194, 264, 390, 425 and 445, respectively.

Summary of the business of our Company

We are India's largest wine producer and seller as of March 31, 2022 (*Source: Technopak Report*). We have been a consistent market leader in the Indian wine industry in terms of sales volume and value (on the basis of the total revenue from operations) since Fiscal 2009 crossing 50 per cent. market share by value in the domestic 100 per cent. grapes wine market in Fiscal 2012 (*Source: Technopak Report*). Our consumer proposition focuses on offering our consumers extensive varieties of wine at varying price points, with 56 labels to choose from a portfolio of 13 distinct Own Brands as of September 30, 2022. Additionally, we also import and distribute 21 international labels (18 wine labels, two vodka labels and one brandy label).

For further information, see "***Our Business***" on page 194.

Summary of the industry in which our Company operates

The Indian alcoholic beverage market is the third largest market in the world after China and Russia. The Indian wine industry is growing at a much quicker pace at 18.3 per cent by value between Fiscal 2014 to Fiscal 2021 than the IMFL market growing at 10.8 per cent during the same period. India's per capita consumption of wine is less than 100 ml. The contribution of wine to overall alcohol consumption in India is less than 1 per cent against the world average of close to 13 per cent. According to Technopak, wine category in India is estimated at 2 million cases in Fiscal 2021 and projected to grow to 3.4 million cases by Fiscal 2025 with a CAGR of more than 14 per cent in volume.

For further information, see "***Industry Overview***" on page 145.

Name of our Promoter

Our Promoter is Rajeev Samant. For further details, see "***Promoter and Promoter Group***" beginning on page 258.

Offer size

Offer of up to 26,900,530 Equity Shares of face value of ₹ 2 per Equity Share aggregating up to ₹ [●] million by the Selling Shareholders. The Offer would constitute [●] % of the post-Offer paid-up Equity Share capital of our Company. For details, see "***The Offer***" and "***Other Regulatory and Statutory Disclosures***" beginning on pages 73 and 400, respectively.

Objects of the Offer

The objects of the Offer are to (i) carry out the Offer for Sale of up to 26,900,530 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

For further details, see "***Objects of the Offer***" beginning on page 121.

Aggregate pre-Offer shareholding of our Promoter, the members of the Promoter Group and the Selling Shareholders

The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

S. No.	Name of the Selling Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up equity share capital (%)
Promoter Selling Shareholder			
1.	Rajeev Samant	22,858,619	27.15
Investor Selling Shareholders			
2.	Cofintra S.A.	7,191,835	8.54
3.	Haystack Investments Limited	952,741	1.13
4.	Saama Capital III, Ltd	1,527,530	1.81
5.	SWIP Holdings Limited	269,058	0.32
6.	Verlinvest S.A.	7,191,835	8.54
7.	Verlinvest France S.A	6,579,565	7.81
Other Selling Shareholders			
8.	Dinesh G. Vazirani	200,000	0.24
9.	J.A. Moos	5,000	0.01
10.	Karishma Singh	1,064,585	1.26
11.	Major A.V. Phatak (Retd.)	78,625	0.09
12.	Narain Girdhar Chanrai	2,238,475	2.66
13.	Ruta M. Samant	4,477,240	5.32
14.	Sanjay Naraindas Kirpalani	954,705	1.13

Summary of consolidated financial information

The following details of our Equity Share capital, net worth, net asset value per Equity Share and total borrowings for the six month period ended September 30, 2022 and September 30, 2021 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and total income, profit/(loss) for the year/period and earnings per Equity Share (basic and diluted) for the six month period ended September 30, 2022 and September 30, 2021 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are derived from the Restated Consolidated Financial Information:

(in ₹ million, unless otherwise specified)

Particulars	As at and for the six month period ended September 30, 2022*	As at and for the six month period ended September 30, 2021*	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020
Equity share capital	163.20	153.77	157.20	150.80	150.44
Net worth	4,491.85	3,443.24	3,952.59	3,047.39	2,999.46
Total income	2,257.59	1,604.60	4,567.00	4215.12	5,231.94
Profit/(loss) after tax	305.06	45.31	521.39	30.14	(159.40)
Earnings per Equity Share(1)(2)					
- Basic (in ₹)	3.76	0.60	6.79	0.40	(2.09)
- Diluted (in ₹)	3.76	0.60	6.79	0.40	(2.09)
Net asset value per Equity Share (in ₹)(3)	55.05	44.78	50.29	40.42	39.88
Total borrowings (as per balance sheet)	2,146.43	2,624.48	2,289.31	3,012.56	3,682.42

* *Not annualised for the six month period ended September 30 2022 and September 30 2021*

Notes:

(1) *Basic EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of equity shares outstanding during the year*

(2) *Diluted EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of dilutive equity shares outstanding during the year*

(3) *NAV per equity share (₹) = Restated net worth as at year end / Number of equity shares outstanding at end of the year*

For details, see "***Restated Consolidated Financial Information***" beginning on page 264.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

Our Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Subsidiary, our Promoter and our Directors, as on the date of this Red Herring Prospectus, is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	1	Nil	Nil	Nil	Nil	3.40
Against the Company	1[(1)]	9	8	Nil	Nil	1,250.75
Subsidiary						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	1	Nil	Nil	Nil	0.23
Directors[(2)]						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	1[(1)]	4	1	Nil	Nil	28.15

* *To the extent quantifiable.*
(1)A complaint has been filed by the Deputy Registrar of Companies, Maharashtra on July 1, 2021 before the Additional Metropolitan Magistrate, Girgaon, Mumbai, Maharashtra against inter alia our Company and our Promoter and Managing Director, Rajeev Samant. This matter has been included under two categories, (i) criminal proceedings against the Company, and (ii) criminal proceedings against the Promoter.
(2) Other than outstanding proceedings involving our Promoter and Managing Director, Rajeev Samant, which are included under the category of proceedings involving our Promoter.

Further, as on the date of this Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Company, the outcome of which could have a material impact on our Company.

For further details on the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" beginning on page 390.

Risk Factors

Specific attention of the investors is invited to the section "***Risk Factors***" beginning on page 30.

Summary of contingent liabilities of our Company

The following is a summary table of our contingent liabilities as of September 30, 2022 as indicated in our Restated Consolidated Financial Information:

(*in ₹ million*)

S. No.	Particulars	As of September 30, 2022
1.	Guarantees issued by banks on behalf of the group	168.73
2.	Stamp duty liability that may arise in respect of matter for which the group is in appeal	15.41
3.	Others	1.01
4.	Provident Fund Based on the judgement by the Honorable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the group with respect to timing and the components of its compensation structure. In absence of further clarification, the group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.	

For details, see "***Restated Consolidated Financial Information***" beginning on page 264.

Summary of related party transactions

A summary of related party transactions as per the requirements under Ind AS 24 read with the SEBI ICDR Regulations entered into by our Company with related parties for the six month period ended September 30, 2022 and September 30, 2021 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are as follows:

Particulars		**Period ended**				
Transactions	**Related parties with whom transactions have taken place**	**September 30, 2022**	**September 30, 2021**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
		(in ₹ million)				
Sale of products	Artisan Spirits Private Limited*	35.12	9.06	39.61	64.28	31.52
Interest income	Artisan Spirits Private Limited*	11.24	10.07	20.51	23.88	13.87
Rent income	Artisan Spirits Private Limited*	0.22	0.12	0.39	0.24	0.13
Purchase of stock-in-trade	Artisan Spirits Private Limited*	57.38	2.06	44.04	9.73	18.88
Purchase of raw materials	Artisan Spirits Private Limited*	-	-	4.62	-	-
Purchase of property, plant and equipment	Artisan Spirits Private Limited*	-	0.01	0.01	0.91	0.98
Loan given	Artisan Spirits Private Limited*	59.93	263.04	504.28	517.26	393.22
Repayment of loan	Artisan Spirits Private Limited*	89.28	171.93	458.97	558.60	321.53
Repayment of interest on loan	Artisan Spirits Private Limited*	9.89	29.07	40.54	47.83	-
Sale of property, plant and equipment	Artisan Spirits Private Limited*	-	6.36	6.74	-	-
Reimbursement of expenses	Artisan Spirits Private Limited*	44.65	68.85	173.76	76.43	12.56
Corporate Guarantee issued	Artisan Spirits Private Limited*	9.32	164.59	159.57	75.04	-
Loan given	Sula International Limited*	-	-	0.25	2.17	-
Repayment of loan	Sula International Limited*	-	-	-	0.53	-
Interest income	Sula International Limited*	-	-	0.19	-	-
Sale of products	Progressive Alcobev Distributors Private Limited*	-	-	-	153.63	168.27
Interest income	Progressive Alcobev Distributors Private Limited*	-	-	-	-	0.73
Purchase of stock-in-trade	Progressive Alcobev Distributors Private Limited*	-	-	-	0.22	1.72
Loan given	Progressive Alcobev Distributors Private Limited*	-	-	-	-	9.75
Repayment of loan	Progressive Alcobev Distributors Private Limited*	-	-	-	-	9.50
Corporate Guarantee issued	Progressive Alcobev Distributors Private Limited*	-	-	-	-	125.00
Sale of products	Rajeev Samant	-	-	0.43	0.14	-
Purchase of raw materials	Rajeev Samant	-	-	5.01	6.74	4.35

Particulars		Period ended				
Transactions	**Related parties with whom transactions have taken place**	**September 30, 2022**	**September 30, 2021**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
		(in ₹ million)				
Purchase of property, plant and equipment	Rajeev Samant	-	-	166.93	55.00	12.00
Conversion of warrants into equity shares	Rajeev Samant	470.38	-	216.45	17.38	16.53
Compensation to key managerial person^^	Rajeev Samant	17.00	13.88	28.27	30.00	37.46
Dividend	Rajeev Samant	78.86	-	48.23	-	21.39
Lease rentals	Rajeev Samant	1.53	1.00	2.00	2.16	1.75
Interest expenses	Rajeev Samant	-	0.05	0.05	-	-
Loan taken	Rajeev Samant	-	20.00	20.00	-	-
Loan repaid	Rajeev Samant	-	20.00	20.00	-	-
Director's sitting fees paid/payable	Deepak Shahdadpuri	-	-	-	0.15	0.24
Director's sitting fees paid/payable	Kerry Damskey	-	0.07	0.07	0.15	0.34
Legal and professional expenses^	Kerry Damskey	-	-	-	-	6.61
Dividend	Kerry Damskey	-	-	0.09	-	0.03
Director's sitting fees paid/payable	J. A. Moos	-	-	-	0.04	0.40
Director's sitting fees paid/payable	Hank Uberoi	-	-	-	0.15	0.20
Director's sitting fees paid/payable	Nicholas Cator	-	-	-	0.08	0.30
Director's sitting fees paid/payable	Arjun Anand	0.80	0.29	0.89	0.30	0.50
Director's sitting fees paid/payable	Chetan Desai	0.80	0.80	1.30	1.04	0.60
Commission expenses	Chetan Desai	0.71	-	1.20	-	-
Director's sitting fees paid/payable	Alok Vajpeyi	0.80	0.70	1.20	0.60	-
Conversion of warrants into equity shares	Alok Vajpeyi	38.39	-	-	-	-
Dividend	Alok Vajpeyi	0.78	-	-	-	-
Director's sitting fees paid/payable	Ashit Lilani	-	-	-	0.28	-
Director's sitting fees paid/payable	Gayatri Yadav	-	-	-	0.04	-
Director's sitting fees paid/payable	Shagun Tiwari	-	0.30	0.30	0.20	-
Director's sitting fees paid/payable	Roberto Italia	0.30	-	-	-	-
Dividend	J A Moos	-	-	-	-	0.01
Dividend	Sangeeta Pendurkar	0.43	-	0.31	-	-
Director's sitting fees paid/payable	Sangeeta Pendurkar	0.50	-	0.30	-	-
Compensation to key managerial person^^	Bittu Varghese@	5.35	-	0.98	-	-
Compensation to key managerial person^^	Ruchi Sathe@	1.33	-	0.20	-	-
Compensation to key managerial person^^	Chaitanya Rathi@	10.95	-	2.21	-	-
Dividend	Chaitanya Rathi	0.04	-	-	-	-
Sale of products	Suresh Samant#	-	-	0.34	0.19	-
Purchase of property, plant and equipment	Suresh Samant#	-	-	23.65	-	-
Lease rentals	Suresh Samant#	-	1.08	1.49	2.46	1.88
Dividend	Suresh Samant#	-	-	1.69	-	0.81

Particulars		Period ended				
Transactions	**Related parties with whom transactions have taken place**	**September 30, 2022**	**September 30, 2021**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
				(in ₹ million)		
Purchase of raw materials	Suresh Samant#	-	-	4.98	5.58	5.34
Dividend	Sulabha Samant#	-	-	3.74	-	1.79
Purchase of raw materials	Sulabha Samant#	-	-	0.03	0.47	0.96
Sales of products	Bharat Samant#	-	-	-	0.04	-
Purchase of raw materials	Bharat Samant#	-	-	1.40	1.62	0.99
Dividend	Bharat Samant#	-	-	-	-	0.03
Dividend	Daisy Damskey	-	-	0.95	-	0.46
Dividend	Mia Samant	3.75	-	-	-	-
Legal and professional expenses	Summerlab Private Limited	-	-	-	1.10	-
Dividend	Rasa Holdings	0.00##	-	-	-	-
Dividend	Verlinvest Asia Pte Ltd.	60.87	-	44.11	-	21.17
Dividend	Verlinvest S.A	31.72	-	17.98	-	8.63
Dividend	Cofintra S.A.	24.81	-	17.98	-	8.63
Dividend	Verlinvest France S.A	15.79	-	16.45	-	7.90
Sale of products	Progressive Alcobev Distributors Private Limited**	-	-	-	36.71	4.71

^ *includes (September 30, 2022: Nil, September 30, 2021: Nil, 31 March 2022: Nil, 31 March 2021: Nil, 31 March 2020: ₹ 2.56 million) settled through issue of sweat equity shares*

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

** These balances are eliminated on consolidation*

Represents less than ₹ 10,000

*** Includes transaction between Artisan Spirits Private Limited and Progressive Alcobev Distributors Private Limited (fellow subsidiary of Artisan Spirits Private Limited)*

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

 # During the year ended March 31, 2022, 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.

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, see "***Restated Consolidated Financial Information – Note 36 – Disclosure in accordance with Ind AS 24 Related Party Disclosures***" beginning on page 323.

Financing Arrangements

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the relevant financing entity during a period of six months immediately preceding the date of this Red Herring Prospectus.

Weighted average price at which Equity Shares were acquired by our Promoter and the Selling Shareholders, in the last one year preceding the date of this Red Herring Prospectus

Except as disclosed below, our Promoter and the Selling Shareholders have not acquired Equity Shares in the one year preceding the date of this Red Herring Prospectus. The weighted average price at which Equity Shares were acquired by our Promoter and the Selling Shareholders in the one year preceding the date of this Red Herring Prospectus is as follows:

Selling Shareholder	Number of Equity Shares acquired	Weighted average price per equity share (in ₹)*
Promoter Selling Shareholder		
Rajeev Samant	3,594,550	164.02
Other Selling Shareholders		
Karishma Singh	1,064,585	Nil
Ruta M. Samant	15,500	Nil

**As certified by N B T and Co, Chartered Accountants, by way of their certificate dated December 5, 2022.*

Note: For arriving at weighted average price at which the Equity Shares of the Company were acquired by the Promoter and the Selling Shareholders only acquisition of Equity Shares has been considered while arriving at weighted average price per Equity Share for the last one year.

Weighted average price at which Equity Shares were acquired by our Promoter and the Selling Shareholders, in the last eighteen months preceding the date of this Red Herring Prospectus

Except as disclosed below, our Promoter and the Selling Shareholders have not acquired Equity Shares in the eighteen months preceding the date of this Red Herring Prospectus. The weighted average price at which Equity Shares were acquired by our Promoter and the Selling Shareholders in the eighteen months preceding the date of this Red Herring Prospectus is as follows:

Selling Shareholder	Number of Equity Shares acquired	Weighted average price per equity share (in ₹)*#
Promoter Selling Shareholder		
Rajeev Samant	4,796,514	161.12
Investor Selling Shareholders		
Haystack Investments Limited	291,666	240.00
SWIP Holdings Limited	20,833	240.00
Other Selling Shareholders		
Karishma Singh	1,064,585	Nil
Ruta M. Samant	15,500	Nil

**As certified by N B T and Co, Chartered Accountants, by way of their certificate dated December 5, 2022.*
#The number of equity shares acquired and the price of acquisition have been adjusted for the sub-division in the face value of the equity shares of the Company from ₹10 each to ₹2 each pursuant to a resolution of the Shareholders dated July 30, 2021, as applicable.

Note: For arriving weighted average price at which the equity shares of the Company were acquired by the Promoter and the Selling Shareholders only acquisition of equity shares has been considered while arriving at weighted average price per Equity Share for last one year.

Weighted average price at which Equity Shares were acquired by our Promoter and the Selling Shareholders, in the last three years preceding the date of this Red Herring Prospectus

Except as disclosed below, our Promoter and the Selling Shareholders have not acquired Equity Shares in the three years preceding the date of this Red Herring Prospectus. The weighted average price at which Equity Shares were acquired by our Promoter and the Selling Shareholders in the three years preceding the date of this Red Herring Prospectus is as follows:

Selling Shareholder	Number of Equity Shares acquired	Weighted average price per equity share (in ₹)*#
Promoter Selling Shareholder		
Rajeev Samant	4,967,384	159.08
Investor Selling Shareholders		
Haystack Investments Limited	291,666	240.00
SWIP Holdings Limited	20,833	240.00
Other Selling Shareholders		
Karishma Singh	1,064,585	Nil
Ruta M. Samant	2,038,620	Nil

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#The number of equity shares acquired and the price of acquisition have been adjusted for the sub-division in the face value of the equity shares of the Company from ₹10 each to ₹2 each pursuant to a resolution of the Shareholders dated July 30, 2021, as applicable.

Note: For arriving weighted average price at which the equity shares of the Company were acquired by the Promoter and the Selling Shareholders only acquisition of equity shares has been considered while arriving at weighted average price per Equity Share for last one year.

Average cost of acquisition of equity shares for the Promoter and the Selling Shareholders

The average cost of acquisition per equity share to our Promoter and the Selling Shareholders as at the date of this Red Herring Prospectus is as follows:

Selling Shareholder	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*#
Promoter Selling Shareholder		

Selling Shareholder	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*#
Rajeev Samant	22,858,619	41.38
Investor Selling Shareholders		
Cofintra S.A.	7,191,835	58.64
Haystack Investments Limited	952,741	96.46
Saama Capital III, Ltd.	1,527,530	170.00
SWIP Holdings Limited	269,058	175.42
Verlinvest S.A.	7,191,835	58.64
Verlinvest France S.A	6,579,565	101.74
Other Selling Shareholders		
Dinesh G. Vazirani	200,000	1.43
J.A. Moos	5,000	10.76
Karishma Singh	1,064,585	-
Major A.V. Phatak (Retd.)	78,625	6.98
Narain Girdhar Chanrai	2,238,475	170.00
Ruta M. Samant	4,477,240	-
Sanjay Naraindas Kirpalani	954,705	170.00

**As certified by N B T and Co, Chartered Accountants, by way of their certificate dated December 5, 2022.*
#The cost of acquisition has been adjusted for the sub-division in the face value of the equity shares of the Company from ₹10 each to ₹2 each pursuant to a resolution of the Shareholders dated July 30, 2021, as applicable.

Note: Average cost of acquisition of Equity Shares of the Company held by our Promoter and the Selling Shareholders in respect of their respective shareholding in the Company is calculated as per FIFO method.

Details of price at which equity shares of our Company were acquired in the last three years preceding the date of this Red Herring Prospectus

For details of the price at which equity shares of our Company were acquired by our Promoter in the last three years preceding the date of this Red Herring Prospectus, see "***Capital Structure – History of build-up of Promoter's shareholding and lock-in of Promoter's shareholding (including Promoter's contribution) – History of equity share capital build-up of our Promoter's shareholding***" on page 99.

Except as disclosed below, there are no equity shares of our Company acquired by the other members of our Promoter Group, Selling Shareholders (other than Promoter Selling Shareholder), and Shareholders having special rights, in the three years preceding the date of this Red Herring Prospectus.

Name of the acquirer/ shareholder	Nature of securities	Face value# *(in ₹)*	Date of acquisition of	Number of shares acquired	Acquisition price per share*# *(in ₹)*	Nature of transaction
Investor Selling Shareholders						
Haystack Investments Limited	Equity Shares	2	August 18, 2021	291,666	240.00	Preferential allotment
SWIP Holdings Limited	Equity Shares	2	August 18, 2021	20,833	240.00	Preferential allotment
Other Selling Shareholders						
Karishma Singh	Equity Shares	2	December 15, 2021	1,064,585	Nil	Transmission of Equity Shares
Ruta M. Samant	Equity Shares	2	December 20, 2021	15,500	Nil	Transfer by way of gift
			May 28, 2021	2,023,120		
Promoter Group						
RASA Holdings	Equity Shares	2	February 4, 2022	1,000	Nil	Transfer by way of gift
Mia Samant	Equity Shares	2	February 8, 2022	747,500	Nil	Transfer by way of gift
			February 4, 2022	338,745		
Shareholder having nominee Director or other special rights						
Nil (*other than Promoter Selling Shareholder, disclosed above*)						

**As certified by N B T and Co, Chartered Accountants, by way of their certificate dated December 5, 2022.*

Details of Pre-IPO Placement

Not applicable.

Issue of equity shares for consideration other than cash or bonus issue in the last one year

Our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Red Herring Prospectus. For details, see "***Capital Structure***" beginning on page 88.

Split or consolidation of Equity Shares in the last one year

Except as stated below, our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Red Herring Prospectus:

Pursuant to the resolutions passed by our Board of Directors on July 15, 2021 and our Shareholders on July 30, 2021, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company, being 15,110,374 equity shares of ₹ 10 each was split into 75,551,870 Equity Shares of ₹ 2 each.

Exemptions from compliance with provisions of securities laws

Our Company filed an exemption application dated May 27, 2022 ("**Exemption Application**") under Regulation 300(1)(c) of the SEBI ICDR Regulations seeking an exemption from considering and disclosing (i) Suresh Samant (father of the Promoter), (ii) Sulabha Samant (mother of the Promoter), (iii) Bharat Samant and Jaideep Samant (brothers of the Promoter and together with (i) and (ii), "**Relatives of our Promoter**"), (iv) Andronov Vitaliy (father of the spouse of the Promoter); and (v) Andronov Leonid (brother of the spouse of the Promoter, and together with (iv), "**Relatives of the Promoters' Spouse**"), (vi) any body corporate in which in which 20% or more of the equity share capital is held by the above mentioned individuals or a firm or any Hindu Undivided Family where any of such individuals may be a member including Samson Maritime Limited ("**SML**"), wherein Suresh Samant, Sulabha Samant and Bharat Samant collectively hold 20% or more of the equity share capital, or (vii) any body corporate in which the body corporate mentioned under (vi) above holds 20% or more of the equity share capital including Underwater Services Company Limited, wherein SML holds 20% or more of the equity share capital as members of the Promoter Group of the Company, in accordance with the SEBI ICDR Regulations.

Our Promoter and the Relatives of our Promoter, amongst others, entered into a family settlement cum separation agreement dated December 29, 2021 wherein, amongst other things, Rajeev Samant severed all personal, emotional, financial, commercial and family related ties with each of them. In relation to Relatives of the Promoters' Spouse, our Company was unable to contact any of them as Margarita Andronova (spouse of the promoter), informed our Company that she does not have any contact with them and is unaware of either of their whereabouts/ contact details/ residential or any other contact address. Neither of the above mentioned persons have any role in the management or operations of our Company or our Subsidiary nor in any of the entities forming a part of the Promoter Group. Further, neither of them is on our Board or the board of directors of our Subsidiary or the entities forming a part of the Promoter Group nor does any of them have any representative on our Board or hold any Equity Shares or other securities of our Company. Additionaly, neither of them has any related party transactions with our Company or is associated with our Company in the capacity of a vendor or supplier or client and does not have any special rights with respect to our Company through any formal or informal arrangements.

Pursuant to the above, SEBI has, pursuant to its letter dated July 11, 2022 in response to our Exemption Application, granted an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from considering and disclosing the above mentioned persons as members of the Promoter Group.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry segments in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Furthermore, some events may be material collectively rather than individually.

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "**Industry Overview**", "**Our Business**", "**Key Regulations and Policies**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Outstanding Litigation and Material Developments**" on pages 145, 194, 225, 350 and 390, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*Unless the context requires otherwise, all financial information included herein is derived from our Restated Consolidated Financial Information included in "**Financial Information**" beginning on page 264.*

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled "Industry Report on Indian Wine Retail" dated November 23, 2022 (the "**Technopak Report**") prepared and issued by Technopak Advisors Private Limited, appointed by our Company pursuant to an engagement letter dated October 22, 2021 and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. A copy of the Technopak Report is available on the website of our Company at https://sulavineyards.com/pdf/Industry-Report-Sula.pdf. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Internal Risks relating to our Business

1 Our industry is subject to a licensing and excise regime with changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws

The legal, regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. Such laws include prohibition laws, licensing requirements, labelling restrictions and restrictions on advertising. Currently, with the exception of Bihar, Gujarat, Mizoram and Nagaland, the manufacture, sale and consumption of alcoholic beverages is permitted in other parts of India. The prohibition in any state in which we currently operate, or an increasing number of states prohibiting the consumption and sale of alcoholic beverages or any other restrictions on the manufacture or sale of alcoholic beverages, would have a material adverse effect on our business and financial prospects. For example, in December, 2016, the Supreme Court of India imposed a complete ban on the sale of alcohol products by outlets located on highways or within 500 meters from a highway. Subsequently, in August, 2017, the Supreme Court of India clarified that these restrictions were not applicable within municipal areas.

We are also subject to the regulatory compliance requirements of various authorities in all states in which we sell our wines including extensive regulation of the distribution and sale of consumable food items, and specifically alcoholic beverages, by the Food Safety and Standards Authority under Food Safety and Standard Act, 2006 ("**FSS Act**"), the excise department under the excise laws of the relevant state and the relevant state corporations. Such authorities impose a number of product safety, labeling, pricing, storage, transportation and other requirements on our operations and sales. The excise laws prescribe strict requirements for the labelling of alcoholic beverages in India. Each state in India has its own requirements as to the information that must appear on the label of any alcoholic beverage manufactured and sold in that state and each product label is required to be approved by the relevant authorities. As a result, we must produce labels on a state-by-state basis for each of our products and obtain approvals for each of them, resulting in additional costs and preventing us from fully maximizing the economies of scale that would be created if labels could be uniformly produced. Additionally, in Maharashtra and Karnataka, where all of our wines are produced, we are subject to additional licensing requirements and regulations under the FSS Act and the excise laws in force in these states including investigations of applications for licenses to manufacture and sell alcoholic beverages by the excise department. Any regulatory actions, fines or restrictions on our operations resulting from the enforcement of these existing regulations or any new legislation or regulations could have a material adverse effect on our business, results of operations and financial results. For details of the outstanding regulatory actions initiated against our Company, *see, "**Outstanding Litigation and Other Material Developments – Litigation involving our Company – Actions taken by statutory and regulatory authorities against our Company**"* on page 391. The penalties associated with any violations or infractions may vary in severity and could result in a significant impediment to our business operations, and could cause us to have to suspend manufacture or sales of our wines in a jurisdiction for a period of time.

Moreover, the manufacture and distribution of wine, as is the case with other segments of alcoholic beverages such as spirits and beer, is subject to a complex and diverse tax structure by both the Government of India and the various state governments in India. Please *see "**Key Regulations and Policies**"* on page 225. In India, alcoholic beverages do not come within the purview of GST and respective states levy a duty on the manufacture, dispatch and sale of alcoholic beverages within or outside the state ("**Excise Duty**"). We are subject to the payment of Excise Duty to the Department of Excise of the respective states in which we operate in. For the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, we incurred ₹117.75 million, ₹119.38 million, ₹295.04 million, ₹320.19 million and ₹363.93 million in Excise Duty respectively, which accounted for 5.22 per cent., 7.44 per cent., 6.46 per cent., 7.60 per cent. and 6.96 per cent. of our total income, respectively, for the same periods (which comprises our (i) revenue from operations, and (ii) other income). Under the applicable legislations in the relevant states, the rate of Excise Duty charged may be revised by the respective State Government. There may be an increase in the rate of excise duty presently levied in the states in which we operate. Moreover, the wine industry is subject to different taxes in each state and such taxes could be increased either directly or indirectly through levies on industry participants by any Indian state. Increased amount of excise duties payable, increased tax rates or new taxes imposed by the central or any state government would increase the amount of taxes we pay and decrease our profit after tax. Furthermore, if we are unable to pass increased costs arising from higher taxes onto consumers, price sensitive consumers could decrease their purchase of our products, which would have a material adverse effect on our profitability.

A few states in India, including Maharashtra, Karnataka and Tamil Nadu, have introduced their respective policies to encourage the production of wine, pursuant to which wine industries in these states enjoy certain benefits including concession in Excise Duty and simplification of the procedures for obtaining relevant licenses. For details of the wine policies applicable to us in the states of Maharashtra and Karnataka, *see "**Key Regulations and Policies – Key industry specific Government Policies**"* on page 228. ₹194.62 million, ₹96.24 million, ₹353.45 million, ₹273.42 million and ₹290.21 million, which represents 8.69 per cent., 6.05 per cent., 7.79 per cent., 6.54 per cent. and 5.56 per cent. of our revenue from operations, is derived from wine industry promotion schemes ("**Government Grants**") introduced under these policies, respectively, for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020. A draft of the new policy which shall supersede the Maharashtra Grape Processing Policy, 2001 is under consideration by the State Government of Maharashtra. There can be no assurance that these Government Grants or other benefits enjoyed by us will be continued in the future, and if they are discontinued, our business and financial performance may be adversely affected.

There can be no assurance that the state governments in India will not implement new regulations and policies that will require us to obtain additional approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of any new regulations may have a material adverse effect on our business, financial condition, results of operations and future cash flows. In addition, we may incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations and cash flows. Any changes to such laws may adversely affect our business, financial condition, results of operations, future cash flows and prospects. Further, uncertainty in the applicability, interpretation or implementation of governing laws, regulations or policies in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

2 We benefit from high import duties imposed on imports of international wines in India, but these duties could be reduced or eliminated in the future, adversely affecting our Wine Business

Currently, the import of alcoholic beverages in India attracts an import duty at the rate of 150 per cent. of the value of the wine being imported. Given the high cost of import, the wine market in India has limited international entrants. While we import certain alcoholic beverages, our wide product offering under our Own Brands accrued a total of ₹1,915.47 million, ₹1,317.04 million, ₹3,808.91 million, ₹2,873.00 million and ₹3,316.22 million, respectively, for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, which contributed to 84.85 per cent., 82.08 per cent., 83.40 per cent., 68.16 per cent. and 63.38 per cent. of our total income (which comprises our (i) revenue from operations, and (ii) other income) in the same periods. In comparison, our imported alcoholic beverages accrued a total of ₹117.39 million, ₹137.33 million, ₹357.23 million, ₹1,111.24 million and ₹1,614.76 million, respectively, for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, which contributed to 5.20 per cent., 8.56 per cent., 7.82 per cent., 26.36 per cent. and 30.86 per cent. of our total income (which comprises our (i) revenue from operations, and (ii) other income) for the same periods. However, if the Government reduces the import duty on wine in India, we may face increased competition from international labels by our competitors or other distributors, which may have higher appeal to consumers in terms of variety and pricing. For instance, on April 2, 2022 India entered into an interim Australia–India Economic Cooperation and Trade Agreement with Australia which when in force, will offer a phased reduction of import duty over a period of 10 years on certain Australian wines imported to India. Please see "***Industry Overview – Import Duties on Foreign Liquor***" on pages 161 to 162 of this Red Herring Prospectus for details of India's import duties on foreign liquor.

3 Adverse climatic conditions may impact the quality of wine grapes which are our key raw materials

As of September 30, 2022, we had long term supply arrangements (with a contract life of up to 12 years with an option for renewal) with approximately 500 contract farmers. The rates payable under these contracts are fixed on a per kilogram basis subject to the fulfilment of predetermined parameters. The supply of table grapes, which forms a part of our 'Economy' and 'Popular' wine segments is abundant and we procure these from grape growers directly. Our 'Economy' and 'Popular' wine segments represented ₹564.58 million, ₹399.42 million, ₹1,120.96 million, ₹902.70 million and ₹1,067.49 million, respectively, for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, which contributed 29.47 per cent., 30.33 per cent., 29.43 per cent., 31.42 per cent. and 32.19 per cent. of our Own Brands sales for the same periods. On the other hand, our 'Premium' and 'Elite' wines are made from wine grapes and the supply of grapes may be affected by adverse climatic conditions. The quality of grapes may also be affected by adverse climatic conditions. While our manufacturing operations enable us to maintain the quality of our products and we have not faced any significant impact on the quality of grapes procured due to climate change, we cannot assure you that adverse climatic conditions will not impact the quality of our grapes procured or products manufactured in the future. This is because the establishment of new vineyards take more than two years, and any disruption caused by adverse climatic conditions could disrupt our supply of grapes, hence adversely and materially affect our business.

We generally address the climate change risk by crushing higher quantities of grapes when the harvest is conducive to manage our inventories in case of a failed monsoon or bad crop in the next harvest cycle, helping to mitigate adverse impacts on our sales. For example, in Fiscal 2022 the harvest cycle was conducive and of a good quality, and accordingly, we crushed higher quantities of grapes to supplement the inventory for Fiscal 2023. Furthermore, by setting up our manufacturing facilities in Maharashtra and Karnataka, we have been able to diversify and safeguard our operations from potential impacts of adverse climatic conditions in one region. Within Maharashtra and Karnataka as well, the vineyards that we procure grapes from are spread across a wide geography, allowing us to mitigate any localised climate risks associated with the farming of grapes in these regions. Any shortages in our contracted grape supply due to adverse climatic conditions are fulfilled by purchase of wine grapes from the open market. We have also adopted sustainable wine-making practices with the aim to protect the environment, support social responsibility, minimize wastage, and maintain economic feasibility. With our "Green Sula" initiative we've undertaken to make our vineyards eco-friendlier as well as more cost-effective. For details of our sustainability initiatives, see "***Our Business – Strengths – Early adoption and focus on sustainability***" on page 201.

Changes in climate, including unseasonal rain, changing monsoon conditions and the drastic and sudden peaks of temperatures within the same season that have characterized the last few years in India, can significantly damage harvests and affect the cultivation of grapes. As a result of these changes in climate, there is a risk that we may not be able to obtain adequate supply of the premium grapes for our business operations. While changes in climate have not materially adversely affected us since incorporation, we cannot assure you that the climatic conditions in India will be optimal for grape cultivation in the future in light of climate change. Furthermore, the unavailability of raw materials can also be caused by other conditions, such as pandemics, seasonality, inflation and general economic and political conditions, all of which are beyond our control. Please *see "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations – The seasonality of the wine industry and wine tourism business**"* on page 354. In addition, the prices of wine grapes from the open market, which form 5 per cent. to 10 per cent. of our total wine grape supply, may fluctuate depending on the market conditions. Other than the availability of wine grapes as per the contractual arrangement with farmers during the contracted time period, we cannot assure you that we will be able to source our raw materials in adequate quantity and quality or at all, or at a reasonable price in the future.

4 Any supply disruptions in our raw materials could adversely and materially affect our business

We do not have formal arrangements to purchase some of our packaging materials and consumables with suppliers. If our suppliers for any particular packaging materials or consumables are unable or unwilling to meet our requirements or our estimates fall short of the demand, we could suffer shortages or cost increases. While our price changes in the past are not attributable directly to changes in the cost of packaging materials or consumables, there is no assurance that we will not increase the selling price of our products in case of an unexpected increase in the prices of packaging materials or consumables in the future. Our contracted wine grape vineyards are geographically situated across the states of Maharashtra and Karnataka in India. Typically, adverse climatic conditions may affect a few regions but not all of the vineyards located across India. Any adverse developments affecting these regions could impact our business and results of operations. In addition, we could suffer from shortages or cost increases if the third-party sellers, especially farmers, fail to fulfil their obligations under the contract farming agreements to supply us with grapes. This is because grapes are key raw materials for our business operations, and a majority of our grapes are procured from third-party sellers through contracts. We are reliant on these third-party sellers to supply grapes for our business operations.

Processed raw materials such as glass bottles are one of our largest components of cost of goods sold, and the cost of purchase of glass bottles represented ₹87.51 million, ₹59.46 million, ₹182.87 million, ₹121.50 million and ₹176.97 million, respectively, for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, which contributed to 40.29 per cent., 42.50 per cent., 43.87 per cent., 45.96 per cent. and 45.66 per cent. of our total packing material purchases, respectively, for the same periods. An inability of any of our glass bottle suppliers to satisfy our requirements could materially and adversely affect our business. In addition, costs and programs related to mandatory recycling and recyclable materials deposits could be adopted in states of manufacture, imposing additional and unknown costs to manufacture products utilizing glass bottles.

Any supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our consumers in a timely manner or at all, which could negatively affect our business, results of operations, future cash flows and financial condition. We did not experience significant increases in the prices of our raw materials over the past three to five years, and any increases were in line with the prevailing inflation rates. In fact, the overall basis average prices for our raw materials had decreased due to import substitutions. However, there is no assurance that we may not experience significant increases in the prices of our raw materials in the future. For details of our sustainability initiatives, *see "**Our Business – Strengths – Early adoption and focus on sustainability**"* on page 201.

5 We may not be able to adjust the retail prices of our products as a result of state regulation

We may only adjust the retail prices of our products with approval from the state governments (including the respective excise departments) in certain states where the wine market is price controlled, including but not limited to Delhi, Telangana, Tamil Nadu, Orissa, Andhra Pradesh and Kerala. Please *see "**Key Regulations and Policies – Key industry specific regulations**"* on page 225. State excise departments typically prefer approving the lowest selling price and there is no assurance that we will be able to obtain approval from the state governments to increase the retail prices of our products. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

6 Consumers' taste and preference may change and they may not prefer wine in the future. Failure to adapt our product offerings to changing market trends and consumer tastes, preferences and spending habits could cause our sales to decline, and we may not be able to maintain our competitive position in the alcohol beverage and wine industries

While the Indian wine market is relatively young, it is broadly following the trends that have been seen in other wine markets such as China when wine was introduced into them. Our future growth and success will depend significantly on our ability to anticipate changes in market trends and consumer tastes and preferences, and then to identify, source and bring to the market in a timely manner wine products that satisfy the preferences of a broad range of consumers. Our hospitality operations where we directly connect with a large number of consumers give us real time information on changing consumer preferences. Shifts in consumer tastes and preferences may be attributable to various factors including but not limited to rating and reviews from wine critics, marketing and promotional campaigns, social and religious perception of alcohol consumption, and changes in consumers' spending habits. We may not be able to adapt or our products may not meet the desired success, or our competitors may respond to such changing consumer preferences more effectively and successfully. If our competitors are able to better respond to changing consumer preferences, we may not be able to maintain our competitive position in the alcohol beverage and wine industries.

Consumer preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. With the outbreak of COVID-19, there has been a depression in demand with an estimated loss of revenue worth U.S.$117 billion in merchandise retail in Fiscal 2021. With the economic environment becoming uncertain, not only have the consumers become more thoughtful about their consumption but also more conscious of their savings and investments. The consumption priorities are also being driven by the health and safety concerns and the other behavioural changes adopted because of the pandemic. While the discretionary categories like apparel and lifestyle were severely impacted by the pandemic, need based categories like food and pharma have witnessed growth in Fiscal 2021 *(Source: Technopak Report)*. A very low base underpinned by economic growth, positive demographic dividend and increasing acceptance of low alcohol content alco-beverages are set to drive the Indian wine market to a prolonged period of strong growth *(Source: Technopak Report)*. Changing consumption trends as described in the preceding sentence, may reduce the demand for our products and cause our sales to decline. The success of our products depends on our ability to accurately anticipate the changing tastes and preferences of consumers, and to offer products that appeal to them and fall within a price range acceptable to them. If we are unable to anticipate the changing tastes and preferences of consumers at an early stage, we may not be able to plant and cultivate the right varieties of grape in time to produce wines that meet our consumers' demand. In addition, acceptance of our products and by consumers may not be as high as we anticipate. Furthermore, our products may fail to appeal to the consumers, either in terms of taste or price. We are also subject to the preferences of consumers in various regions where our consumers are located, including in relation to the quantity, quality, characteristics and variety of our products. The quality and characteristics of our products are also subject to government policies of various regions where our products are sold, and such government policies may change from time to time.

To address changing market trends, we have launched seven new labels to grow our business and diversify our portfolio over the past five years. For example, we launched four labels under our "The Source" brand, one each in Fiscals 2018, 2019, 2021 and 2022, and undertook a rebranding of our "RASA" brand in Fiscal 2022. We launched a total of seven labels under our brands, "Sula", "The Source", "RASA" and "Dindori", since Fiscal 2018 till the date of this Red Herring Prospectus, which have all been in the 'Elite' category and together were able to acquire a market share of 9 per cent. in the 'Elite' category by the end of Fiscal 2021.

In Fiscal 2020, we introduced red-sparkling wine in India and have also been the pioneer in introducing canned wine in 2020 under our brand 'Dia' *(Source: Technopak Report)*. However, we cannot assure you that we will be able to successfully identify or develop new products and opportunities, in a timely manner or at all, price new products at optimal levels, modify and upgrade existing products and services, achieve market acceptance of our products and services, or that products and services offered by our competitors will not render our products and services non-competitive.

We cannot assure you that we will be able to successfully identify wine products that are popular among consumers in India in the future. If we fail to anticipate and respond to changes in market trends and consumer tastes and preferences for wine products or fail to bring to the market in a timely manner wine products that satisfy new preferences of our consumers, our market share could decline, and our sales and profitability could be adversely affected.

Furthermore, as of the date of this Red Herring Prospectus, we also import and distribute 21 international labels (18 wine labels, two vodka labels and one brandy label) in India, which are priced in line with our 'Elite' category. There is no assurance that our exclusivity for the distribution of these labels in India will continue in the future and we may not be replaced by our competitors or other new players in the market. Such increased competition could have a material effect on our market position, profitability and financial condition.

7 We rely heavily on our brand portfolio and the success of our business strategy depends on our ability to enhance our brands

Our brand and reputation are among our most important assets, and we believe they attract consumers to our products over those of our competitors. We produce and distribute wines under various brands including "Sula", "RASA", "Dindori", "The Source", "Satori", "Mosaic", "Madera", "Samara", "York" and "Dia", with "Sula" being our flagship brand. Enhancing our own brands is a key component of our business strategy to respond to the changing consumer landscape. Please see *"**Our Business – Our Product Portfolio**"* on pages 211 to 215 of this Red Herring Prospectus for full details of the labels of wine that are we are currently producing and marketing. Consumers in existing or new markets may be unfamiliar with our brand and products, and we may need to build or increase brand awareness by increasing investments in promotional activities. We may also face competition with other established brands in the new markets we intend to enter. We have incurred, and may continue to incur in the future, significant expenditures to build brand awareness and preference over other domestic and international products. We also may not be successful in our efforts to expand our brand presence, and we cannot guarantee that our efforts will result in consumer or consumer acceptance of our brands. Furthermore, obtaining, maintaining and expanding our reputation as a producer of premium wine among our consumers and the premium wine market generally is critical to the success of our business and our growth strategy. The winemaking process is long and labor-intensive and built around yearly vintages, which means that once a vintage has been released we are unable to make further adjustments to satisfy wine critics or consumers. As a result, we are dependent on our winemakers and tasting panels to ensure that every wine we release meets our quality standards. If we are unsuccessful in promoting our brands or fail to maintain our brand position, market perception and consumer acceptance of our brands may be eroded, and our business, financial condition, results of operations and prospects may be materially adversely affected.

Our success in marketing our products also depends on our ability to adapt to a rapidly changing marketing and media environment. For the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, we incurred marketing expenditure of ₹27.12 million, ₹19.37 million, ₹47.84 million, ₹41.94 million and ₹86.49 million, respectively, which accounted for 11.03 per cent., 12.10 per cent., 10.74 per cent., 8.98 per cent. and 16.49 per cent. of our total selling, distribution and marketing expenses for the same periods. We also regularly organize events and wine tastings in our various markets specifically targeting the demographic and socio-economic segments of our consumers. The impact of our marketing initiatives may not be as effective as we anticipate. If we do not successfully maintain, extend and expand our reputation and brand image, then our brands, product sales, financial condition, future cash flows and results of operations could be materially and adversely affected. Public perception of our brands could be negatively affected by adverse publicity or negative commentary on social media outlets, or our responses relating to, among other things:

- an actual or perceived failure to maintain high-quality, safety, ethical, social and environmental standards for all of our operations and activities;

- an actual or perceived failure to address concerns relating to the quality, safety or integrity of our wines and the hospitality we offer to our guests at our tasting rooms; or
- an actual or perceived failure by us to promote the responsible consumption of alcohol.

Our marketing strategies include engaging influencers and celebrities, and maintaining a presence on social media platforms and within the peer-to-peer multimedia community. Please see *"**Our Business – Marketing**"* on page 219 of this Red Herring Prospectus for details of our efforts in digital marketing. As the costs to enter into relationships with influencers or engage in sponsorship initiatives may increase over time, this may negatively impact our margins and results of operations. In addition, if we are unable to use social media platforms as marketing tools cost efficiently or if the social media platforms that we use change their policies or algorithms, we may not be able to fully optimize such platforms. Our ability to maintain and acquire consumers and our financial condition might also be impacted adversely.

8 Our revenue from operations is dependent upon a limited number of customers (which includes state run corporations, wholesalers and independent distributors). Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition. Furthermore, we compete for shelf space in retail stores and for marketing focus by our distributors, most of whom carry extensive product portfolios

Customers of our Wine Business are primarily state run corporations, wholesalers and independent distributors who purchase our products for resale to retail outlets, restaurants, hotels and private clubs across India, and in some overseas markets. A change in our relationship with any of our significant customers could harm our business and reduce our sales. Our revenue from operations from our top five customers (which includes state run corporations, wholesalers and independent distributors) for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020 was ₹793.90 million, ₹657.20 million, ₹1,690.76 million, ₹1,494.43 million and ₹1,685.19 million, respectively, which represented 35.43 per cent., 41.29 per cent., 37.25 per cent., 35.76 per cent. and 32.31 per cent. of our revenue from operations for the same periods. Our growth, therefore, is dependent on our relationship with our top five customers. The sales of manufactured goods to BrindCo Sales Private Limited ("**BrindCo**"), our independent distributor for the territories of Delhi and Haryana and one of our top five customers in Fiscal 2022, accounted for 5.96 per cent. of our revenue from sales of products in the same period. As on the date of this Red Herring Prospectus, our agreement with BrindCo for Haryana is in the process of being renewed. In the event we are unable to renew this agreement at all or on terms as favourable to us as the existing terms, it may materially and adversely affect our business operations and our future financial performance. In Delhi, the government withdrew the Delhi Excise Policy of 2021-22 and temporarily restored the old excise policy with effect from July 31, 2022, wherein our manufactured goods are required to be sold through government vendors in Delhi. Accordingly, we have not renewed our agreement with BrindCo for Delhi. There is no assurance that our sales through government vendors will be as successful as our relationship with BrindCo, and the discontinuation of our relationship with BrindCo for Delhi will not materially affect our revenue from sales of products in the future.

Given our dependence on these key customers for a significant portion of our sales, the loss of any one or more of our key customer for any reason (including, due to loss of contracts or failure to negotiate acceptable terms in contract renewal negotiations, delay in the periodic renewal of our agreements with distributors, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed product requirements, plant shutdowns, labor strikes or other work stoppages), could have an adverse effect on our business, results of operations and financial condition. There is no assurance that our key customers will continue to place similar orders with us in the future. In addition to these external factors, these key customers may also set off any payment obligations, require indemnification for themselves or their affiliates, replace us with our competitors, or replace their existing products with alternative products which we do not supply. Therefore, there can be no assurance that we will not lose all or a portion of sales to these key customers, or that we will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Furthermore, the deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

Any difficulty or inability to replace distributors, poor performance of our major distributors or our inability to collect accounts receivable from our major distributors could harm our business. There can be no assurance that the distributors and retailers we partner with will continue to purchase our products or provide our products with adequate levels of promotional support. Furthermore, many of the distributors, wholesalers and retailers of the Indian wine industry are state-operated as the distribution and sale of alcoholic beverages are subject matters that fall under regulation by the state governments in India. Accordingly, we are subject to the regulation by various state governments in India in the states where we maintain our operations. The distribution network for our products is controlled by the relevant state or union territory government in some of the states in which we operate, including Delhi, Rajasthan, Odisha, Andaman and Nicobar Islands, West Bengal, Tamil Nadu, Kerala, Telangana, Andhra Pradesh, Karnataka, and Dadra Nagar Haveli. Some state governments/union territories determine from which manufacturers they will purchase, including the prices at which they trade with the manufacturers they choose. Such purchasing and pricing practices of the state governments may change and may differ from past practices. If any state-owned wholesaler ceases or reduces its trade activity with us, our business, financial condition, results of operations and prospectus could be materially adversely affected.

9 We have been subject to an inspection by the Ministry of Corporate Affairs ("MCA") in October, 2018. Pursuant to the inspection, the Office of Director General, MCA directed the Regional Director, MCA, Mumbai to file a prosecution against our Company and consequently a complaint was filed against our Company, Promoter and certain individuals who were appointed on the board of directors of our Company during the period of inspection before the Additional Metropolitan Magistrate, Girgaon, Mumbai. In this regard, we filed four compounding applications before the MCA Directorate and have received the orders levying compounding fees, which has been paid

Our Company had received a notice dated October 5, 2018 issued by the Regional Director (Western Region at Mumbai), MCA, Government of India ("**MCA Directorate**") under the provisions of the Companies Act, 2013 intimating our Company that an inspection of our books of accounts and other papers has been ordered to be conducted by the Joint Director, MCA Directorate ("**Inspecting Officer**") and further requesting our Company to submit certain records and information, which were duly provided by our Company on October 17, 2018. The books of accounts and papers of our Company for Fiscals ended March 31, 2016, 2017 and 2018 were inspected from October 10, 2018 to November 10, 2018 and the Inspecting Officer issued a preliminary findings report dated April 2, 2019 observing contraventions in relation to certain provisions of the Companies Act, 2013 in relation to, amongst others, i) disclosures in the financial statements of the Company for the Fiscals ended March 31, 2016, 2017 and 2018 in accordance with Section 129 of the Companies Act, 2013 read with the relevant accounting standards; and ii) disclosure of DIN in the board of directors' report for the Fiscals ended March 31, 2016, 2017 and 2018, in accordance with Section 158 of the Companies Act, 2013. Subsequently, an inspection report dated July 31, 2019 was furnished by the Inspecting Officer in favour of the Office of Director General, MCA who issued an order dated November 14, 2019 directing the Regional Director, MCA, Mumbai to file a prosecution against our Company. Resultantly, the Deputy Registrar of Companies, Maharashtra filed a complaint on July 1, 2021 ("**Complaint**") before the Additional Metropolitan Magistrate, Girgaon, Mumbai against our Company, Promoter and certain individuals who were appointed on the board of directors of our Company during the period of inspection ("**Parties**") for the above mentioned contravention of Sections 158 and 129 of the Companies Act, 2013 read with the relevant accounting standards for the Fiscals ended March 31, 2016, 2017 and 2018 along with an application for condonation of delay as the Complaint was not filed by the Deputy Registrar of Companies, Maharashtra within the prescribed period of limitation.

While the Complaint is currently pending for adjudication due to the pendency of the above mentioned application for condonation of delay, the Parties have filed four applications dated June 3, 2022 before the MCA Directorate, which were filed with the RoC on June 16, 2022, for compounding the contraventions alleged in the Complaint and submitting that such contraventions have not been committed by our Company and were inadvertently observed due to differences in the interpretation of the relevant provisions of the Companies Act, 2013 read with the relevant accounting standards. On November 24, 2022, the compounding fees aggregating to ₹5.13 million, in relation to the above applications has been remitted by the Parties (of which our Company was liable to pay ₹0.27 million) and the challans (G.A.R. 7) in this regard were submitted by our Company to the relevant authority for issuing the compounding order. Subsequently, the Regional Director, MCA, Mumbai issued four orders, each dated November 29, 2022, wherein the offences committed under Sections 158 and 129 of the Companies Act read with the relevant accounting standards were compounded and our Company was found liable only under Section 158 of the Companies Act. While our Company will submit these compounding orders before the Additional Metropolitan Magistrate, Girgaon, Mumbai for closure of the Complaint in due course, we cannot assure you that such closure order will be issued in a timely manner.

10 We reported a restated loss in past fiscals and may incur additional losses in the future

We reported a restated loss after tax of ₹159.40 million for the Fiscal ended March 31, 2020, which is largely due to: (a) the imposition of COVID-19 restrictions by excise authorities on wine shops and restaurants, which were followed by nation-wide lockdown; (b) a loss on sale of land which was no longer used in business of ₹24.15 million; (c) impairment of the Heritage brand and goodwill of ₹73.15 million due to the discontinuance of the Heritage brands; (d) loss from the write-off of Artisan Spirits' assets of ₹27.63 million due to the discontinuance of our brandy manufacturing business (comprising of write off of raw material amounting to ₹3.25 million, packing material write-off of ₹3.13 million, loss allowance on financial assets of ₹5.00 million and loss on sale/write-off of property, plant and equipment of ₹16.25 million); (e) impairment provision on inventory of ₹19.72 million; and (f) impairment allowance on financial and non-financial assets of ₹21.91 million. We may incur losses after tax in the future. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. For further details, *see "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Results of Operations**"* on page 372.

11 The Indian wine market is relatively young, facing imminent challenges as consumption of alcohol and spirits in particular, is highly prominent compared to wine consumption in India

The Indian wine market is relatively young, with the domestic wine industry taking shape only in the 1990s. The size of the Indian wine market is small as compared to the size of other developed and developing economies (*Source: Technopak Report*). In addition, India does not have a strong wine drinking culture unlike in European countries where it is paired with meals. Wine drinking culture in India is an occasion-led event where people drink wines at parties, social gatherings, and events (*Source: Technopak Report*). Furthermore, among Indian consumers', even for people who see it as an experience, wine has not caught on as the preferred drink (*Source: Technopak Report*). While a large part of the affluent class may try wine, wine loyalists are limited, who will have it only occasionally, and opting for either whisky, rum or cocktails for regular consumption (*Source: Technopak Report*).

The Indian wine industry, therefore, faces challenges as the consumption of alcohol and spirits in particular, is highly prominent compared to wine consumption in India. While the Indian wine industry is growing at a much quicker pace at 18.3 per cent. by value between Fiscal 2014 to Fiscal 2021 than the IMFL market growing at 10.8 per cent. during the same period (*Source: Technopak Report*), there can be no assurance that the Indian wine market will continue to grow at the same levels, and no new challenges may arise which may have an adverse effect our business and financial performance.

12 We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. For the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, the aggregated absolute total of such related party transactions (including intercompany transactions between our Subsidiaries and our Company) was ₹1,082.92 million, ₹783.32 million, ₹2,104.68 million, ₹1,693.36 million and ₹1,273.67 million, respectively. The percentage of the aggregated absolute total of such related party transactions to our revenue from operations for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020 was 48.33 per cent., 49.22 per cent., 46.37 per cent., 40.52 per cent. and 24.42 per cent., respectively. For a summary of our related party transactions in the last three Fiscals, *see "**Summary of Offer Document – Summary of Related Party Transactions**"* on page 24.

For the operation of our facilities in Nashik, Maharashtra, our Company acquired certain parcels of land measuring 10.15 acres for an aggregate purchase consideration of ₹276.30 million (excluding applicable stamp duty, registration fee and scanning fee) from Rajeev Samant, our Promoter and Managing Director. Our Company has also acquired two flats for residential purposes situated at Ashok Astoria, Peninsula Mega Township, Goverdhan Village, Nashik, Maharashtra with a carpet area of 91.51 square meters each, from

Rajeev Samant at a purchase consideration of ₹6 million each, excluding stamp duty, scanning fee and registration fee. Our Company has leased certain parcels of land for operation of our facilities in Nashik, Maharashtra measuring 15.63 acres from Rajeev Samant for a period of five years commencing on June 1, 2019 till May 31, 2024. Pursuant to the lease deed dated June 7, 2019, and addendum to the lease deed dated October 1, 2021, December 11, 2021 and May 26, 2022, respectively, entered into by our Company with Rajeev Samant, our Company is required to pay a rent of ₹0.19 million per acre per annum in respect of each parcel of land, which is subject to an escalation of 5 per cent. per annum. For further details, *see* *"**Promoter and Promoter Group – Interests of Promoter**"* on page 258.

While we will conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. Our Company will endeavor to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. Furthermore, it is likely that we may enter into related party transactions in the future. Related party transactions in the future may potentially involve conflicts of interest which may be detrimental to our Company. While all such related party transactions will be subject to the approval from our Board and Shareholders, as applicable, and comply with the standards prescribed by SEBI, we cannot assure you that our future related party transactions will not result in an adverse impact on our Company.

13 Our processing units, raw materials and business operations are primarily concentrated in western and south-western parts of India, and any significant social, political, economic or seasonal disruption, or natural calamities or civil disruptions in these regions could have an adverse effect on our business, results of operations, future cash flows and financial condition

The farming of wine grapes which is the major raw material for our operations, is concentrated in the west and south-western states of India. Our wine processing units are also located in the west and southwest of India, with our flagship facility located in Nashik, Maharashtra, and our wine processing units located in Nashik and Dindori in Maharashtra, and Bengaluru and Basavakalyan in Karnataka, as on the date of this Red Herring Prospectus. For further information, please *see* *"**Our Business – Property**"* on page 223.

In Maharashtra, we undertake the sale of our manufactured products from our Domain Dindori and York Winery (ASPL) facilities (the "**Maharashtra Sale and Dispatch Facilities**"), with the sale of our manufactured products produced from Bulk Wine manufactured at our Nashik Winery and Leased Winery 1, also being undertaken from the Maharashtra Sale and Dispatch Facilities. Consolidated gross billings (excluding intercompany sales) from the sale of our manufactured products from our Maharashtra Sale and Dispatch Facilities for Fiscals ended March 31, 2022, 2021 and 2020, was ₹3,454.11 million, ₹2,543.14 million and ₹2,907.85 million, or 85.89 per cent., 84.97 per cent. and 86.19 per cent. of our consolidated gross billings from the sale of our manufactured products, respectively. In Karnataka, we undertake the sale and dispatch of our manufactured products from our Domain Sula and Leased Winery 2 facilities. Consolidated gross billings (excluding intercompany sales) from sale of our manufactured products from our Domain Sula and Leased Winery 2 facilities for Fiscals ended March 31, 2022, 2021 and 2020, was ₹567.14 million, ₹449.94 million and ₹466.11 million, or 14.10 per cent., 15.03 per cent. and 13.81 per cent. of our consolidated gross billings from the sale of our manufactured products, respectively.

In addition, our business operations are also concentrated in these regions. Our consolidated gross billings from the sale of products in our top 10 states (on an aggregated basis) for Fiscals ended March 31, 2022, 2021 and 2020, was ₹3,960.05 million, ₹3,596.17 million and ₹4,359.10 million, or 88.63 per cent., 86.28 per cent. and 85.81 per cent. of our consolidated gross billings, respectively. On an aggregated basis, the top three states contributing to our consolidated gross billings in the last three Fiscals are set out below:

States	Amount (in ₹ million)	% contribution to consolidated gross billings
Fiscal 2022		
Maharashtra	2,173.72	48.65
Karnataka	649.86	14.54
Haryana	286.17	6.40
Fiscal 2021		

Maharashtra	2,045.33	49.07
Karnataka	555.34	13.32
Telangana	281.10	6.74
Fiscal 2020		
Maharashtra	2,598.84	51.16
Karnataka	558.21	10.99
Delhi	297.71	5.86

Any significant social, political, economic or seasonal disruption, or natural calamities or civil disruptions in the states discussed above, and the western or south western parts of India in particular, or changes in the policies of the state or local government of the region or the Government of India, could require us to incur significant capital expenditure, change our business structure or strategy, which could have an adverse effect on our business, results of operations, future cash flows and financial condition. While we have not faced any material adverse impact on our operations due to the location of our wine processing units or the concentration of our business operations, we cannot assure you that there will not be any significant disruptions in our operations or the concentration of our business operations in the future, which may adversely affect our results of operation, profitability and financial condition.

14 Advertising of alcoholic beverage products is restricted in India and we are unable to advertise our products by traditional means

Advertising of alcoholic beverage products in the media is restricted in India under the Cable Television Networks (Regulation) Amendment Act, 2002 and the Cable Television Network (Amendment) Rules, 2009. For details, *see "**Key Regulations and Policies – Prohibition on advertisement**"* on page 228.

The alcoholic beverage industry has historically been the focus of social and political attention in India as a result of public concern over problems relating to alcohol abuse, including health consequences, drinking by persons under the legal age and driving while under the influence of alcohol. As a result, we are unable to advertise our products by traditional means. Instead, we rely on social media, word-of-mouth and other means of advertising such as organizing our annual wine and music festival, the Sula fest, at our Nashik, Maharashtra vineyard which was first introduced in 2008. These advertising activities are less effective than traditional forms of direct advertising through the mass media. There is also no assurance that we will continue to organize the Sula fest in the future. In addition, limitation on the forms in which we are able to advertise and high-profile product launches could increase our advertising costs. Moreover, the inability to launch national advertising campaigns is detrimental to the development of any business in the alcoholic beverage industry, including ours.

15 The coronavirus pandemic ("COVID-19") has had an adverse effect on our business and operations, and the extent to which it may continue to do so in the future cannot be predicted

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities responded by taking measures, including in India where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. The COVID-19 pandemic had a massive impact on the Indian economy in Fiscal 2021, with GDP in the first quarter of Fiscal 2021 contracting 24 per cent. as compared to the same period last year. The contraction in in the first quarter of Fiscal 2021 was not uniform; it varied from state to state and sector to sector. The aviation sector was worst hit followed by tourism, realty, food services, etc. *(Source: Technopak Report)*. The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. With the resurgence of the COVID-19 pandemic in April, 2021, the lockdowns were imposed in various parts of India. While the lockdown currently does not remain in force, in case the lockdown is reintroduced, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial condition. The impact of the pandemic on our business, operations and future financial performance has included and may include the following:

- a decrease in sales of our products such as alcoholic beverages. This was primarily due to COVID-19 induced lockdowns, closure of shops and people working from home;
- an adverse impact on our sales to commercial establishments due to closures or restricted hours of operations;
- a disruption in our distributors' ability to distribute our products;
- a suspension in the operations of our Wine Tourism Business facilities during the lockdowns imposed by the central and state governments;
- a decrease in the rate of occupancy of our vineyard resorts; and
- a negative impact on the health of some of our employees, including certain employees contracting COVID-19.

Due to the COVID-19 pandemic and other factors, our revenue from operations decreased from ₹5,216.34 million in Fiscal 2020 to ₹4,179.59 million in Fiscal 2021. For details please refer to "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations***" on page 372. Our Wine Tourism Business was significantly impacted during the first two quarters of Fiscal 2021 and the first quarter of Fiscal 2022. While our business and operations were affected by the COVID-19 pandemic, our profit before tax margins (based on the audited numbers) improved from a loss of ₹173.97 million or (3.34) per cent. in Fiscal 2020 to ₹31.86 million or 0.76 per cent. in Fiscal 2021, ₹695.37 million or 15.23 per cent. in Fiscal 2022, ₹56.29 million or 3.51 per cent. for the six months period ended September 30, 2021 and ₹412.55 million or 18.27 per cent. for the six months ended September 30, 2022 after we adopted several revenue and cost optimization measures in Fiscal 2021.

While COVID-19 pandemic has affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our consumers and our suppliers at this time. The outbreak of new COVID-19 variants may cause a prolonged global economic crisis. Any intensification of the COVID-19 pandemic, outbreak of new COVID-19 variants or otherwise or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Furthermore, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "Risk Factors" section. Furthermore, *see "**Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition**"* on page 353.

16 We may experience a disruption, shutdown or slowdown of our manufacturing operations

Our business and results of operations are dependent on our ability to effectively plan our production processes, and on our ability to optimally utilize our production capacities for our wines that we produce at our flagship production facility located in Nashik, Maharashtra and our production units located in Nashik and Dindori in Maharashtra, and Bengaluru and Basavkalyan in Karnataka. Any disruption to our procurement and production process or the operation of our flagship facility and our other production units may result from various factors beyond our control, including, among others, the following:

- forced closure or suspension of our flagship facility and production units due to factors such as performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes such as strikes and work stoppages;
- natural disasters or severe weather conditions;
- interruption of our information technology systems that facilitate the management of our facilities and food processing units; and

- other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

Furthermore, we also depend on specialised equipment for manufacture of our wines, and any breakdown in the machinery may lead to a halt or slowdown in our manufacturing process. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Our capacity utilization is also affected by the requirements of our distributors and consumers. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our future cash flows and future financial performance.

Our key raw materials, grapes, are perishable in nature and consequently, any malfunction or break-down of our machinery or equipment resulting in the slowdown or stoppage of our operations may adversely affect the quality of such raw materials. We cannot assure you that there will not be any significant disruptions in our operations or disruptions in our facilities in the future. An accident may result in destruction of property or equipment, environmental damage, production or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities or require us to incur significant capital expenditure. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant.

17 Any actual or alleged contamination or deterioration in the quality of our products or our raw materials could result in legal liability, damage our reputation

We are subject to risks affecting the alcoholic beverage industry, including:

- contamination/ spoilage of raw materials;
- product tampering;
- product labelling errors;
- consumer product liability claims and expense, and possible inadequacy of product liability insurance; and
- the potential cost and disruption of product recalls.

Any actual or alleged contamination or deterioration of our products could result in legal liability, damage to our reputation and may adversely affect our business prospects and consequently our results of operation and financial performance. The risk of contamination or deterioration in quality exists at each stage of our operations, from procurement of raw materials from farmers and third-party suppliers, transportation of raw materials to our flagship facility and processing units, processing of raw materials into final products, storage and delivery to our consumers and distribution of our products to distributors or retailers until final consumption by consumers. While we did not receive material complaints or notices over the past five years, there have been isolated incidents of product labelling errors and natural sedimentation in our products.

There can be no assurance that contamination of our raw materials or products will not occur during the transportation, production, distribution and sales processes due to reasons unknown to us or beyond our control. If our products or raw materials are found to be spoilt, contaminated, tampered with, incorrectly labelled or reported to be associated with any such incidents, we may be forced to recall our products from the market and we could be subject to product liability claims, adverse government scrutiny, investigation or intervention, product returns, resulting in increased costs and incur criminal or civil liability including for any adverse medical conditions suffered by our consumers resulting from consumption of such products.

Further, our wineries have received various quality certifications including, *inter alia*, (i) FSSAI certification for our Domain Dindori, Nashik (Maharashtra) and York wineries; (ii) BRC (AA grade) certification for our Domain Dindori and Nashik wineries; and (iii) ISO 9001:2015 certification for our Domaine Sula Winery. Receipt of such quality certifications is important for the success and wide acceptability of our products. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality certifications in the future, in a timely manner, or at all, our business and prospects may be adversely affected.

18 We may evaluate opportunities for inorganic growth. Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations

In addition to growth through our internal efforts, we may rely upon strategic acquisitions and similar investments to provide us with access to new geographies, or expand our product line from time to time. We may further acquire or make investments in similar or related businesses or enter into strategic partnerships. The timely execution of such a transaction, which involves timely receipt of all requisite permits, licenses or approvals, is critical to the success of an acquisition. Government authorities could also delay or block certain acquisitions on antitrust grounds. Moreover, we may experience disputes in relation to such acquisitions. Any of these developments could increase our expenses and require significant management attention that would otherwise be available for ongoing development of our existing businesses, which would have a material adverse effect on our business, cash flows, financial condition and results of operations.

We may also experience difficulties in integrating acquisitions into our existing business and operations. Any such strategic acquisitions may require that our management develop expertise in new areas, manage new business relationships and attract new types of consumers. For example, ASPL acquired the brand and assets of York Winery Private Limited in Fiscal 2022 at a total purchase consideration of ₹171.65 million and are yet to realize the full performance potential of the "York" brand within our portfolio given that this is a recent acquisition during the COVID-19 period. There is no assurance that we will not face an integration risk while pursuing strategic investments and acquisitions going forward. We have ventured outside our core brand ownership business into an alcoholic beverage (wine, beer and imported liquor) distribution business. However, given the higher profitability offered by our core Wine Business, and a consequent decline in our distribution business due to COVID-19 and other external and internal factors, we discontinued the distribution business as of March 31, 2021. Please *see "**History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years**"* on page 236. Failure to derive anticipated synergies could affect our business, financial condition, cash flows and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or consumers, any of which could significantly disrupt our ability to manage our business and adversely affect our business, financial condition and results of operations.

19 The seasonality of the wine industry requires us to predict demand and build up inventory accordingly, and we may be unable to accurately manage inventory and forecast demand for particular products in specific markets

The wine industry in India is characterized by seasonal demands for its products. Historically, demand has tended to be the highest during the months of November through January. Accordingly, we must plan our annual production levels based on our predictions of demand, including a build-up of raw material and finished goods inventory for dispatch during and prior to peak sales periods. Unlike other alcoholic beverages, the wine industry has only one raw material production cycle in a year, which is usually from December to March. Due to only one harvesting season per year, inventory for the full year is effectively built up in these four months, resulting in high year-end inventory. Our inventory cycle (i.e., days inventory outstanding) were 449 days, 358 days and 252 days for Financial Years 2022, 2021 and 2020, respectively. Calculations of our days inventory outstanding for Fiscals 2021 and 2020 also took into account the inventory and cost of goods sold of our erstwhile subsidiary, PADPL. For details on the calculation of our days inventory outstanding, *see "**Our Business – Gross Margin**"* on page 209. We make these predictions from our own market assessments as well as sales targets provided by our distributors and/or corporations. However, if we were to make an inaccurate prediction of such demands, it could have an adverse effect on the business. In addition, during seasons of lower demand, we continue to incur overhead expenses, but our sales from operations may be delayed or reduced.

We estimate demand for our products based on projections, our understanding of anticipated consumer spending and inventory levels with our distribution network. If we underestimate demand, we may produce lesser quantities of products than required, which could result in the loss of business. If we overestimate demand, we may purchase more raw materials and produce more products than required, which may also result in locking in of our working capital. While bottled wine typically has no expiry, Dia cans, which contributed ₹12.64 million, or 0.62 per cent. to the gross billings of our wines under Own Brands portfolio for the six months ended September 30, 2022, have a shelf life of twelve months. In the event of an over-production of our Dia cans, we may face difficulties with storage and other inventory management issues before the expiry of their shelf life, which may adversely affect our results of operations and profitability. In addition, even if we are able to arrange for sale of such stock, we cannot ensure that such products are not sold to or consumed by consumers subsequent to the expiry of the shelf life, which may lead to health hazards. While we prominently display the shelf life in the packaging of our products, we cannot assure you that we will not face claims for damages or other litigation if our Dia cans are sold or consumed subsequent to expiry of their shelf life. In the event of over-production of bottled wine, while changing the procurement plan for the subsequent years can negate the negative impact from such overproduction, it may result in storage issues, strain our working capital and adversely affect our profitability. Any or all of these factors could adversely affect our reputation, and consequently our business, results of operations, future cash flows and financial condition.

20 Our Wine Tourism Business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows

The hotel and hospitality industry in India is subject to seasonal variations. Seasonality, particularly in terms of summer and winter variations, can be expected to cause quarterly fluctuations in our revenues. Further, the hospitality industry is cyclical, and demand generally follows key macroeconomic indicators. As a result of such seasonal and cyclical fluctuations, our room rates, sales and results of operations of a given period of the financial year may not be reliable indicators of the sales or results of operations of the remaining period of the financial year or of our future performance and our past financial results may not be indicators of the sales or results of operations of our future performance.

21 We may be unable to protect our intellectual property or knowhow from third party infringement

Our Company has registered our name and/or logo, "Sula" with the Registrar of Trademarks under the Trademarks Act under various classes such as, 13, 15, 33, 34, 36, 43, 44 and 45. We have also registered trademarks for our red, white, rosé and sparkling wines under several classes. As on date of this Red Herring Prospectus, our Company and ASPL have registered 208 trademarks with the Registrar of Trademarks and 10 trademarks with the relevant trademark registration authorities in foreign jurisdictions including the European Union. For details, *see "**Our Business – Intellectual Property**"* and *"**Government and Other Approvals**"* on pages 222 and 386, respectively. In addition, we have few applications for registration pending before the Registrar of Trademarks, including fresh applications with respect to certain of our trademarks pursuant to the change in name of our Company due to its conversion to a public limited company. Furthermore, some of applications for registration of our trademarks have been objected. In the absence of these trademark we may not be able to initiate an infringement action against any third party who maybe infringing our trademarks. With respect to our trademarks that have been applied for and/or objected or opposed we cannot assure you that we will be successful in such a challenge nor can we guarantee that eventually our trademark will be granted. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

We cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be successfully opposed or otherwise challenged. We also rely on technical knowledge, product information, industry data, manufacturing expertise and market "knowhow" that cannot be registered and is not subject to any confidentiality or nondisclosure clauses or agreements. If such know-how is leaked to third parties, this could erode our competitive advantage, which could adversely affect our business, results of operations, future cash flows and financial condition.

22 We may experience disruption in transportation arrangements for our products. A lack of adequate storage and transportation facilities for our wine products may also impact the public perception of our Company

We rely on third-party logistic providers to transport raw materials to our flagship facility and other wine processing units, and our finished products to our distributors. Transportation of certain raw materials and finished products require separate arrangements as wines in particular are susceptible to high temperatures above 40 degrees Celsius. We may be affected by transport strikes or delays in transportation arrangement due to climatic conditions, which may affect our delivery schedules or procurement processes. In addition, the delivery of our raw materials and finished products may be delayed if our transport arrangements are held up for any reasons, including longer than expected border checks within India. If we are unable to secure alternate transport arrangements in a timely manner, or at all, our business, results of operations, future cash flows and financial condition may be adversely affected.

An inability to ensure adequate and appropriate transportation facilities in a timely manner, or at all, could adversely affect our business, future cash flows and results of operations. The freight and handling charges incurred by our Company for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020 are ₹40.20 million, ₹31.36 million, ₹90.57 million, ₹80.07 million and ₹110.16 million, respectively, constituting 2.49 per cent., 2.40 per cent., 2.66 per cent., 2.24 per cent. and 2.33 per cent. of our total expenses (i.e. operating expenses excluding finance cost, depreciation, amortisation and impairment expense) in the respective periods. While we do not rely on third parties for the bottling of our products, we have lease units for the manufacture of bulk wine, which contribute 11 per cent. of our total production capacity as of September 30, 2022.

Further, adequate storage and transportation facilities for wine products are important for maintaining the quality and shelf life of the wine products. A lack of such facilities or infrastructure may impact the public perception of our wine products.

23 The supply and distribution infrastructure and network to sell our products is subject to disruption

We rely on distributors and state corporations to sell our products to retailers, hotels, restaurants and cafes. Our distribution platform included over 50 distributors, 11 corporations, 14 licensed resellers, 7 company depots, 3 defence units as of September 30, 2022 and over 23,000 points of sale (including over 13,500 retail touchpoints and over 9,000 hotels, restaurants and caterers) as of March 31, 2022. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network consisting of distributors and retailers. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. Any of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, future cash flows and results of operations:

- an inability of our sales force to effectively engage with the retail outlets and generate demand for our products;
- a failure to maintain relationships with our existing distributors and retailers;
- a failure to establish relationships with new distributors on favorable terms;
- an inability to timely identify and appoint additional or replacement distributors and retailers upon the loss of one or more of our distributors or retailers;
- deterioration in the financial condition of a significant number of our current distributors and/or retailers;
- a disruption in delivering of our products by distributors and retailers; and
- any changes in government regulations, laws and policies.

In the future, we may not be able to compete successfully against distribution networks of some of our current or future competitors if they become larger and better-funded, and if these competitors provide their distributors with more favorable arrangements. If the terms offered to such distributors or retailers by our competitors are more favourable than those offered by us, our distributors may decline to distribute our products and terminate their arrangements with us. Our distributors may change their business practices, such as inventory levels, or seek to modify their terms, such as payment terms. We cannot assure you that we will not lose any of our distributors and retailers to our competitors, who may have a larger portfolio of products, which could cause us to lose some or all of our favorable arrangements with such distributors and retailers and may result in the termination of our relationships with other distributors and retailers. Accordingly, there is no assurance that our distributors will not prioritize the distribution of the products of our competitors.

24 Our Statutory Auditors have included an emphasis of matter in its report on our financial statements for Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020

Our Statutory Auditors have included the following emphasis of matter in their examination report on our Restated Consolidated Financial Information, which is included in the audit reports on the consolidated and standalone financial statements of our Company for Fiscals ended March 31, 2021 and March 31, 2020 which do not require any corrective adjustments in the restated financial information:

- For Fiscals ended March 31, 2021 and March 31, 2020, the Statutory Auditors have drawn attention to the uncertainties relating to COVID-19 pandemic and the management's evaluation of its impact on the operations and the standalone financial statements as at the respective balance sheet date, the extent of which is significantly dependent on future developments. The opinion of the Statutory Auditors is not modified in respect of this matter.

Further, our Statutory Auditors have included the following emphasis of matter in their audit report on the standalone financial statements of our Company for Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, which do not require any corrective adjustments in the restated financial information:

- For Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, the Statutory Auditors have drawn attention to the Company's, i) non-current investment in its Subsidiary, Artisan Spirits Private Limited and non-current loans due from such Subsidiary amounting to ₹ 269.86 million and ₹ 279.70 million as at 31 March 2022; ii) non-current investment in its Subsidiary, Artisan Spirits Private Limited, non-current loans and other non-current financial assets due from such Subsidiary aggregating ₹ 209.86 million, ₹ 234.39 million, ₹ 22.09 million, respectively, as at 31 March 2021; and iii) non-current investment in its Subsidiary, Artisan Spirits Private Limited, noncurrent loans and other non-current financial assets due from such Subsidiary aggregating ₹ 209.86 million, ₹ 275.73 million, ₹ 47.82 million, respectively, as at 31 March 2020. The net-worth of the aforesaid Subsidiary is negative as at the respective financial years mentioned above, 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 loans due to which these are considered as good and recoverable. The opinion of the Statutory Auditors is not modified in respect of this matter.

We cannot assure you that our Statutory Auditors' reports for any future financial period will not contain similar emphasis of matters or other remarks, observations or matters prescribed under Companies (Auditor's Report) Order 2016 and the Companies (Auditor's Report) Order 2020, and that such matters will not otherwise affect our results of operations. For further details, see, "***Restated Financial Statements- Note 40 – Statement of restatement adjustments***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditor's Observations***" on pages 333 and 387, respectively."

25 There are outstanding legal proceedings involving our Company, Subsidiary, Promoter and Directors

There are outstanding legal proceedings involving our Company, Subsidiary, Promoter and Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defence. Furthermore, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition, results of operations and future cash flows.

A summary of the outstanding proceedings involving our Company, Subsidiary, Promoter and Directors in accordance with requirements under the SEBI ICDR Regulations, as disclosed in this Red Herring Prospectus, to the extent quantifiable, have been set out below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	1	Nil	Nil	Nil	Nil	3.40
Against the Company	1(1)	9	8	Nil	Nil	1,250.75
Subsidiary						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	1	Nil	Nil	Nil	0.23
Directors(2)						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	1(1)	4	1	Nil	Nil	28.15

** To the extent quantifiable.*

Notes:

(1) A complaint has been filed by the Deputy Registrar of Companies, Maharashtra on July 1, 2021 before the Additional Metropolitan Magistrate, Girgaon, Mumbai against inter alia our Company, our Promoter and Managing Director, Rajeev Samant. This matter has been included under two under categories, (i) criminal proceedings against the Company, and (ii) criminal proceedings against the Promoter.

(2) Other than outstanding proceedings involving our Promoter and Managing Director, Rajeev Samant, which are included under the category of proceedings involving our Promoter.

Further, as on the date of this Red Herring Prospectus, there are no litigation involving the Group which has a material impact on our Company. For further details of such legal proceedings and notices involving our Company, Subsidiary, Promoter and Directors, *see "**Outstanding Litigation and Other Material Developments**"* beginning on page 390. The aggregate amount of ₹1,250.75 million involved in the outstanding litigation against our Company, to the extent quantifiable, aggregates to 766.39 per cent. of our paid-up Equity Share capital. Further, the aggregate contingent liabilities of ₹185.15 million of our Company as of September 30, 2022, excluding provident fund liability which is not determinable at present, aggregates to 113.45 per cent. of the paid-up Equity Share capital.

In the past, certain search and survey operations were conducted by the Income Tax Department ("**ITD**") at the premises of our Company and certain other business and residential premises on November 2017. Consequently, in the year 2018, the Assistant Commissioner of Income Tax, Central Circle-5(3) Mumbai, issued notices under Section 153A of the Income Tax Act for the assessment years 2011-2012 to 2018-2019, requiring our Company to file revised returns of income. Subsequently, in order to avoid protracted litigation, our Company filed a settlement application on December 26, 2018 before the erstwhile Income Tax Settlement Commission, Additional Bench II, Mumbai ("**ITSC**") disclosing additional income which had not been disclosed before the assessing officer for the above mentioned assessment years and paid the required additional taxes along with interest thereon, as computed by our Company thereunder which was upheld by the ITSC *vide* its order dated January 8, 2019. Thereafter, the Principal Commissioner of Income tax, Central –3, Mumbai in its report, submitted under Section 245D(2B) of the Income Tax Act, alleged that the additional amounts computed by the Company for assessment year 2013-14 was inadequate and our Company filed its responses in this regard. The ITSC passed its final order on September 27, 2019 settling the matter and concluding that the additional income disclosed by our Company was in order and that our Company was not liable to pay any further taxes or subject to levy of penalty. We cannot assure you that we will not be subject to such actions by the Income Tax authorities in the future as the final determination of our tax liability involves the interpretation of local tax laws and related regulations in each state, as well as the significant use of estimates and assumptions and the timing and nature of income earned and expenditures incurred.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

26 We may be unable to effectively manage our future growth and expansion

For the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020 we incurred capital expenditure of ₹ 179.39 million, ₹ 247.95 million, ₹678.21 million, ₹142.56 million and ₹407.00 million, respectively. Our capital expenditure during the six months period ended September 30, 2022 and September 30, 2021 constituted 26.45 per cent. and 173.93 per cent. of our total capital expenditure during Fiscals 2022 and Fiscal 2021, respectively. Typically, we incur capital expenditure on purchase of property, plant and equipment and intangible assets (including movement in capital work-in-progress, goodwill and acquisition through business combination). Our future growth depends, amongst other factors, on expanding our operations domestically by way of organic and inorganic growth by establishing new facilities including wine processing, packaging facilities and storage facilities. In addition to external conditions such as the general economic and political condition of India, our ability to achieve growth will be subject to a range of factors, including:

- growing wine consumption;
- strategic partnerships with existing and new partners;
- optimizing our product portfolio;
- competing with existing companies in our markets;
- establishing our presence in new markets and territories;
- strengthening our existing relationships with our distributors and retailers;
- expanding our sales network;
- expanding our contracted grape cultivation area;
- continuing to exercise effective quality control; and
- brand visibility and consumer engagement.

Our expansion plans and business growth could strain our managerial, operational and financial resources (including future cash flows). Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. There can be no assurance that we will be able to achieve our business strategy of expanding into existing or new territories and expanding our product portfolio.

27 Our business is capital intensive, and we incur high fixed costs on a recurring basis to sustain and expand our business operations. We may not be able to obtain sufficient capital on terms favourable to us, or at all, which may hamper our business and our growth

Our business is capital intensive as we have acquired, expanded and upgraded our manufacturing facilities and Wine Tourism business. For the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, the additions to our property, plant and equipment including capital work-in progress were ₹177.09 million, ₹179.22 million, ₹606.84 million (including addition through business combination), ₹141.39 million and ₹399.57 million, respectively, which represented 5.01 per cent., 5.74 per cent., 17.57 per cent., 4.65 per cent. and 12.24 per cent. of the net carrying value of property, plant and equipment and capital-work-in-progress in the same periods. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments. Our sources of additional capital, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. Furthermore, our budgeted resources may prove insufficient to meet our requirements, draining our internal accruals or requiring us to raise additional capital. If we are required to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. If we are unable to successfully utilize the facilities for which we have raised additional funds, it will have adverse effect on our business. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of manufacturing our products and other work before payment is received from consumers. These factors may result, or have resulted, in increases in the amount of, our receivables, short-term borrowings and the cost of availing such working capital funding. If we are unable to obtain adequate amount of working capital at such terms which are favourable to us and in a timely manner or at all may also have an adverse effect on our financial condition.

We incur high fixed cost on a recurring basis to sustain our business operations, arising from factors which include interest payment on loans, lease rentals, salaries and wages, and wine refrigeration costs, and these costs may increase in the future. Given that harvesting occurs on an annual basis, we incur high expenditure through our constant acquisitions of inventories, quality raw materials and wineries to increase our production capacity. In addition, we incur capital expenditure for our hospitality operations, including the purchase of inventories and the construction of facilities.

We plan to further penetrate in Tier 2+ cities in India and expand our business operations, including sales and distribution, and the purchase of new facilities. We intend to fund these development and expansion plans through a variety of sources, including borrowings, internal accruals and cash flow from our operations. While we expect that we have access to long-term capital requirements to fund our intended growth, we cannot assure you that we will have sufficient capital resources for these new expansion plans or any future expansion plans that we may have. Moreover, we cannot assure you that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all.

28 We may experience delays and default in payments from our distributors and/or corporation partners

A majority of our sales are made through our customers, which includes distributors and state-run corporations. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have outstanding receivables. For example, as at September 30, 2022, our trade receivables were ₹1,025.42 million or 52.09 per cent. of current financial assets.

The distribution of alcoholic beverages in India is controlled by the state through state-owned or state-controlled wholesale or retailing, popularly known as corporations. The corporations in some of the states, including Karnataka, Telangana, Madhya Pradesh generally have a longer payment cycle (between 90-180 days from the time of primary sale). To maintain optimal levels of stock holding across the several depots in each state, we keep adequate stock for each of our brands to ensure that there is no insufficiency of our stock. Furthermore, private distributors (in states where private distribution has been permitted, including Maharashtra and Goa) typically have a payment cycle of 45-75 days from the time of primary sale.

For details on the calculation of our days sales outstanding, *see "**Our Business – Gross Margin**"* on page 204. If our consumers default in making these payments, our profits could be adversely affected.

29 We are dependent on a number of key management personnel, including our senior management, and a loss of the services of these key management personnel or other issues impacting our employee relations could adversely affect our business, future cash flows, results of operations and financial condition

We are dependent on our senior management and other key management personnel for setting our strategic business direction and managing our business. Our Chief Executive Officer has significant experience in the wine industry. Our Board is supported by various other senior level management team members such as the Chief Operations Officer, Chief Financial Officer and Chief Winemaker, who are also experienced in the wine industry, respectively. Due to the current limited pool of skilled personnel, competition for senior management, finance professionals, and experts who have the relevant experience and specialty in viticulture and wine making in our industry is intense. The loss of the services of our senior management, experts or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. As a percentage of our total workforce, our attrition levels for our permanent employees were 9.98 per cent., 13.32 per cent. and 14.74 per cent. for Fiscals ended March 31, 2022, 2021 and 2020, respectively. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees. A loss of the services of our key personnel could adversely affect our business, future cash flows, results of operations and financial condition.

Our ability to meet continued success and future business challenges depends on our ability to attract and recruit experienced, talented and skilled professionals and retain such professionals by, amongst others, providing a conducive work environment. In 2019, our Board received two anonymous letters raising concerns regarding, *inter alia*, the work environment of our Company, including lack of employee recognition, use of unprofessional remarks during senior management meetings and weak communication channels and information flow within the Company. In response, our Company constituted a special committee comprising our Chairman and Independent Director and one of the Non – executive Nominee Directors ("**Special Committee**") to conduct an internal review in relation to the above mentioned concerns. Subsequently, the Special Committee presented a report of its findings to the Board and while no serious issues were reported, our Company has subsequently taken certain steps, as considered relevant, to address such concerns, including implementing a code of conduct. Additionally, these letters had also expressed concerns in relation to an inspection conducted by the Income Tax Department in November, 2017. The consequent matter pursuant to this inspection was settled by the erstwhile Income Tax Settlement Commission, Additional Bench II, Mumbai *vide* its final order dated September 27, 2019. For details, see *"– **There are outstanding legal proceedings involving our Company, Subsidiary, Promoter and Directors**"* on page 47 above. Given no further communication received from any of the anonymous complainants, this matter has been considered settled by our Board. However, any such concerns or complaints in the future may adversely affect the work environment of our Company, the confidence and retention of our employees and our business.

We are also dependent on our Promoter to manage our current operations, particularly we rely on the experience and industry relationships of our Promoter. For details, *see "**Our Business**"* and *"**Promoter and Promoter Group**"* on pages 194 and 258, respectively. In particular, the active involvement of our Promoter in our operations, including through strategy, direction and industry relationships has been integral to our development and business. Should the involvement of our Promoter in our business reduce, or should our relationship with him deteriorate for any reason in the future, our business, financial condition, results of operations and prospects may be adversely affected.

30 We may be unable to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations

Our operations are subject to extensive government regulation (including the state governments), and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Food Safety and Standards Act, 2006 and the rules and regulations thereunder, Legal Metrology Act, 2006, environmental approvals, factory licenses and labour and tax related approvals, among other things.

Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company and our Material Subsidiary for undertaking its business have elapsed in their normal course and our Company and our Subsidiary has either made an application to the relevant central or state government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications. Our Company has made renewal applications for the following licenses, consents, registrations, permissions and approvals which are pending as on the date of this Red Herring Prospectus:

S. No.	Description	Authority	Date of Application
1	License under the FSS Act for trade or retail of beverages excluding dairy products.	Department of Health Safety and Regulations, Government of Himachal Pradesh	September 17, 2022
2	License under the FSS Act for trade or retail of beverages excluding dairy products.	Department of Food Safety, Government of National Capital Territory of Delhi	November 7, 2022
3	Consent under section 21 of the Air	Member Secretary, Karnataka State	November 16, 2022

S. No.	Description	Authority	Date of Application
	(Prevention and Control of Pollution) Act, 1981	Pollution Control Board	

Further, we are yet to make applications for the following licenses, consents, registrations, permissions and approvals:

S. No.	Description	Authority
1	License under the West Bengal Shops & Commercial Establishments Act, 1964 for establishment of sales office in Kolkata*	Labour Inspector, Bidhan Nagar, West Bengal

**Our Company has not been able to apply for this license due to non-cooperation from the owners of the leased premises located in Kolkata, West Bengal. The Company is currently searching for alternative premises to relocate its office from this leased premise.*

Consequent upon the change of the name of our Company from 'Sula Vineyards Private Limited' to 'Sula Vineyards Limited', pursuant to conversion of our Company from a private limited company to a public limited company, we have filed and will file certain applications / intimations for issuance of fresh licenses, consents, registrations, permissions and approvals or to take on record the change of name in various licenses obtained from regulatory or statutory authorities under the applicable laws, as applicable. For further details, *see "**Government and Other Approvals – Material approvals pending for which applications have been made or are yet to be made**"* on page 397. There can be no assurance that the relevant authorities will issue such permits or approvals in time or at all. Failure or delay in obtaining or maintaining or renewing the required permits or approvals within applicable time or at all may result in interruption of our operations. Furthermore, the relevant authorities may initiate actions against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, be required to alter our manufacturing and/or procurement operations or otherwise suffer disruption in our activities, any of which could adversely affect our business.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations, future cash flows or growth prospects.

31 We may fail to comply with environmental laws and regulations

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental laws, we may be required to invest in, among other things, equipment for environmental monitoring, pollution control, and emissions management. Furthermore, any violation of the environmental laws and regulations may result in fines, civil or criminal sanctions, revocation of operating permits, or shutdown of our facilities.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditure may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations, future cash flows or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict. For further information, *see "**Key Regulations and Policies – Environment law legislations**"* on page 229.

32 Termination or non-renewal of our business agreements (including supply agreements) or any material modification to the existing terms under such agreements adverse to our interest will materially and adversely affect our operations and our future financial performance

We enter into various agreements from time to time in relation to our business operations such as hospitality, distribution, security, management, transportation, and wine making. These agreements are typically for a duration of one year to three years, and are renewed from time to time. Furthermore, we enter into long term supply agreements (with a contract life of up to 12 years and renewable with mutual consent) with farmers for the supply of grapes. While our agreements are renewed from time to time as and when they expire, in the ordinary course of business, there may be time periods between renewals where we do not have any formal arrangements in place with counterparties in relation to our operations and supply. For example, our agreement with BrindCo for the sale of our products in Haryana had expired on March 31, 2022 and is in the process of being renewed. Further, we do not have any formal agreements with our packing material suppliers, and such procurement is done based on purchase orders, from to time. In the event of expiry of the term of such agreements, or in the event any of the counterparties are unwilling to renew such agreements or impose terms less favourable to us than existing terms, it may materially and adversely affect our business operations and our future financial performance.

33 We do not own the premises of two of our production facilities and have also taken certain other premises including a vineyard resort, sales offices and guest houses on lease

We do not own the premises of our two of our production facilities, Leased Winery 1 which is located around 6 km from our Domaine Dindori, Maharashtra, facility and Leased Winery 2, which is located approximately 750 km from our Domaine Sula, Karnataka, facility. These production facilities are occupied by us on a leasehold basis from certain third parties which are unrelated to the Company, the lease agreements for which are due to expire in 2024. The details of these leased wineries including their installed capacity in 2022 and the amounts paid by our Company for these leased wineries in the previous three Fiscals ending March 31, 2020, 2021 and 2022, as accrued and recorded in the financial statements of our Company for the relevant Fiscals, are as follows:

Particulars	Installed capacity in 2022 (in Lakh Litres)	Period of lease (Date of expiry of lease)	Main operation	Amount of lease payment for the previous three Fiscals (₹ in million)		
				2022	2021	2020
Leased Winery 1, Maharashtra	9.94	4 years (December 31, 2024)	At this facility we undertake the process of crushing the grapes and making the wines which are then sent over to our Domaine Dindori facility for bottling. We possess a quality certification from FSSAI for this facility.	20.68	18.60	5.04
Leased Winery 2, Karnataka	6.62	23 months (March 31, 2024)	At this facility we undertake the process of crushing the grapes and making the wines which are then sent over to our Domaine Sula facility for blending and bottling. We possess a quality certification from FSSAI for this facility.	3.19	7.49	12.74

We cannot assure you that we will be able to renew our lease on commercially acceptable terms or at all. In the event that we are required to vacate these production facilities, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms.

Further, one of our vineyard resorts i.e., Beyond by Sula in Nashik, Maharashtra, our sales offices, guest houses, storage spaces and certain other premises are occupied by us on a leasehold basis. For further details, see "***Our Business – Property***" on page 223. The lease periods and rental amounts for these properties vary based on their locations with the lease periods for these properties ranging from 11 months to 9 years. As on the date of this Red Herring Prospectus, we have also leased certain parcels of land for operation of our facilities in Nashik, Maharashtra from our Promoter till May 31, 2024. For details, see "***– we have in the past entered into related party transactions and may continue to do so in the future, which may potentially***

involve conflicts of interest" on page 38 above. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new premises and we cannot assure that the new arrangements will be on commercially acceptable terms. Further, the deeds for our existing and future leased properties may not be adequately stamped. While we believe that adequate stamp duty has been paid on our existing leased properties, such stamp duty may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty.

34 Our inability or failure to recognize, respond to and effectively manage the accelerated impact of social media could materially adversely affect our brand and our business

In recent years, there has been a rising influence of social media platforms on millennials in India *(Source: Technopak Report)*, including blogs, social media websites and applications, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Many social media platforms immediately publish the content for their subscribers and participants post, often without filters or checks on accuracy of the content posted. We utilize social media platforms for marketing of our business. For details of our initiatives on social media, *see "**Our Business – Strategies – Effectively use digital media to increase awareness of wine in India**"* on page 200. We do not have control on the information that may be posted by public users on social media platforms. Our Company has implemented numerous initiatives on various social media platforms to ensure that information or posts done on these platform conforms to the generally acceptable norms of the industry, while abiding by the restrictions on the advertisement of alcoholic beverage products in India. However, there is no guarantee that no objections, litigations or claims will be raised in the future, and any objections, litigations or claims raised may lead to significant costs incurred by our Company, and this may impact our Company's profitability.

The dissemination of inaccurate information online could harm our brand, business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. The damage may be immediate without affording us an opportunity for redress or correction. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our brands, exposure of personally identifiable information, fraud, hoaxes or malicious exposure of false information. The inappropriate use of social media by our consumers or employees or suppliers or other third parties could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, future cash flows, results of operations and financial condition.

35 We may be unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements

Our debt to equity ratios were 0.48, 0.76, 0.58, 0.99 and 1.23, as at September 30, 2022 and September 30, 2021 and March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Our interest coverage ratios were 4.03, 1.10 and 0.47, as at March 31, 2022, March 31, 2021 and March 31, 2020, respectively. As of September 30, 2022, we had aggregate outstanding borrowings of ₹2,315.16 million (including bank guarantee) comprising, *inter alia*, term loans, working capital loans and bank guarantees. Our aggregate outstanding borrowings could have several adverse consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted; and
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates.

Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, availing additional borrowings, amendment of constitutional documents, change in ownership or management control, changes in shareholding pattern and material change in the management of business, any dilution or change in the shareholding of our Promoter or members of the Promoter Group, any merger, reorganization or similar action and a failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may trigger an event of default which may lead to *inter alia* the imposition of penalties, including levy of interest or re-pricing of such facilities, conversion of debt into equity, appointment of whole-time directors on our Board, reconstitution of our Board, acceleration of all amounts due under such facilities and/or the enforcement of any security provided. Our future borrowings may also contain similar or additional restrictive covenants. Furthermore, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates of interest with more onerous covenants.

Furthermore, substantially all of our property and assets are subject to mortgage or other security interests to secure our payment obligations to our lenders. If we fail to satisfy our debt service obligations as they become due, the lenders could exercise their creditors' rights, including foreclosing our property and assets subject to mortgage and other security interests. If this occurs, we would not be able to continue to utilize the property and assets subject to foreclosure and our operations would be disrupted during such foreclosure. If we are unable to source funds to repay such indebtedness within the time period specified by the creditors, the creditors could sell our property and assets to third parties. We may not be able to repurchase or locate alternative property and assets at commercially reasonable terms, or at all, to continue our operations.

Any of these circumstances could adversely affect our business, credit rating, reputation, prospects, future cash flows, results of operations and financial condition and lead to initiation of adverse actions by our lenders. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

36 We have extended corporate guarantee(s) in connection with certain debt facilities availed by our subsidiary Artisan Spirits Private Limited ("ASPL"). There can be no assurance that such facilities will be repaid by ASPL in time and such corporate guarantees will not be invoked

We have provided corporate guarantees in connection with certain financing arrangements availed by our subsidiary ASPL. The ability to service such debt obligations will depend entirely on the cash flow generated by ASPL in the future, and there can be no assurance that ASPL will continue to repay its debt facilities in the future, or that its lenders may not recall these facilities earlier than the scheduled date of repayment. In the event that any corporate guarantees provided by us are invoked, we may be required to make the payment of the amount outstanding under such debt facilities availed by ASPL, aggregating to ₹180.45 million, or 8.41 per cent. of total borrowings as on September 30, 2022, resulting in an adverse effect on our business and financial condition. In addition, upon invocation of such guarantee obligations, if we are unable to meet our guarantee requirements, then legal proceedings may be initiated against us and we may not be able to effectively manage our operations.

37 Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations

The cost and availability of capital, among other factors, depend on our credit rating. At present, we have been assigned a rating of "ICRA A+" and "ICRA A1" by ICRA Limited for our long term and short-term bank loan facilities, respectively, aggregating to ₹ 4,250 million, wherein our credit rating for long term bank loan facilities has been revised from ICRA A to ICRA A+ with 'Stable' outlook. Further, we have been assigned a rating of "CRISIL A/Positive" and "CRISIL A1" by CRISIL Ratings Limited for our long term and short-term bank loan facilities aggregating to ₹3,760 million, respectively, wherein our outlook for long term bank loan facilities has been revised to a 'Positive' outlook from a 'Stable' outlook. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

38 Our business is subject to cyber risks and risks related to information technology systems, and technology failures or advancements could disrupt our operations

Our business activities rely on information technology systems, and this dependency is increasing with the development of mobile and online services as well as the use of cloud computing and third-party service providers. We are therefore exposed to information technology systems security risks, which can affect system availability, data integrity and confidentiality, and proof (or no repudiation) of transmission. We are mainly exposed to cyber risks including ransomware attacks, system intrusions, denial of service attacks, data loss and data leakage, the occurrence of which may result in substantial damages to us, and may result in regulatory penalties, or reputational harm. On September 22, 2020, we experienced a ransomware attack on our server which was identified and appropriately addressed by our internal IT team on the same day, and did not result in any financial implication on our results of operations and financial condition. We also carried out follow up actions to remove any residual infections that were present. Post this incident, we also engaged a cyber security consultant to prevent such incidents. However, there is no assurance that we may not experience similar attacks, intrusions or breaches in the future.

We are also exposed to risks of payment fraud. We have collected information and data relating to markets, consumers, inventory, consumers and businesses in order to prepare "big data" that enables trend analysis and direction setting. To develop "big data", we must maintain information technology that is both user-friendly, such that it can be seamlessly applied by our workforce, and secure so as to avoid attacks by digital intruders. We implement various risk management measures to ensure that information is collected, stored, used and disseminated accurately and appropriately. Additionally, we regularly improve our technologies to ensure that our technologies are up-to-date with our cyber security system and data protection system to be prepared for problems concerning data safety that may arise. However, there is no assurance that such measures and technologies will be successful or will operate at the appropriate time and that the expense is managed efficiently. Any material information technology system error or cyberattack or intrusion could have a significant adverse impact on our business operations, credibility and reputation, or lead to lawsuits against our businesses.

IT systems are critical to our ability to manage our production operations and distribution network and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to support business critical applications, human resource management systems, automated software for order collection etc. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, consumer service disruptions and, in some instances, loss of consumers. Our IT systems, and the systems of our third-party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, telecommunications failures, computer viruses, hackers and other security issues. IT interruptions and system failures could have a material and adverse effect on our ability to realise the anticipated improvements in productivity and efficiency.

A fault in or disruption to our information technology systems could cause disruption to our business. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete. Failure to keep up to date with such changes could result in our competitors having an advantage over us, which could negatively impact our financial performance and reputation. Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could affect our results of operations and financial condition.

39 Property operation costs and expenses of our vineyard resorts may not decrease even if their occupancies decline

Our vineyard resorts are continuously operational and most operational costs will not vary significantly with high or low occupancy rates over a week, month or season. Operating a vineyard resort involves a significant amount of fixed costs which may limit our ability to respond to adverse market conditions by minimizing costs. Such limitations may have an impact on profitability when the hospitality industry is weak.

40 The hospitality industry is service-oriented and our Wine Tourism Business may be adversely affected if we are unable to compete effectively for skilled hospitality employees

The hospitality industry is a service-oriented industry and is very labour intensive. Competitors may compete aggressively for skilled hospitality employees, which would increase the operating cost of our vineyard resorts. In addition, the hospitality staff in our vineyard resorts may be poached by existing or new hospitality players in the market, which may have an adverse effect on our operations. A shortage of manpower may translate to lower service quality, which may in turn affect guests' experience and lead to a decline in our bookings.

41 We may experience under-utilization of our manufacturing facilities due to non-availability of fuel, electricity also resulting in interruptions of our operations

While our company is one of the most sustainable wine businesses in the world with more than 2MW of installed solar PV capacity providing us with over 60 per cent. of our annual energy needs in Fiscal 2021, non-availability of continued supply of electricity or fluctuations in the cost of electricity would adversely affect our cost of production and profitability. If for any reason such continued supply of electricity is not available, we may need to shut down our facilities until any adequate supply of electricity is restored. In addition, our manufacturing operations require the continued supply of water for our production processes and we have developed rainwater harvesting reservoirs at our largest and main manufacturing facilities. However, there is no assurance that we will at all times receive a continued supply of water at our facilities, in on the scale required by us. Interruptions of electricity and/or water supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. While there has not been any material disruption in the past, there is no assurance that there will not be any significant interruptions in our operations in the future.

42 Our CEO and Managing Director, being a Promoter, holds Equity Shares in our Company and is therefore interested in our Company's performance in addition to his remuneration or benefits and reimbursement of expenses

Our CEO and Managing Director, being a Promoter, is interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of his shareholding in our Company. We cannot assure you that our Promoter will exercise his rights as a shareholder to the benefit and best interest of our Company. As on the date of this Red Herring Prospectus, our Promoter, Rajeev Samant, has pledged 5,038,939 Equity Shares, held by him, representing 5.98 per cent. of the paid-up share capital of our Company, in favour of IIFL Finance Limited, an affiliate of one of the Book Running Lead Managers, being IIFL, ("**Lender**") as security for a loan availed by Rajeev Samant for the purpose of exercising the warrants that were held by him. For details see, "***Capital Structure – History of build-up of Promoter's shareholding and lock-in of Promoter's shareholding (including Promoter's contribution) – Details of Lock-in***" on page 107. In case of any default by our Promoter, the Lender may invoke the pledge and our Promoter may not be in control of the rights as a shareholder in relation to these Equity Shares.

Furthermore, our CEO and Managing Director has an interest in certain properties acquired by our Company in the three years preceding the date of this Red Herring Prospectus and certain property leased by our Company as on the date of this Red Herring Prospectus. For details in relation to the purchase consideration and lease rentals paid by our Company to our Promoter, see, **" – *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.***" above on page 38 and *see "**Restated Consolidated Financial Information – Note 36 – Disclosure in accordance with Ind AS 24 Related Party Disclosures**"* on page 323.

43 We have certain contingent liabilities, which if they materialize, may adversely affect our financial condition, cash flows and results of operations

As of September 30, 2022, our Restated Financial Information disclosed the following contingent liabilities:

S. No.	Particulars	As of September 30, 2022 (in ₹ millions)
1	Guarantees issued by banks on behalf of the group	168.73
2	Stamp duty liability that may arise in respect of matter for which the group is in appeal	15.41
3	Others	1.01
4	Provident Fund Based on the judgement by the Honorable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the	

S. No.	Particulars	As of September 30, 2022 (in ₹ millions)
	applicability of the judgement to the group with respect to timing and the components of its compensation structure. In absence of further clarification, the group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.	

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future.

44 Our insurance coverage may not be adequate

We maintain insurance coverage for key risks relating to our business. We have obtained Industrial All Risk policy for our flagship facility at Nashik, Maharashtra, and wine producing and bottling facilities at Karnataka, fire and burglary policies for our assets at various locations, including our hospitality and office premises. We have obtained the insurance cover on assets (excluding intangible assets, right of use assets, goodwill and deferred tax assets) of the Company amounts to ₹10,462.44 million as of September 30, 2022 covering 138.95% of the total assets of the Company (excluding intangible assets, right of use assets, goodwill and deferred tax assets) amounting to ₹7,529.62 million as of September 30, 2022. In addition, we have covered specific liabilities against our directors and certain specified officers through a management liability insurance policy, and we maintain a commercial general liability insurance over our operations. We have obtained group personal accident and group health insurance policies for our employees. We also have coverages for assets under transit, fidelity and motor insurance policies to cover the various risks related to our business. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all.

Furthermore, our insurance may not provide adequate coverage in certain circumstances (including business disruptions due to the COVID-19 pandemic) and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and future cash flows may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and future cash flows. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. For further details on our insurance arrangements, *see “**Our Business – Insurance**”* on page 223.

45 We appoint contract labour for carrying out certain of our operations, and we may be held responsible for paying the wages of such workers if the independent contractors through whom they are hired default on their obligations

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. As of September 30, 2022, we engaged contractors towards manpower, hospitality, winery projects and other areas. We have entered into contracts with contractors in respect of winery projects and other areas, and recently renewed our contracts with contractors for our Wine Tourism Business which are valid from July 1, 2022 to June 30, 2025. These contractors are employed on specific job-work basis and in case of non-performance, these contractors can be replaced with immaterial interruption to our business operations. Our Company currently has adequate processes in place to ensure that our independent contractors discharge their duties and statutory obligations effectively. Nevertheless, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor even though our Company does not engage these labourers directly. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. Additionally, we are also required to ensure compliance with provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, as we can be treated as 'principal employers' who are responsible for the supervision and control of the establishment, and we may be required to absorb a number of such contract labourers as permanent employees. As a result, any order from a regulatory body or court may have an adverse effect on our business, results of operations, future cash flows and financial condition.

46 Our operations at our manufacturing facilities are labour intensive, and our employees are affiliated with trade unions. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees

As of September 30, 2022, we had a workforce of 757 permanent employees. Furthermore, we have three internal trade unions (which are not politically affiliated), and we have agreements with these unions. We cannot assure you that we will not be subject to demands and proceedings due to the actions of the labour unions established by our employees at all or any of our manufacturing facilities. Thus, it may be difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. We cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, strike by the trade unions, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations, future cash flows and financial condition.

47 We have been unable to locate certain of our historical corporate records

Our Company was incorporated on February 26, 2003 and we have been unable to trace a Form-2 filed with the Registrar of Companies in relation to an allotment of 1,500 equity shares of our Company on August 11, 2011, along with the relevant attachments in our historical corporate records. We have been unable to trace the above mentioned Form 2 despite conducting a search at our Company's offices and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions or actions. Accordingly, reliance has been placed on confirmations provided by us in respect of the missing corporate records and appropriate disclosures have been made in this Red Herring Prospectus pursuant to the due diligence of the other relevant corporate records available with our Company including the minutes of meetings of the Board and shareholders, register of members and register of transfer of equity shares to ascertain the information sought from the missing corporate records. Further, we have engaged Martinho Ferrao & Associates ("**MFA**") to conduct an online search of the secretarial records filed by our Company after the introduction of online system with the Registrar of Companies ("**Inspection**"). Pursuant to the Inspection, MFA has issued a certificate dated May 9, 2022, confirming that the above mentioned Form 2 filing, along with the relevant attachments, is unavailable on the website of the Ministry of Corporate Affairs.

Further, the demat transfer slips in relation to certain transfers of Equity Shares in favour of our Promoter are not traceable by the transferor and/or the transferee. Accordingly, our Company has relied on the register of members and the statements of the relevant bank accounts held by our Promoter to ascertain the date of transfer and the purchase consideration paid in relation to such transfer. For details of such instances of transfers, *see "**Capital Structure – History of build-up of Promoter's shareholding and lock-in of Promoter's shareholding (including Promoter's contribution)**"* on page 99.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings as of the date of this Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records.

48 Our Company has filed Form FC-GPR in relation to the issuance of our equity shares to a person resident outside India after the expiry of the prescribed time and cannot assure you that these matters will be resolved

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 require a company to report any issuance of shares or convertible debentures in accordance with these regulations in Form FC-GPR within 30 days of such issuance. Our Company has been unable to file Form FC-GPR for the issuance of 2,012 equity shares of our Company to Kerry Damskey on

December 3, 2020 within the prescribed period. While our Company had initially initiated the process for filing Form FCGPR within the prescribed period, our filing was rejected by the AD bank pending submission of certain documents, and during one of our subsequent resubmissions on March 18, 2021, the AD bank raised a request for the submission of KYC documents for Kerry Damskey through his bank (Exchange Bank) via SWIFT mode of banking communication. Due to the COVID-19 pandemic related travel restrictions, Kerry Damskey was unable to travel to India until May 2022, and was consequently only able to open a SWIFT enabled bank account in India and submit the necessary KYC documents, in August 2022. Subsequently, our Company filed the Form FC-GPR. However, our filing was rejected by the AD bank pursuant to certain clarifications and documents requested by the RBI. On September 30, 2022, our Company has filed a fresh Form FC-GPR addressing the requests received from RBI and we cannot assure you that our filing will be approved. Further, we may be required to file a compounding application before the RBI in this regard in due course.

49 Information relating to the historical installed capacities and capacity utilization of our facilities included in this Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary

Information relating to the historical installed capacities and capacity utilization of our facilities included in this Red Herring Prospectus is based on various assumptions and estimates, including proposed operations, availability of raw materials, potential plant utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units (SKUs) for a particular product, downtime resulting from washing activities undertaken due to change of wines produced, unscheduled breakdowns, as well as potential operational efficiencies. While we have obtained a certificate dated November 24, 2022 from Manish. M. Kothari, (registered as a chartered engineer with the Institution of Engineers (India) with registration number F-119399-2) the installed capacity calculation does not take into account seasonality in demand etc. and actual production levels and utilization rates may therefore vary significantly from the estimated installed capacities of our production facilities. There is no assurance that our future installed capacities and capacity utilization rates, will not be significantly different. In addition, capacity utilization is calculated differently in different countries, industries and for the kinds of products we manufacture. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, *see "**Our Business**"* on page 194.

50 Industry information included in this Red Herring Prospectus has been exclusively derived from an industry report commissioned and paid for by us in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate

We have availed the services of an independent third-party research agency, Technopak Advisors Private Limited, to prepare and issue the Technopak Report, for the purposes of inclusion of such information in this Red Herring Prospectus exclusively in connection with the Offer. The Technopak Report is subject to various limitations and based upon certain assumptions, estimates, forecasts and projections that are subjective in nature. Although we believe that the data in the Technopak Report may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. As there are no standard data gathering methodologies in the industry, methodologies and assumptions may vary widely among different industry sources. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

51 Certain key performance indicators for certain listed industry peers included in this Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete

Pursuant to the requirements of the SEBI ICDR Regulations dated November 21, 2022, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the "***Basis for Offer Price***" section on page 123 of this Red Herring Prospectus. While our business comprises of the Wine Business and the Wine Tourism Business, these listed industry peers are alco-beverages players. Although this information is sourced from and relied upon on the consolidated audited financial statements and results of operations of the relevant listed industry peers for Fiscals 2022, 2021 and 2020, as available on the websites of the Stock Exchanges, including the annual reports of the respective companies for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There are different methodologies and formulas used to compute the various ratios. See "*Basis for Offer Price – Quantitative Factors*" for more information.

52 We face foreign exchange risks that could adversely affect our results of operations

We are exposed to foreign exchange risks since some of our business is dependent on imports and exports of alcoholic beverages, entailing foreign exchange transactions, in currencies including the Indian Rupee, Euro, U.S. Dollar and Australian Dollar. Although we closely follow our exposure to foreign currencies and engage in natural hedging to minimize our exposure to foreign exchange risks, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, as we expand geographically, we may experience economic loss and a negative impact on our results of operations as a result of foreign currency exchange rate fluctuations. In the future, we may utilize derivative instruments to manage the risk of fluctuations in foreign currency exchange rates that could potentially impact our future earnings and forecasted cash flows. Any changes in foreign currency rates could adversely affect our results of operations.

53 Our Company will not receive any proceeds from the Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds of the Offer. For further information, *see "**The Offer**"* and *"**Objects of the Offer**"* on pages 72 and 121, respectively.

54 The average cost of acquisition of Equity Shares by the Selling Shareholders including our Promoter could be lower than the floor price of the IPO Price Band

The Selling Shareholder's (including our Promoter) average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the IPO Price Band as may be decided by the Company acting through the IPO Committee, in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Promoter and the Selling Shareholders in our Company and built-up of Equity Shares by our Promoter in our Company, please refer to *"**Capital Structure**"* on page 88 of this Red Herring Prospectus.

55 We have issued Equity Shares during the last one year from the date of this Red Herring Prospectus at a price which may not be indicative of the Offer Price (other than bonus issues)

During preceding one year from the date of this Red Herring Prospectus, we have issued the following Equity Shares of our Company.

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
January 18, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	241,546	2	126.20	Cash
February 22, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	33,000	2	126.20	Cash
March 8, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a	101,454	2	126.20	Cash
		conversion ratio of one Equity	376,000	2	152	Cash

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
		Share for every warrant	50,591	2	170	Cash
			376,000	2	152	Cash
April 21, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	32,738	2	170	Cash
May 3, 2022	2,734,221 Equity Shares to Rajeev Samant, 225,825 Equity Shares to Alok Vajpeyi and 10,000 Equity Shares to Nirjay Singh	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	2,970,046	2	170	Cash
October 20, 2022	Eligible employees	Exercise of stock options granted under ESOP 2018 and ESOP 2021	1,675,693	2	170	Cash
November 17, 2022	772,180 Equity Shares to Chaitanya Rathi and 150,000 Equity Shares to Bittu Varghese	Exercise of stock options granted under ESOP 2019	922,180	2	170	Cash

The price at which Equity Shares have been issued by our Company in the immediately preceding year is not indicative of the price at which they will be issued or traded. For further information, refer to the *section "Capital Structure – Notes to Capital Structure – Share Capital History of our Company"* on page 88.

56 Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements

Our ability to pay dividends in the future will depend on our earnings, financial condition, future cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. For Fiscal 2022, our Company declared and paid an interim dividend of ₹2.50 per share and a final dividend of ₹2.40 per equity share, respectively. Furthermore, our Company has declared and paid an interim dividend of ₹1.05 per equity share for Fiscal 2023. Our Company has also declared an interim dividend of ₹2.05 per equity share for Fiscal 2023 in the board meeting dated November 23, 2022. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see "***Dividend Policy***" on page 263.

External Risk Factors

57 Our business is substantially affected by prevailing macroeconomic, political and other prevailing conditions in India

The Indian economy and capital markets are influenced by economic developments, political and market conditions in India and globally, including adverse geopolitical conditions. We are incorporated in India, and our operations are located in India. Adverse economic developments, such as rising fiscal or trade deficit, in India may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

As a result, we are highly dependent on prevailing economic conditions in India and our results of operations and cash flows are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to trade barriers have led to increased incidents of social unrest in India over which we have no control;

- the macroeconomic climate, including any increase in Indian interest rates or inflation;

- instability in other countries and adverse changes in geopolitical situations;

- civil unrest, local agitation, acts of violence, terrorist attacks, regional conflicts or situations or war;

- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years; and

- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Furthermore, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of such economies, could adversely impact our business, results of operations, future cash flows and financial condition and the price of the Equity Shares. In particular, inflation rates in India have been volatile in recent years, and such volatility may continue, making it more difficult for us to accurately estimate or control costs. Increasing inflation in India could cause a rise in the costs of transportation, fuel, rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

58 Natural calamities, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could have a negative effect on the Indian economy and cause our business to suffer

Natural disasters (such as cyclones, flooding, storms, tsunamis, tornadoes, fires, explosions and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. For example, a continuation or escalation of the ongoing Russia-Ukraine conflict may impact our Third Party Brand distribution business. While we currently import Beluga vodka from Russia for sale and distribution in India, our risk exposure to the regions of Russia and Ukraine is relatively small. However, the conflict may further escalate and its global impact, economic or otherwise, is unpredictable. As a result, we cannot assure you that the immediate or longer-term effects of the conflict will not materially impact our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

59 Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition and results of operations

The regulatory and policy environment in which we operate is evolving and is subject to change. The government of India ("**GoI**") may implement new laws or other regulations and policies that could affect the wine and hospitality industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. Any new compliance requirements could increase our costs or otherwise adversely affect our business. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

The introduction of national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which resulted in changes to India's tax regime. With the introduction of GST, the input raw materials, transportation and freight charges attract higher tax rates, resulting in an increased cost for domestic manufacturers of alcoholic beverages. While the hospitality industry and the sales of other non-core items including scrap, assets and packaging materials are subject to GST, the alcohol beverage industry is not subject to GST. Instead, the consumption of alcohol beverage is subject to the imposition of value added tax. Value added tax, along with other applicable state taxes such as Excise Duty, continue to be imposed on purchase of alcoholic beverages as per the value added tax rates applicable in the respective states. Furthermore, in order for us to utilize input credit under GST, the entire value chain has to be GST-compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our relevant counterparties will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business, cash flows and results of operations.

The Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance (effective September 20, 2019) prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed) which reduces the rate of income tax payable to 22 per cent. subject to compliance with conditions prescribed, from the former rate of 25 per cent. or 30 per cent., depending on the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits. Further, the Government of India has announced the union budget for the Fiscal 2023, and the Finance Bill, 2022 ("**Finance Bill**") was introduced in Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received the assent from the President of India. on March 30, 2022, and became the Finance Act, 2022 ("**Finance Act**"). There is no certainty on the impact that the Finance Bill may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition, future cash flows and results of operations.

In addition, it was clarified that under the Finance Act, 2021, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through Stock Exchanges will be on the buyer, while in other cases of transfer of consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures is specified at 0.015 per cent. and 0.003 per cent. on a delivery and non-delivery basis, respectively, of the consideration amount.

Furthermore, the Finance Act, 2020, had, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, including foreign investment and stamp duty laws governing our business and operations, could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Furthermore, our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect our Company's business, results of operations, future cash flows and financial condition.

60 Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results

On listing, our Equity Shares will be quoted in Indian Rupee on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupee and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that such conversion occurs may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in the repatriation of the proceeds from a sale of Equity Shares outside India, for example, due of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar, Euro and Australian Dollar has fluctuated in recent years and may continue to fluctuate substantially in the future. This may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

61 Any adverse change in India's sovereign credit rating by an international rating agency could adversely affect our business, results of operations and cash flows

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and from BBB with a "stable" outlook to BBB- with a "stable" outlook (Fitch) in June 2022; and from BBB "stable" to BBB "stable" by DBRS in May 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook in May 2021. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

62 Financial instability in other countries may cause increased volatility in Indian financial markets

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, Russia and certain emerging economies in Asia. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Significant political, regulatory and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal, and more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European economies and any consequential impact on global financial markets. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

63 If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages, costs of rent and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we may be unsuccessful in passing such additional costs to our customers in certain states in India where the wine market is price controlled as we are required to obtain an approval from the state governments (including the respective excise departments) to adjust the retail prices of our products. For details, see"- *We may not be able to adjust the retail prices of our products as a result of state regulation"* above. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

64 Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, in a timely manner or at all. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted.

Furthermore, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT, the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For details, *see "**Restrictions on Foreign Ownership of Indian Securities**"* on page 443.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

65 It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India

Our Company is incorporated as a public limited company under the laws of India and some of our directors and executive officers reside in India. Furthermore, all of our assets, and the assets of our executive officers and directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

As at the date of this Red Herring Prospectus, there are no pending suits or proceedings filed outside India against our Company, its directors or Promotors, and there are no judgements, orders or awards passed or pending for enforcement or execution against our Company, Directors or Promotors.

66 We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business

The Competition Act, 2002, of India, as amended (the "**Competition Act**"), regulates practices and seeks to prevent an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such a company, that person shall also be guilty of contravention and may be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Furthermore, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. There are no ongoing proceedings against our Company under the Competition Act, and our Company has not received any notice pertaining to non-compliance under the Competition Act as at the date of this Red Herring Prospectus. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

The Government of India has also introduced the Competition (Amendment) Bill, 2022 in the Lok Sabha in August 2022, which has proposed several amendments to the Competition Act, such as introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a "combination", expedited merger review timelines, codification of the lowest standard of "control" and enhanced penalties for providing false information or a failure to provide material information. As these are draft amendments, we cannot ascertain at this stage as to whether the proposed amendments will come into force in the form suggested or at all, their applicability in respect of our operations, partially or at all once they come into force, or the extent to which the amendments, if and when they come into force, will result in additional costs for compliance, which in turn may adversely affect our business.

67 Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as International Financial Reporting Standards ("IFRS") and Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP"), which may be material to investors' assessments of our financial condition, result of operations and cash flows

Our Restated Financial Information for the six months period ended September 30, 2022 and September 30, 2021 and Fiscals ended March 31, 2022, 2021 and 2020 included in this Red Herring Prospectus are presented in accordance with Ind AS, and restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Information, which are restated as per the SEBI ICDR Regulations and included in this Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

Risks in relation to the Offer and the Equity Shares

68 Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Furthermore, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. Investors bear the risk of fluctuation in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and trading does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The Offer Price will be based on numerous factors, as described in the section "***Basis for Offer Price***" on page 123. The market price and liquidity for the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- volatility in the Indian and other global securities markets;
- our financial condition, results of operation and cash flows;
- the history and prospectus of our business;
- an assessment of our management, our past operations and the prospectus for as well as timing of our future revenues and cost structures;
- results of operations that vary from those of our competitors;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Managerial Personnel;
- changes in interest rates;
- fluctuations in stock market prices and volume;
- general economic conditions.
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Red Herring Prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- future sales of our Equity Shares;
- variations in our quarterly results of operations or cash flows;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows. The Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

69 Qualified Institutional Buyers and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their Bids.

While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

70 Investors may not be able to immediately sell any of the Equity Shares they subscribe to in this Offer on an Indian Stock Exchange

The Equity Shares are proposed to be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading, including the crediting of the Investors' "demat" accounts within the timeline specified under applicable law. Furthermore, in accordance with Indian law, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorising the issuing of the Equity Shares. The Allotment of Equity Shares in the Offer and the credit of Equity Shares to the applicant's demat account with the relevant depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approvals or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict your ability to dispose of the Equity Shares. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

71 Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be diluted.

72 The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer

The initial public offering price will be determined by the book building process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and business partners;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- results of operations that vary from the expectations of securities analysts and investors;
- fluctuations in stock market prices and volume;
- the public's reaction to our press releases and adverse media reports; and
- general economic and stock market conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

73 Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering and grants of stock options under our employee stock option plan, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. The grants of stock options under our employee stock option plan may also result in a charge to our profit and loss account and to that extent, reduce our profitability and adversely affect our business.

74 Investors may be subject to Indian taxes arising out sale of the Equity Shares

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax ("STT"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. In terms of the Finance Act, 2018 and with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10 per cent., where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families. Furthermore, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders, both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Further, the Finance Act, 2019 made various amendments in the taxation laws and clarified that, in the absence of a specific provision under an agreement, the buyer will be liable to pay stamp duty in case of sale of securities through the Stock Exchanges, while the transferor will be liable to pay stamp duty in other cases of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis, is specified at 0.015 per cent. and on a non-delivery basis is specified at 0.003 per cent. of the consideration amount. These amendments came into effect from July 1, 2020.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

75 Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares

Foreign ownership of Indian securities is subject to government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Indian Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

76 A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

77 There is no assurance that our Equity Shares will remain listed on the Stock Exchanges

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchanges.

78 Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer [(1) (2)]	Up to 26,900,530 Equity Shares aggregating up to ₹ [●] million
The Offer consists of:	
Offer for Sale[(2)]	Up to 26,900,530 Equity Shares aggregating up to ₹ [●] million
Of which:	
A. QIB Portion[(3) (4)]	Not more than [●] Equity Shares
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investor (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to mutual funds only (5 percent of the QIB Category (excluding Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion[(3)(5)]	Not less than [●] Equity Shares
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000	[●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●] Equity Shares
C. Retail Portion[(3)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Red Herring Prospectus)	84,198,748 Equity Shares
Equity Shares outstanding after the Offer	84,198,748 Equity Shares
Use of proceeds of the Offer	For details, see "***Objects of the Offer***" beginning on page 121. Our Company will not receive any portion of the proceeds from the Offer.

(1) The Offer has been authorized by a resolution of our Board dated February 23, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 15, 2022 and November 26, 2022.

(2) The Selling Shareholders have, severally and not jointly, confirmed and approved their respective portions in the Offer for Sale as set out below:

S. No.	Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's Consent Letter	Date of Corporate Authorisation/ Board Resolution
Promoter Selling Shareholder				
1.	Rajeev Samant	Up to 937,203	November 25, 2022	N.A.
Investor Selling Shareholders				
2.	Cofintra S.A.	Up to 7,191,835	November 26, 2022	November 8, 2022
3.	Haystack Investments Limited	Up to 200,000	May 17, 2022	February 14, 2022
4.	Saama Capital III, Ltd.	Up to 687,389	February 21, 2022	February 9, 2022
5.	SWIP Holdings Limited	Up to 121,076	February 28, 2022	February 28, 2022
6.	Verlinvest S.A.	Up to 7,191,835	November 26, 2022	October 24,2022
7.	Verlinvest France S.A.	Up to 6,579,565	November 26, 2022	November 8, 2022
Other Selling Shareholders				

S. No.	Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's Consent Letter	Date of Corporate Authorisation/ Board Resolution
8.	Dinesh G. Vazirani	Up to 50,000	February 15, 2022	N.A.
9.	J.A. Moos	Up to 2,250	March 3, 2022	N.A.
10.	Karishma Singh	Up to 479,063	February 17, 2022	N.A.
11.	Major A.V. Phatak (Retd.)	Up to 8,625	February 28, 2022	N.A.
12.	Narain Girdhar Chanrai	Up to 1,007,314	February 15, 2022	N.A.
13.	Ruta M. Samant	Up to 2,014,758	February 17, 2022	N.A.
14.	Sanjay Naraindas Kirpalani	Up to 429,617	February 21, 2022	N.A.
	Total:		**Up to 26,900,530**	

(3) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from other category or a combination of categories at the discretion of our Company acting through the IPO Committee, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law.

*(4) Our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors, which shall be a price determined by our Company, in consultation with the BRLMs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "**Offer Procedure**" beginning on page 425.*

(5) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

Notes:

1. *Allocation to all categories, other than Anchor Investors, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One-third of the Non-Institutional Category shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000, two-thirds of the Non-Institutional Category shall be reserved for Bidders with an application size of more than ₹1,000,000 and the unsubscribed portion in either of the above sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations.*
2. *Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company.*
3. *Our Company will not receive any proceeds from the Offer.*

For details, including grounds for rejection of Bids, refer to "***Offer Structure***" and "***Offer Procedure***" beginning on page 422 and 425, respectively. For details of the terms of the Offer, see "***Terms of the Offer***" beginning on page 417.

SUMMARY OF FINANCIAL STATEMENTS

The summary financial statements presented below should be read in conjunction with "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 264 and 350, respectively.

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	Note No.	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
ASSETS						
Non-current assets						
Property, plant and equipment	3	3,411.97	3,095.91	3,444.13	3,040.23	3,262.51
Right-of-use assets	3A	107.72	118.11	93.04	125.25	236.91
Capital work-in-progress	3B	119.46	24.79	9.80	1.07	1.23
Goodwill	4	8.54	8.54	8.54	0.11	26.91
Other intangible assets	4	63.63	69.23	66.78	11.95	20.10
Financial assets						
Investments	5	0.03	0.03	0.03	0.03	0.03
Loans	6	21.25	13.33	19.21	10.90	11.12
Other financial assets	7	379.67	160.38	209.68	218.24	188.90
Deferred tax assets (net)	8	-	-	-	-	0.42
Non-current tax assets (net)	8	1.67	13.24	2.11	1.39	87.61
Other non-current assets	9	77.95	40.50	26.85	37.43	43.57
Total non-current assets		**4,191.89**	**3,544.06**	**3,880.17**	**3,446.60**	**3,879.31**
Current assets						
Inventories	10	1,472.65	1,333.34	1,622.62	1,439.33	1,713.40
Financial assets						
Investments	5	-	-	-	-	0.75
Trade receivables	11	1,025.42	1,204.76	1,093.94	1,236.17	1,517.35
Cash and cash equivalents	12	137.06	159.26	101.99	407.91	374.72
Bank balances other than cash and cash equivalents	13	87.95	88.00	93.85	109.71	28.02
Loans	6	14.59	11.85	11.51	11.35	23.87
Other financial assets	7	703.36	635.03	736.21	468.87	651.74
Other current assets	9	76.59	102.47	45.31	75.19	121.20
		3,517.62	**3,534.71**	**3,705.43**	**3,748.53**	**4,431.05**
Non-current assets and assets of a disposal group classified as held for sale	14	-	96.70	-	320.84	-
Total current assets		**3,517.62**	**3,631.41**	**3,705.43**	**4,069.37**	**4,431.05**
TOTAL ASSETS		**7,709.51**	**7,175.47**	**7,585.60**	**7,515.97**	**8,310.36**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	15	163.20	153.77	157.20	150.80	150.44
Other equity		4,328.65	3,289.47	3,795.39	2,896.59	2,849.02
Equity attributable to owners of the parent		**4,491.85**	**3,443.24**	**3,952.59**	**3,047.39**	**2,999.46**
Non-controlling interest		-	-	-	-	24.01
Total equity		**4,491.85**	**3,443.24**	**3,952.59**	**3,047.39**	**3,023.47**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	16	412.17	536.68	480.67	591.19	788.24
Lease liabilities	17	78.44	87.47	62.43	100.06	186.86
Provisions	18	30.70	117.91	19.92	99.61	81.45
Deferred tax liabilities (net)	8	162.14	147.88	168.60	159.74	175.53
Total non-current liabilities		**683.45**	**889.94**	**731.62**	**950.60**	**1,232.08**
Current liabilities						
Financial liabilities						
Borrowings	16	1,734.26	2,087.80	1,808.64	2,421.37	2,894.18
Trade payables	19					
-total outstanding dues of micro enterprises and small enterprises		15.06	8.06	4.78	9.71	11.17
-total outstanding dues of creditors other than micro enterprises and small enterprises		373.65	387.41	669.67	573.64	815.60
Lease liabilities	17	46.16	45.65	47.39	38.95	58.13
Other financial liabilities	20	170.48	136.61	142.29	144.71	173.28
Other current liabilities	21	162.91	155.10	186.86	168.07	83.44
Provisions	18	30.30	21.66	27.23	12.98	19.01
Current tax liabilities (net)	8	1.39	-	14.53	12.70	-
		2,534.21	**2,842.29**	**2,901.39**	**3,382.13**	**4,054.81**
Liabilities of a disposal group classified as held for sale	14	-	-	-	135.85	-
Total current liabilities		**2,534.21**	**2,842.29**	**2,901.39**	**3,517.98**	**4,054.81**
TOTAL EQUITY AND LIABILITIES		**7,709.51**	**7,175.47**	**7,585.60**	**7,515.97**	**8,310.36**

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Restated Consolidated Statements of Profit and Loss
(Amounts in ₹ million, unless otherwise stated)

Particulars	Note No.	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Income						
Revenue from operations	22	2,240.68	1,591.50	4,539.16	4,179.59	5,216.34
Other income	23	16.91	13.10	27.84	35.53	15.60
Total income		**2,257.59**	**1,604.60**	**4,567.00**	**4,215.12**	**5,231.94**
Expenses						
Cost of materials consumed	24	205.95	212.90	1,114.18	669.12	1,092.81
Excise duty		117.75	119.38	295.04	320.19	363.93
Purchase of stock-in-trade		116.97	71.68	204.30	752.01	1,325.24
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	164.59	118.58	(147.00)	153.69	(143.17)
Employee benefits expense	26	370.96	302.69	653.40	554.81	657.27
Selling, distribution and marketing expense	27	245.89	160.13	445.45	466.95	524.59
Other expenses	28	392.42	318.69	840.92	653.23	906.34
Total expenses		**1,614.53**	**1,304.05**	**3,406.29**	**3,570.00**	**4,727.01**
Restated Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment and Exceptional item (EBITDAE)		**643.06**	**300.55**	**1,160.71**	**645.12**	**504.93**
Finance costs	29	104.69	126.77	229.23	333.86	328.93
Depreciation, amortisation and impairment expense	30	125.82	117.49	236.11	256.99	349.97
Restated profit/ (loss) before tax and exceptional item		**412.55**	**56.29**	**695.37**	**54.27**	**(173.97)**
Exceptional item	31	-	-	-	(22.41)	-
Restated profit/ (loss) before tax		**412.55**	**56.29**	**695.37**	**31.86**	**(173.97)**
Tax expense/ (credit)	8					
Current tax		113.24	22.84	165.12	16.37	4.22
Deferred tax		(5.75)	(11.86)	8.86	(14.65)	(18.79)
		107.49	**10.98**	**173.98**	**1.72**	**(14.57)**
Restated net profit/ (loss) for the period/ year (A)		**305.06**	**45.31**	**521.39**	**30.14**	**(159.40)**
Restated other comprehensive loss (OCI)						
Items that will not be reclassified to profit or loss						
- Loss on re-measurement of defined benefit plan (net of taxes)	34	(2.26)	(8.43)	(1.47)	(2.57)	(3.40)
Items that will be reclassified subsequently to statement of profit or loss						
- Cash flow hedge reserve		-	-	-	(0.21)	-
Restated other comprehensive loss for the period/ year (B)		**(2.26)**	**(8.43)**	**(1.47)**	**(2.78)**	**(3.40)**
Restated total comprehensive income/ (loss) for the period/ year (A+B)		**302.80**	**36.88**	**519.92**	**27.36**	**(162.80)**
Restated net profit/ (loss) attributable to:						
Owners of the parent		**305.06**	**45.31**	**521.39**	**29.89**	**(156.82)**
Non-controlling interests		-	-	-	0.25	(2.58)
Restated other comprehensive income/ (loss) attributable to:						
Owners of the parent		**(2.26)**	**(8.43)**	**(1.47)**	**(2.83)**	**(3.43)**
Non-controlling interests		-	-	-	0.05	0.03
Restated total comprehensive income/ (loss) attributable to:						
Owners of the parent		**302.80**	**36.88**	**519.92**	**27.06**	**(160.25)**
Non-controlling interests		-	-	-	0.30	(2.55)
Earnings per equity share of nominal value of ₹ 2 each	32					
Basic (in ₹)		3.76	0.60	6.79	0.40	(2.09)
Diluted (in ₹)		3.76	0.60	6.79	0.40	(2.09)

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Restated Consolidated Statement of Cash Flows
(Amounts in ₹ million, unless otherwise stated)

Particulars	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES					
Restated profit/ (loss) before tax	**412.55**	**56.29**	**695.37**	**31.86**	**(173.97)**
Adjustments for :					
Depreciation, amortisation and impairment expense	125.82	117.49	236.11	256.99	349.97
Interest expenses	93.59	116.62	214.20	316.52	309.46
Interest income	(13.18)	(10.45)	(21.53)	(26.50)	(7.09)
Provisions/ balances no longer required written back	(8.42)	(15.96)	(23.02)	(6.81)	(1.63)
Impairment allowance on financial and non-financial assets	18.96	11.55	46.38	2.94	21.91
Impairment loss on assets classified as held for sale (Refer note 28)	-	-	17.05	11.80	-
Exceptional item - loss on disposal group classified as held for sale	-	-	-	22.41	-
Legal and professional expenses settled by issue of equity shares for consideration other than cash	-	-	-	-	2.56
Share based payment expenses	9.70	5.02	18.62	3.90	2.16
Unrealised exchange loss on foreign gain currency translations (net)	(2.01)	0.12	0.39	0.12	0.54
Profit on cancellation of lease agreement	(0.05)	(0.12)	(0.40)	(2.31)	-
Loss on disposal of property, plant and equipment (net)	0.21	0.09	0.47	31.93	39.06
	224.62	**224.36**	**488.27**	**610.99**	**716.94**
Operating profit before working capital changes	**637.17**	**280.65**	**1,183.64**	**642.85**	**542.97**
Adjustments for working capital:					
Decrease in trade receivables	51.06	88.10	163.77	165.51	243.03
Decrease/ (Increase) in inventories	149.97	142.83	(146.45)	209.31	(141.29)
Decrease/ (Increase) in current/ non-current financial and other assets	(175.51)	(122.46)	(206.75)	208.71	(15.43)
(Decrease)/ Increase in trade payables and other financial/ other liabilities	(273.39)	(187.78)	46.85	(102.72)	(68.48)
	(247.87)	(79.31)	(142.58)	480.81	17.83
Cash generated from/ (used in) operations	**389.30**	**201.34**	**1,041.06**	**1,123.66**	**560.80**
Direct taxes - refund received/ (paid) [net]	(125.94)	(47.39)	(166.67)	71.56	(114.20)
Net cash generated from/ (used in) operating activities	**263.36**	**153.95**	**874.39**	**1,195.22**	**446.60**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment (Refer note 2 below)	(216.51)	(141.72)	(549.77)	(164.51)	(453.33)
Proceeds from sale of property, plant and equipment (includes asset held for sale)	0.68	7.63	90.85	8.64	14.64
Proceeds from sale of investment in subsidiary	-	29.69	29.69	-	-
Net proceeds from bank deposits with original maturity of more than three months	5.42	19.87	(0.04)	(85.70)	(6.50)
Payment in relation to purchase consideration on business combination	-	(161.65)	(161.65)	-	-
Purchase of units of mutual funds	-	-	-	-	(0.75)
Interest income received	13.25	9.38	23.00	24.52	6.27
Net cash used in investing activities	**(197.16)**	**(236.80)**	**(567.92)**	**(217.05)**	**(439.67)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital (including securities premium)	508.28	338.93	561.08	15.84	15.05
Proceeds from/(repayment) of short-term borrowings (net)	(74.38)	(333.57)	(612.73)	(391.20)	566.87
Proceeds from long-term borrowings	137.01	152.20	306.67	217.52	395.00
Repayment of long-term borrowings	(205.51)	(206.71)	(417.19)	(414.57)	(201.33)
Interest paid	(87.62)	(104.57)	(202.36)	(315.39)	(283.16)
Dividend paid	(281.52)	-	(194.49)	-	(108.72)
Repayment of lease liabilities	(27.39)	(27.21)	(53.50)	(56.78)	(50.15)
Share application money pending allotment	-	15.00	-	-	-
Net cash generated from/(used in) financing activities	**(31.13)**	**(165.93)**	**(612.52)**	**(944.58)**	**333.56**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**35.07**	**(248.78)**	**(306.05)**	**33.59**	**340.49**
Cash and cash equivalents at the beginning of the period/ year	101.99	407.91	407.91	374.72	34.23
Cash and cash equivalents at the end of the period/ year	137.06	159.13	101.86	408.31	374.72
Add: Cash and cash equivalents acquired in business combination (Refer note 48)	-	0.13	0.13	-	-
Less: Transfer to assets of a disposal group classified as held for sale (Refer note 14.1)	-	-	-	(0.40)	-
Cash and cash equivalents at the end of the period/ year (Refer note 12)	**137.06**	**159.26**	**101.99**	**407.91**	**374.72**

GENERAL INFORMATION

Our Company was incorporated as "Nashik Vintners Limited" as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC on February 26, 2003. Our Company was granted the certificate for commencement of business on March 6, 2003 by the RoC. The name of our Company was changed to "Nashik Vintners Private Limited", pursuant to a fresh certificate of incorporation consequent to change of name issued by the RoC on January 24, 2006. Subsequently, the name of our Company was changed to "Sula Vineyards Private Limited", pursuant to a certificate of incorporation pursuant to change of name issued by the RoC on August 11, 2014. On the conversion of our Company to a public limited company, pursuant to a resolution passed by our Shareholders on December 27, 2021, our name was changed to "Sula Vineyards Limited" and a fresh certificate of incorporation was issued by the RoC on February 11, 2022.

Corporate Identity Number: U15549MH2003PLC139352

Registration Number: 139352

Registered and Corporate Office of our Company

901 Hubtown Solaris, N.S. Phadke Marg
Andheri (East), Mumbai 400 069
Maharashtra, India
Telephone: +91 22 6128 0606, +91 22 6128 0607
Website: www.sulavineyards.com

For details of change in the registered office of our Company, see "***History and Certain Corporate Matters – Changes in our Registered Office***" on page 234.

Address of the Registrar of Companies

Our Company is registered with the RoC located at the following address:

The Registrar of Companies, Maharashtra at Mumbai
Everest, 5th Floor, 100 Marine Drive
Mumbai 400 002, Maharashtra, India

Board of our Company

Details regarding our Board as on the date of this Red Herring Prospectus are set forth below:

Name and Designation	DIN	Address
Chetan Rameshchandra Desai *Chairman and Non-Executive Independent Director*	03595319	901, Matoshree Kunj, Tanaji Malusare Marg, Vile Parle West, Mumbai, Maharashtra 400 056, India
Rajeev Samant *Managing Director and Chief Executive Officer*	00020675	Apartment 1001, Tower E1, The Residences, Downtown, Dubai, UAE
Alok Vajpeyi *Non-Executive Independent Director*	00019098	Flat no. 2201/2202, Era-III, Marathon Nextgen, Ganpatrao Kadam Marg, Opposite Peninsula Corporate Park, Lower Parel West, Mumbai, Maharashtra 400 013, India
Sangeeta Pendurkar *Non-Executive Independent Director*	03321646	One North Tower A, Zeon 1801, S. no. 133 136 137, Hadapsar, Magarpatta Road, Pune, Maharashtra 411 028
Arjun Anand *Non-Executive Nominee Director**	07639288	01-35 Greenwood Mews, 271 Greenwood Avenue, Singapore 286623
Roberto Italia *Non-Executive Nominee Director**	09228481	Via Noale 8A, 6924, Sorengo, Switzerland

* *Nominated by Verlinvest Asia Pte. Ltd.*

For further details of our Directors, see "***Our Management***" beginning on page 240.

Filing of the Offer documents

A copy of the Draft Red Herring Prospectus has been submitted to SEBI on cfddil@sebi.gov.in in accordance with SEBI circular dated March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*"; and will be filed with SEBI electronically on the platform provided by SEBI at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 has been filed with the RoC, and a copy of the Prospectus shall be filed with the RoC as required under Sections 26 and 32 of the Companies Act, 2013 and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

Ruchi Sathe is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth below:

901 Hubtown Solaris, N.S. Phadke Marg
Andheri (East), Mumbai 400 069
Maharashtra, India
Telephone: +91 22 6128 0606
E-mail: cs@sulawines.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor, Plot No. C – 27, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India
Telephone: + 91 22 4336 0000
E-mail: Sulavineyards.ipo@kotak.com
Investor grievance E-mail: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com/
Contact person: Ganesh Rane
SEBI Registration No.: INM000008704

CLSA India Private Limited
8/F, Dalamal House

Nariman Point
Mumbai 400 021
Maharashtra, India
Telephone: +91 22 6650 5050
E-mail: sula.ipo@clsa.com
Investor Grievance E-mail: investor.helpdesk@clsa.com
Website: www.india.clsa.com
Contact Person: Prachi Chandgothia/ Rahul Singhal
SEBI Registration No.: INM000010619

IIFL Securities Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India
Telephone: +91 22 4646 4728
E-mail: sula.ipo@iiflcap.com
Website: www.iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Contact Person: Yogesh Malpani/ Pawan Kumar Jain
SEBI Registration No.: INM000010940

Statement of inter-se allocation of responsibilities amongst the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Co-ordination
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Kotak
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Kotak
3.	Drafting and approval of statutory advertisements	BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc.	BRLMs	Kotak
5.	Filing of media compliance report	BRLMs	Kotak
6.	Appointment of intermediaries – Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	CLSA
7.	Preparation of road show presentation and frequently asked questions	BRLMs	CLSA
8.	International Institutional marketing of the Offer, which will cover, *inter alia*: ● Marketing strategy; ● Finalising the list and division of international investors for one-to-one meetings; and ● Finalising international road show and investor meeting schedule	BRLMs	CLSA
9.	Domestic Institutional marketing of the Offer, which will cover, inter alia: ● marketing strategy; ● Finalising the list and division of domestic investors for one-to-one meetings; and ● Finalising domestic road show and investor meeting schedule	BRLMs	Kotak
10.	Retail and Non-Institutional marketing of the Offer, which will cover, inter alia: ● Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; ● Finalising centres for holding conferences for brokers, etc.; ● Follow-up on distribution of publicity and Offer material including application form, Prospectus and deciding on the quantum of the Offer material; and ● Finalising collection centres	BRLMs	IIFL

S. No.	Activity	Responsibility	Co-ordination
11.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor co-ordination, anchor CAN and intimation of anchor allocation.	BRLMs	IIFL
12.	Managing the book and finalisation of pricing in consultation with the Company and the Selling Shareholders.	BRLMs	CLSA
13.	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Banks, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	IIFL

Syndicate Member

Kotak Securities Limited
4th floor, 12 BKC, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Telephone: +91 22 6218 5410
E-mail: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration No.: INZ000200137

Legal Advisors to the Offer

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020 India
Telephone: +91 11 4159 0700

Legal Counsel to the BRLMs as to Indian Law

Trilegal
One World Centre
10th Floor, Tower 2A & 2B
Senapati Bapat Marg
Lower Parel (West)
Mumbai - 400 013 India
Telephone: +91 22 4079 1000

International Legal Advisers to the BRLMs

Linklaters Singapore Pte. Ltd.
One George Street
#17-01
Singapore 049145
Telephone: +65 6692 5891

Legal Counsel to Cofintra S.A., Saama Capital III, Ltd., SWIP Holdings Limited, Verlinvest S.A. and Verlinvest France S.A as to Indian Law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India
Telephone: +91 22 4933 5555

Legal Counsel to Haystack Investments Limited and the Other Selling Shareholders as to Indian Law

Clove Legal
407 – 408, Dalamal Chambers
New Marine Lines, Mumbai 400 020
Maharashtra, India
Telephone: +91 22 4923 1002

Registrar to the Offer

KFin Technologies Limited
(*Formerly known as KFin Technologies Private Limited*)

Selenium, Tower B, Plot No – 31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad, Rangareedi 500 032, Telangana, India
Tel: + 91 40 6716 2222
E-mail: sula.ipo@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
Website: www.kfintech.com
SEBI Registration No: INR000000221

Bankers to the Offer

Escrow Collection Bank, Public Offer Account Bank and Refund Bank

Axis Bank Limited
Axis Bank Limited Worli Branch
Ground Floor, Bengal Chemical Bhavan, 502
S.V. Savarkar Marg, Near Centaury Bazar
Prabhadevi, Mumbai 400 025
Maharashtra, India
Telephone: +91 91 6700 0603
E-mail: Worli.Branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Niraj Singh
SEBI Registration No.: INB100000017

Sponsor Banks

Axis Bank Limited
Axis Bank Limited Worli Branch
Ground Floor, Bengal Chemical Bhavan, 502
S.V. Savarkar Marg, Near Centaury Bazar
Prabhadevi, Mumbai 400 025
Maharashtra, India
Telephone: +91 91 6700 0603
E-mail: Worli.Branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Niraj Singh

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (East)
Mumbai 400 097, Maharashtra, India
Telephone: +91 22 6605 6588
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Mr. Kushal Patankar
SEBI Registration No.: INB100000927

SEBI Registration No.: INB100000017

Statutory Auditors to our Company

Walker Chandiok & Co. LLP

11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013
Maharashtra, India
Email: Rakesh.Agarwal@walkerchandiok.in
Telephone: +91 22 6626 2600
Peer Review certificate number: 014158
Firm Registration number: 001076N/N500013

Changes in Auditors

There have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Red Herring Prospectus.

Bankers to our Company

HDFC Bank Limited
Unit No. 401 and 403, 4th Floor, Tower B,
Peninsula Business Park, Lower Parel
Mumbai 400 013
Maharashtra. India
Telephone: +91 22 33958046
E-mail: shubhangih.gala@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Shubhangi Gala

Axis Bank Limited
2nd Floor, 214/215 City Mall
University Road
Pune 411 007
Maharashtra, India
Telephone: +91 20 6223 3700
E-mail: supriya2.more@axisbank.com
Website: www.axisbank.com
Contact Person: Supriya More

Kotak Mahindra Bank Limited
27 BKC, 2nd Floor, Plot no. C- 27
G Block, Bandra Kurla Complex, Bandra East
Mumbai 400 013
Maharashtra, India
Telephone: +91 22 61660240
E-mail: yash.gokhru@kotak.com
Website: www.kotak.com
Contact Person: Yash Gokhru

Saraswat Co-operative Bank Limited
Unit No. B1, G01, Ground Floor, Marathon Innova
Marathon Nextgen Complex
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Telephone: +91 22 6906 8800, +91 22 5906 8805
E-mail: Gauri.nabar@saraswatbank.com

Website: www.saraswatbank.com
Contact Person: Gauri Nabar

Self Certified Syndicate Banks

The list of SCSBs notified for the ASBA process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

SCSBs enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https:// www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Grading of the Offer

No credit agency registered with SEBI has been appointed for grading for the Offer.

Monitoring Agency

As the Offer is through an Offer for Sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 25, 2022 from Walker Chandiok & Co. LLP, our Statutory Auditors, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report, dated November 23, 2022 on our Restated Consolidated Financial Information; and (iii) the statement of possible special tax benefits available to our Company, its Material Subsidiary and shareholders dated November 25, 2022, 2022, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated November 26, 2022 from N B T and Co, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of their certificates in connection with the Offer. The consent has not been withdrawn as of the date of this Red Herring Prospectus.

Further, our Company has also received written consent dated November 24, 2022 from Manish M. Kothari, Chartered Engineer to include his name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as independent chartered engineers.

Appraising Entity

As the Offer is through an Offer for Sale of Equity Shares, our Company is not required to appoint an appraising entity for this Offer.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid lot which will be decided by our Company acting through the IPO Committee, in consultation with the BRLMs and advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company acting through the IPO Committee, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their

Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/ Offer Period. Except Allocation to Retail Individual Bidders, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on method and process of Bidding, see *"**Offer Procedure**"* and "***Offer Structure***" beginning on page 425 and 422 respectively.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

Details of price discovery and allocation

For details on price discovery and allocation, see "***Offer Procedure***" beginning on page 425.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company acting through the IPO Committee, will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below.

(in ₹, except share data)

	Particulars	Aggregate face value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL(1)**		
	101,030,000 Equity Shares of face value of ₹ 2 each	202,060,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	84,198,748 Equity Shares of face value of ₹ 2 each	168,397,496	-
C)	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Offer for Sale of up to 26,900,530 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million(2)(3)	53,801,060	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	84,198,748 Equity Shares of face value of ₹ 2 each	168,397,496	[●]
E)	**SECURITIES PREMIUM ACCOUNT** *(in ₹ million)*		
	Before the Offer (*as on the date of this Red Herring Prospectus*)		3,144.85
	After the Offer		[●]

**To be included upon finalisation of the Offer Price*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 234.*

(2) *The Offer has been authorized by a resolution of our Board dated February 23, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 15, 2022 and November 26, 2022.*

(3) *Each Selling Shareholder, severally and not jointly, has confirmed and authorized its respective participation in the Offer for Sale. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares has been held by such Selling Shareholder for a continuous period of at least one year prior to the filing of the Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For details, see "**The Offer**" and "**Other Regulatory and Statutory Disclosures**" beginning on pages 73 and 400, respectively.*

Notes to Capital Structure

1. Share Capital History of our Company

(a) History of equity share capital

The following table sets forth the history of the equity share capital of our Company:

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
February 26, 2003	15,100 equity shares to Rajeev Samant, 11,500 equity shares to Sulabha Suresh Samant, 100 equity shares to Dinesh Gopal Vazirani, 11,500 equity share to Suresh Anant Samant, 100 equity shares to Jaywantsinh Mansinh Chudasama, 11,500 equity shares to Mohan Balachandra Samant, 100 equity shares to J.A. Moos and 100 equity shares to Major A.V. Phatak (Retd.)	Initial subscription to the Memorandum of Association(1)	50,000	10	10	Cash
November 3, 2003	285,620 equity shares to Suresh Anant Samant, 146,940 equity shares to Mohan B. Samant, 8,520 equity shares to Sulabha S. Samant, 2,540 equity shares to Bharat S. Samant, 282,720 equity shares to Rajeev Samant, 99,900 equity shares to J.M.	Further issue	843,940	10	10	Cash

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	Chudasama, 9,900 equity shares to Dinesh G. Vazirani, 3,900 equity shares to Vinit A. Phatak and 3,900 equity shares to J.A. Moos					
December 7, 2004	217,120 equity shares to Suresh Anant Samant, 158,440 equity shares to Mohan B. Samant, 20,020 equity shares to Sulabha S. Samant, 2,540 equity shares to Bharat S. Samant, 410,220 equity shares to Rajeev Samant, 180,000 equity shares to J.M. Chudasama, 10,000 equity shares to Dinesh G. Vazirani, 4,000 equity shares to Vinit A. Phatak and 4,000 equity shares to J.A. Moos	Further issue	1,006,340	10	10	Cash
June 10, 2005	Dale George Damskey(2)	Further issue	43,551	10	16	Cash
September 28, 2005	Dale George Damskey(2)	Further issue	26,015	10	16	Cash
February 6, 2007	85,707 equity shares to Suresh Anant Samant, 52,813 equity shares to Mohan B. Samant, 6,673 equity shares to Sulabha S. Samant, 847 equity shares to Bharat S. Samant, 120,673 equity shares to Rajeev Samant, 46,667 equity shares to J.M. Chudasama, 3,333 equity shares to Dinesh G. Vazirani, 1,333 equity shares to Major A.V. Phatak (Retd.) and 1,333 equity shares to J.A. Moos	Rights issue in the ratio of 1:6	319,379	10	85	Cash
	19,091 equity shares to Manish Patel and 19,091 equity shares to Sumeet Gupta	Preferential allotment	38,182	10	85	Cash
March 27, 2007	Rajeev Samant	Further issue	20,000	10	85	Cash
	964,200 equity shares to Suresh Anant Samant, 594,150 equity shares to Mohan B. Samant, 75,075 equity shares to Sulabha S. Samant, 9,525 equity shares to Bharat S. Samant, 1,357,575 equity shares to Rajeev Samant, 525,000 equity shares to J.M. Chudasama, 37,500 equity shares to Dinesh G. Vazirani, 15,000 equity shares to Major A.V. Phatak (Retd.), 15,000 equity shares to J.A. Moos, 100,437 equity shares to Dale George Damskey, 30,682 equity shares to Manish Patel, 30,682 equity shares to Sumeet Gupta and one equity share	Allotment pursuant to scheme of amalgamation between Samant Soma Wines Private Limited and the Company(3)	3,754,827	10	N.A.	Other than cash

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	allotted to GIA (Sula) Holdings Limited					
April 27, 2007	Dale George Damskey[(2)]	Further issue	8,928	10	85	Cash
August 24, 2007	1,377,272 equity shares to Indivision Ventures I and 372,728 equity shares to Haystack Investments Limited	Preferential allotment	1,750,000	10	165	Cash
	Indivision Ventures I	Conversion of optionally convertible warrants into equity shares each at a conversion ratio of one equity share for every warrant[(4)]	524,381	10	39.16	Cash
	GIA (Sula) Holdings Limited	Conversion of optionally convertible participating preference shares into equity shares each at a conversion ratio of one equity share for every preference share[(5)]	2,884,852	10	39.16	Cash
February 28, 2008	Rajeev Samant	Further issue	20,000	10	85	Cash
February 26, 2009	Rajeev Samant	Further issue	20,000	10	85	Cash
October 25, 2010	5,000 equity shares to Deepak Bhatnagar, 4,000 equity shares to Neeraj Agarwal, 5,000 equity shares to T.S. Sivaprasad, 6,000 equity shares Ajoy Shaw, 6,000 equity shares to Neena Davis and 6,000 equity shares to Manojj Rawat	Exercise of stock options granted under erstwhile employee stock option scheme, 2008 of our Company	33,000	10	155	Cash
November 24, 2010	1,312,692 equity shares to Verlinvest S.A. and 802,692 equity shares to Cofintra S.A	Further issue	2,115,384	10	260	Cash
August 11, 2011*	Ajoy Shaw	Exercise of stock options granted under erstwhile employee stock option scheme, 2008 of our Company	1,500	10	155	Cash
May 28, 2013	7,500 equity shares to Deepak Bhatnagar, 7,500 equity shares to Neeraj Agarwal, 6,000 equity shares to T.S. Sivaprasad, 3,500 equity shares to Ajoy Shaw, 2,500 equity shares to Arun D. Dhamale, 4,500 equity shares to Neena Davis, 4,500 equity shares to Manojj Rawat and 4000 equity shares to Rohan Shah	Exercise of stock options granted under erstwhile employee stock option scheme, 2008 of our Company	39,000	10	165	Cash
	Neeraj Agarwal	Exercise of stock options granted under erstwhile employee stock option scheme, 2008 of our Company	1,000	10	155	Cash

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
May 21, 2014	209,591 equity shares to Visvires Indian Wineries Pte. Ltd., 39,616 equity shares to Reliance Capital Limited, 138,715 equity shares to Payone Enterprises Private Limited, 791,532 equity shares to Verlinvest France SA.	Private placement	1,179,454	10	508.71	Cash
September 10, 2015	Cecilia Oldne	Exercise of stock options granted under the erstwhile employee stock option scheme, 2014 of our Company	6,000	10	508.71	Cash
June 7, 2017	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	20,000	10	155	Cash
February 27, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	20,000	10	155	Cash
April 17, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	40,000	10	165	Cash
June 7, 2018	Kerry Damskey	Issue of sweat equity shares(6)	2,441	10	N.A.	Other than cash
June 21, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	40,000	10	200	Cash
July 6, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	23,500	10	200	Cash
August 8, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	40,000	10	260	Cash
August 21, 2018	10,000 equity shares to Deepak Bhatnagar, 6,000 equity shares to Manojj Rawat, 6,000 equity shares to Pravin Gamane, 6,000 equity shares to Shivani Chopra, 4,000 equity shares to Mohit Dhavale, 1000 equity shares to Sisir Paul, 2,500 equity shares to Rahul Bhatnagar, 2,500 equity shares to Nana Madhav	Exercise of stock options granted under erstwhile employee stock option scheme, 2014 of our Company	48,650	10	508.71	Cash

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	Shelke, 2,500 equity shares to Raman Bhavar, 2,500 equity shares to Rupali Bhatnagar, 2,500 equity shares to Ramchandra Rawale, 2,500 equity shares to Trambak Oturkar, 150 equity shares to Neil Fernandes and 500 equity shares to Gorakh Gaikwad					
October 3, 2018	Chaitanya Rathi	Private placement(7)	2,118	10	N.A.	Other than cash
October 16, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	30,000	10	260	Cash
October 31, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	46,500	10	260	Cash
November 14, 2018	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	10,000	10	508.71	Cash
May 28, 2019	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	5,500	10	508.71	Cash
June 7, 2019	Kerry Damskey	Issue of sweat equity shares(8)	2,746	10	N.A.	Other than cash
October 10, 2019	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	12,000	10	508.71	Cash
November 14, 2019	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	15,000	10	508.71	Cash
August 28, 2020	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	6,700	10	508.71	Cash
November 2, 2020	Rajeev Samant	Conversion of warrants into equity shares at a conversion ratio of one equity share for every warrant	10,921	10	508.71	Cash

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
December 3, 2020**	Kerry Damskey	Issue of sweat equity shares(9)	2,012	10	N.A.	Other than cash
January 9, 2021	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	6,553	10	508.71	Cash
March 18, 2021	Rajeev Samant	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant	10,000	10	508.71	Cash
July 30, 2021	Karan Vasani	Exercise of stock options granted under the erstwhile employee stock option scheme, 2018 of our Company	30,000	10	631	Cash
Pursuant to the resolutions passed by our Board of Directors on July 15, 2021 and our Shareholders on July 30, 2021, the face value of the equity shares of our Company was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 15,110,374 equity shares of ₹10 each was split into 75,551,870 Equity Shares of ₹2 each.						
August 18, 2021	333,334 Equity Shares to Rajeev Samant, 291,666 Equity Shares to Haystack Investments Limited, 541,667 Equity Shares to DSGCP Buildout II, 62,500 Equity Shares to Karan Vasani, 20,833 Equity Shares to SWIP Holdings Limited and 83,333 Equity Shares to Sangeeta Pendurkar	Preferential allotment	1,333,333	2	240	Cash
October 1, 2021	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	116,630	2	101.74	Cash
			37,635	2	116.80	Cash
November 17, 2021	Sangeeta Pendurkar	Preferential allotment	41,667	2	240	Cash
	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	338,365	2	116.80	Cash
			376,000	2	126.20	Cash
January 18, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	241,546	2	126.20	Cash
February 22, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	33,000	2	126.20	Cash
March 8, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a	101,454	2	126.20	Cash
			376,000	2	152	Cash

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
		conversion ratio of one Equity Share for every warrant	50,591	2	170	Cash
April 21, 2022	Rajeev Samant	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	32,738	2	170	Cash
May 3, 2022	2,734,221 Equity Shares to Rajeev Samant, 225,825 Equity Shares to Alok Vajpeyi and 10,000 Equity Shares to Nirjay Singh	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	2,970,046	2	170	Cash
October 20, 2022	Eligible employees[(10)]	Exercise of stock options granted under ESOP 2018 and ESOP 2021	1,675,693	2	170	Cash
November 17, 2022	772,180 Equity Shares to Chaitanya Rathi and 150,000 Equity Shares to Bittu Varghese	Exercise of stock options granted under ESOP 2019	922,180	2	170	Cash

[*] *The Form 2 filing made by our Company with the RoC in relation to this allotment is not traceable in our records. We have engaged Martinho Ferrao & Associates (“**MFA**”), a firm of practicing company secretaries, to conduct a search of the records of the RoC on the website of the MCA (“**Inspection**”). Pursuant to the Inspection, MFA has issued a certificate dated May 9, 2022, confirming that the Form 2 filing, along with the relevant attachments, in relation to this allotment of equity shares is untraceable. For details, see “**Risk Factors – We have been unable to locate certain of our historical corporate records.”** on page 58.*

[**] *Our Company has filed Form FC-GPR for this allotment after the expiry of the prescribed time as Kerry Damskey was unable to submit his KYC documents, as requested by the AD Bank, through his bank (exchange bank) via SWIFT mode of banking communication up till August, 2022. For details, see “**Risk Factor – Our Company has filed Form FC-GPR in relation to the issuance of our equity shares to a person resident outside India after the expiry of the prescribed time and cannot assure you that these matters will be resolved.”** on page 58.*

(1) *Our Company was incorporated on February 26, 2003. The date of subscription to the Memorandum of Association is February 18, 2003 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on March 6, 2003.*

(2) *Our Shareholder, Dale George Damskey was earlier referred to as Daisy Damskey in the corporate records maintained by our Company and the relevant filings with the statutory authorities. Pursuant to a written application received from Dale George Damskey informing our Company of her correct legal name and requesting for a fresh share certificate in the name of Dale George Damskey, our Board passed a resolution dated February 23, 2022 issuing a fresh share certificate in accordance with applicable law. Further, our Company voluntarily intimated the RBI of such change of name by a letter dated April 13, 2022 in relation to the FC-GPR and FC-TRS forms, as applicable, filed with the RBI in the earlier name.*

(3) *For every four equity shares of Samant Soma Wines Private Limited, three equity shares of our Company were allotted to each shareholder of Samant Soma Wines Private Limited, pursuant to the exchange ratio mentioned in the scheme of amalgamation between Samant Soma Wines Private Limited and the Company which was approved by the High Court of by its order dated February 2, 2007.*

(4) *524,381 fully paid-up optionally convertible warrants having face value of ₹ 39.16 each were transferred to Indivision Ventures I from GIA (Sula) Holdings Limited for a cash consideration and were subsequently converted to 524,381 fully paid-up equity shares having face value of ₹ 10 each on August 24, 2007 and the balance of ₹ 29.16 per each share was transferred to the share premium account of the Company.*

(5) *2,884,852 fully paid-up optionally convertible participating preference shares having face value of ₹ 39.16 each were issued to GIA (Sula) Holdings Limited for a cash consideration and were subsequently converted to 2,884,852 fully paid-up equity shares having face value of ₹ 10 each on August 24, 2007 and the balance of ₹ 29.16 per each share was transferred to the share premium account of the Company.*

(6) *2,441 sweat equity shares allotted to Kerry Damskey for the services rendered by him to the Company in FY 2018, during which period he was appointed as a director of our Company. Kerry Damskey was appointed as a Director of our Company from August 19, 2017 to September 29, 2021.*

(7) *2,118 equity shares allotted to Chaitanya Rathi (without consideration), for his services for the Company during the period from May 27, 2018- May 26, 2019 pursuant to the terms of the consultancy agreement dated July 16, 2018 entered into by him and the Company.*

(8) *2,746 sweat equity shares allotted to Kerry Damskey, for the services rendered by him for the Company for FY 2019, during which period he was appointed as a director of our Company. Kerry Damskey was appointed as a Director of our Company from August 19, 2017 to September 29, 2021.*

(9) *2,012 sweat equity shares allotted to Kerry Damskey, for the services by him for the Company in for during the period from April 1, 2019- December 31, 2019, during which period he was appointed as a director of our Company. Kerry Damskey was appointed as a Director of our Company from August 19, 2017 to September 29, 2021.*

(10) *212,000 Equity Shares to Chaitanya Rathi; 100,000 Equity Shares to Monit Ravindra Dhavale; 50,000 Equity Shares to Karan Vasani; 100,000 Equity Shares to Sanjeev Shivaji Paithankar; 43,500 Equity Shares to Bittu Varghese; 25,000 Equity Shares to Trambak Oturka; 25,000 Equity Shares to Sisir Paul; 25,000 Equity Shares to Gorakh K Gaikwad; 12,500 Equity Shares to Deepak Pardale; 12,500 Equity Shares to Nana Madhav Shelke; 12,500 Equity Shares to Rupali D Bhatnagar; 12,500 Equity Shares to M. Shankar; 12,500 Equity Shares to Rahul Bhatnagar; 12,500 Equity Shares to Neil Fernandes; 12,500 Equity Shares to Prathamesh Patil; 12,500 Equity Shares to Girish Shetty; 12,500 Equity Shares to Prashant Marathe,; 3,000 Equity Shares to Arnab Majumder; 7,500 Equity Shares to Yogita Sachin Sawant; 7,500 Equity Shares to Sunayana Nambiar; 7,500 Equity Shares to Laxman R Raghorte; 7,500 Equity Shares to Amit Ashok Kulkarni; 4,000 Equity Shares to Sakshi Gupta; 7,500 Equity Shares to Amit Ramesh Patil; 7,500 Equity Shares to Smita Satarkar; 7,500 Equity Shares to Prapti Nipul Zaveri; 7,500 Equity Shares to Ruchi Pramod Sathe; 7,500 Equity Shares to Dhananjay Pandurang Jadhav; 3,000 Equity Shares to Vishal Goel; 4,750 Equity Shares to Tanaji S Vanse; 4,750 Equity Shares to Dattu Budha Pawar; 4,500 Equity Shares to Ajay Yuvraj Jadhav; 4,500 Equity Shares to Satish Dada Bankar; 4,500 Equity Shares to Vishal Suhas Tambe; 4,250 Equity Shares to Arshad Sayyad; 4,250 Equity Shares to Satyawan Nandoskar; 4,250 Equity Shares to Mohan Vitthal Dalvi; 4,250 Equity Shares to Ratnakar Warang; 4,250 Equity Shares to Prakash V Gotarne; 4,250 Equity Shares to Suresh G Bhagne; 4,250 Equity Shares to Ravindra Waghmare; 4,250 Deepak Ramesh Shinde; 4,000 Equity Shares to Kapil Saxena; 4,000 Equity Shares to Virgina Bipin Pereira; 4,000 Equity Shares to Vyasan Nambiar; 4,000 Equity Shares to Sushant Sudhir Joshi; 4,000 Equity Shares to Vikram Dilip Walekar; 4,000 Equity Shares to Vishnu Irappa Reddy; 4,000 Equity Shares to Yogesh Dinkar Patil; 2,000 Equity Shares to Palaniappan Thanika; 4,000 Equity Shares to Yogesh Prabhakar Bhusare; 4,000 Equity Shares to Ramkumar Singh; 4,000 Equity Shares to Kavita Paidipaty; 4,000 Equity Shares to Sameer Iqbal Kazi; 4,000 Equity Shares to Sagar Babulal Sangle; 4,000 Equity Shares to Jyoti Kisan Kardile; 4,000 Equity Shares to Vijay Lavha Chavan; 4,000 Equity Shares to Rahul Jagannath Jadhav; 4,000 Equity Shares to Abhay Rajoria; 4,000 Equity Shares to Manoj Kumar S Singh; 4,000 Equity Shares to Rinku More; 4,000 Equity Shares to Pooja Sogani Gala; 3,500 Equity Shares to Amol Vinayak Chavan; 4,000 Equity Shares to Juilee Chaudhari; 4,000 Equity Shares to Kaizad Hoshang Dastur; 3,000 Equity Shares to Pallavi Halder; 4,000 Equity Shares to Madhu Govindan Kutty; 3,525 Equity Shares to Bausaheb A Pawar; 3,750 Equity Shares to Dattu C Gotarne; 3,750 Equity Shares to Jitendra Ananda Shin; 3,750 Equity Shares to Mahesh V Mahajan; 3,750 Equity Shares to Narhari D Sawant; 3,750 Equity Shares to Nilesh Subhash Hingmire; 3,750 Equity Shares to Ramnath B Warghade; 3,750 Equity Shares to Sakharam Ganpat Hadawale; 3,750 Equity Shares to Shankar Pundlik Wagh; 3,750 Equity Shares to Sanjay Nagesh Mestry; 3,500 Equity Shares to Jugesh Rajkumar Sarin; 3,500 Equity Shares to Venugopal V Salian; 3,500 Equity Shares to Ashok Mahadu Lahange; 3,500 Equity Shares to Bharat Wagale; 3,500 Equity Shares to Bhausaheb Ramdas Got; 3,500 Equity Shares to Bhima Vanse; 3,500 Equity Shares to Ganesh Balasaheb Mitkar; 3,500 Equity Shares to Gulab Kachru Wagh; 3,500 Equity Shares to Macchindra Gotarne; 3,500 Equity Shares to Prakash Hiraman Gotarne; 3,500 Equity Shares to Rangrao Ramdal; 3,500 Equity Shares to Suresh Punja Dambale; 3,500 Equity Shares to Vaibhav Suhas Tambe; 3,500 Equity Shares to Vijay Yuvraj Jadhav; 3,250 Equity Shares to Patil Rupesh K; 3,250 Equity Shares to Ajay Bhargav; 3,250 Equity Shares to Anna Vaman Wagh; 3,250 Equity Shares to Pallavi Pragnesh Gaikwad; 3,250 Equity Shares to Sagar Shahaji Kharat; 3,250 Equity Shares to Mahesh Talekar; 3,000 Equity Shares to Anand Yohun Dounde; 3,000 Equity Shares to Avinash Joshi; 3,000 Equity Shares to Pravin Anant Falke; 3,000 Equity Shares to Yogesh Kajale; 3,000 Equity Shares to Ch. Gandhi Bapuji; 3,000 Equity Shares to Sagar Dabhade; 3,000 Equity Shares to Ganesh Shriram Raut; 3,000 Equity Shares to Prakash Rambade; 3,000 Equity Shares to M. B. Mohan; 2,750 Equity Shares to Anil Pandu More; 2,750 Equity Shares to Rohidas Gotarne; 2,750 Equity Shares to Balu Ramesh Mukane; 2,750 Equity Shares to Jayram Sitaram Gotarne; 2,750 Equity Shares to Fakir Baban Gumbade; 2,750 Equity Shares to Yuvraj Himat Aher; 2,750 Equity Shares to Govind Sukdev Nimbalkar; 2,750 Equity Shares to Hari Shivlal Bhor; 2,750 Equity Shares to Kiran Shivlal Bhor; 2,750 Equity Shares to Sandeep Bhaskar Patil; 2,750 Equity Shares to Nana Chandu Gotarne; 2,750 Equity Shares to Vilas Bhagwan Sonawane; 2,750 Equity Shares to Santosh Shubash Hing; 2,750 Equity Shares to Mahendra R Bhaybhang; 2,750 Equity Shares to Ravindra Hire; 4,000 Equity Shares to Amrut Karvekar; 2,750 Equity Shares to Meenakshi Arun Adate; 2,750 Equity Shares to Govind Patil; 2,750 Equity Shares to Prashant Gaikwad; 2,750 Equity Shares to Shamkant Amrutkar; 2,750 Equity Shares to Savitri T Braganza; 2,750 Equity Shares to Neha Gautam Bhandare; 2,750 Equity Shares to Sachin Ashok Sawant; 2,750 Equity Shares to Santosh Kotkar; 2,750 Equity Shares to Ishdeep Sharma; 2,750 Equity Shares to Roshan Patole; 1,350 Equity Shares to Subha Saha; 2,350 Equity Shares to Shekhar Dinanath Sawant; 2,500 Equity Shares to Arun Kumar; 2,500 Equity Shares to Amol Shelar;2,500 Equity Shares to Rakesh Kumar Thapa; 2,500 Equity Shares to Vinayak Y Dive; 2,500 Equity Shares to Yogesh Baburao Lambe; 2,500 Equity Shares to Prem chand Yadav; 2,500 Equity Shares to Amar Janardhan Kamble; 2,500 Equity Shares to Ravindra G Hadawale; 2,500 Equity Shares to Ravi Soni; 2,500 Equity Shares to Mansing Kamble; 2,500 Equity Shares to Prashant Patil; 2,500 Equity Shares to Sonali Chetan Kulkarni; 2,500 Equity Shares to Nilesh Ganpat Jangam; 2,500 Equity Shares to Balu Kacharu Wagh; 2,500 Equity Shares to Krishna Balu More; 2,500 Equity Shares to Prashant Abhale; 2,500 Equity Shares to Satish Baban More; 2,500 Equity Shares to Dilip Sandkhore; 2,500 Equity Shares to Shankar Mahadu Gotarne; 2,500 Equity Shares to Kailas Murlidhar Patil; 2,500 Equity Shares to Mahendra Prakash Bendre; 2,500 Equity Shares to Umesh Abhayankar; 2,500 Equity Shares to Anant Ambekar; 2,500 Equity Shares to Hiraman S Sawant; 2,500 Equity Shares to Sandeep Eknath Page; 2,500 Equity Shares to Kishor Barku Ahirrao; 2,500 Equity Shares to Manohar Gotarne; 2,500 Equity Shares to Ratan Ramnath Galande; 2,250 Equity Shares to Nishant Chandratre; 2,250 Equity Shares to Pritesh Vilas Shelar; 2,250 Equity Shares to Rajendra More; 2,250 Equity Shares to Mahendra Marathe; 2,250 Equity Shares to Sachin Kambali; 2,250 Equity Shares to Sujali B Kulkarni; 2,250 Equity Shares to Swapnil Upasani; 2,250 Equity Shares to Sagar Dhamale; 2,250 Equity Shares to Devidas Shinde; 2,250 Equity Shares to Pragnesh Gaikwad; 100 Equity Shares to Cynthia Mondal; 2,250 Equity Shares to Venkatesh Kiran; 2,250 Equity Shares to Reddappa Gangireddy; 2,250 Equity Shares to Rohit Sharad Patil; 2,250 Equity Shares to Amita Amol Kashilkar; 2,250 Equity Shares to Somashekar S.G; 2,250 Equity Shares to Anil Bhiku Gamare; 2,250 Equity Shares to Fakir Dashrath Vanse; 2,250 Equity Shares to Vishnu Ramu Gotarane; 2,250 Equity Shares to Deepak Shankar More; 2,250 Equity Shares to Mangesh N Dhule; 2,250 Equity Shares to Gopal Kedar Singh; 2,250 Equity Shares to Yogesh G Panvalkar; 2,250 Equity Shares to Yogesh H Gotarne; 2,250 Equity Shares to Jitendra Kothmire; 2,250 Equity Shares to Tanaji P More; 2,250 Equity Shares to Yuvraj Baban Gotarn; 2,250 Equity Shares to Sunil K Gotarne; 2,250 Equity Shares to Rajendra S Avhad; 2,250 Equity Shares to Baldev Shivaji Patil; 2,250 Equity Shares to Pritam Sanjay Ambre; 2,250 Equity Shares to Dorothy Onil Dsouza; 2,250 Equity Shares to Sreenivasa R C; 2,250 Equity Shares to Sharad Vasant Avhad; 2,000 Equity Shares to Rakesh Chalke; 2,000 Equity Shares to Omprakash Shahadev Dhobale; 2,000 Equity Shares to Ravindra Vinayak Nehe; 2,000 Equity Shares to Mayur Kulkarni; 2,000 Equity Shares to Vishal V Sonar; 2,000 Equity Shares to Umesh Veeru Poojary; 2,000 Equity Shares to Kishore B Shinde; 1,000 Equity Shares to Sitesh Sinha; 2,000 Equity Shares to B. Santosh Reddy; 2,000 Equity Shares to Hirday Sharma2,000 Equity Shares to Yogesh A Patil; 2,000 Equity Shares to Roshan Baburao Lambe; 2,000 Equity Shares to Pallavi Talekar; 2,000 Equity Shares to Ravindra L Patil; 2,000 Equity Shares to Durwaish Bhosale; 2,000 Equity Shares to Anil Nana Patil; 2,000 Equity Shares to Devidas Gaikwad; 2,000 Equity Shares*

to Ganpat Chindhu Devkar; 2,000 Equity Shares to Baliram Bhaskar Gangurde; 2,000 Equity Shares to Kiran Patil; 2,000 Equity Shares to Gokul Dnyanadev Salu; 2,000 Equity Shares to Rameshvar Bhaskar Jagtap; 2,000 Equity Shares to Sachin Ashok Deshmukh; 2,000 Equity Shares to Dilip Tukaram Kale; 2,000 Equity Shares to Ashok Bhaguji Gangurde; 2,000 Equity Shares to Vitthal Jivala Bhoye; 2,000 Equity Shares to Ashok Tukaram Mahale; 2,000 Equity Shares to Dattatray V Salunke; 2,000 Equity Shares to Aditya Manohar Bhovad; 2,000 Equity Shares to Sharad Temgire; 2,000 Equity Shares to Ravikiran Shantaram Patil; 2,000 Equity Shares to Sarang Kalas Kuduple; 2,000 Equity Shares to Bhushan S Dongale; 2,000 Equity Shares to Shailendra Verma; 2,000 Equity Shares to Sachin A Barahate; 888 Equity Shares to Gaurav Sharma; 1,750 Equity Shares to Bhaskar S Gotarane; 1,750 Equity Shares to Vishnu Shankar More; 1,750 Equity Shares to Swapnil P Patil; 1,750 Equity Shares to Nandu B Gotarane; 1,750 Equity Shares to Sunil G Ghotekar; 1,750 Equity Shares to Santosh Rambhau More; 1,750 Equity Shares to Gorakh Somnath Bendk; 1,750 Equity Shares to Anil Shivaji Lahange; 1,750 Equity Shares to Arun S Nimbakar; 1,750 Equity Shares to Popat Baban Gumbade; 1,750 Equity Shares to Bhausaheb R Nimbakar; 1,750 Equity Shares to Raju Shravan Bombale; 1,750 Equity Shares to Sunil Shankar More; 1,750 Equity Shares to Bankush Shankar Bendkule; 1,750 Equity Shares to Rajesh Ashok Keshe; 1,750 Equity Shares to Umakant Shantaram Sakhare; 1,750 Equity Shares to Kailas Kachru Jagtap; 1,750 Equity Shares to Suresh K Nalge; 1,750 Equity Shares to Laxman K Mahale; 1,750 Equity Shares to Sharad Sudam Gotarane; 1,750 Equity Shares to Hari Kachru Ghare; 1,750 Equity Shares to Shivaji Lalu Wagh; 1,750 Equity Shares to Vasant Ramadas Nibekar; 1,750 Equity Shares to Sandip Sonaji Vanse; 1,750 Equity Shares to Dinkar Shankar More; 1,750 Equity Shares to Manohar Ramu Gotarane; 1,750 Equity Shares to Ravi Chandu Ghatol; 1,750 Equity Shares to Atul Babasaheb Vaidya; 1,750 Equity Shares to Anya Devarajegowda; 1,750 Equity Shares to Sandeep Devidas Pawar; 1,750 Equity Shares to Sadhana Farakte; 1,750 Equity Shares to Pushkaraj P Mali; 1,750 Equity Shares to Deepak Chiman Ramdal; 1,750 Equity Shares to Kavita S Mandave; 1,750 Equity Shares to Vaishali Jagannath Gaikwad; 1,750 Equity Shares to Ismail Ladlesab Mulla; 1,750 Equity Shares to Suresh Pudlik Gotarne; 750 Equity Shares to Samadhan Khandu Thorat; 1,750 Equity Shares to Sudesh Santosh Jalan; 1,750 Equity Shares to Shalindra Damodar Tupe; 1,750 Equity Shares to Dasharath Singh; 1,750 Equity Shares to Ramesh Narayan Dahije; 1,750 Equity Shares to Prashant Govind Rasal; 1,750 Equity Shares to Rohan Sobha Kant Jha; 1,750 Equity Shares to Rohan Rajendra Raut; 1,750 Equity Shares to Girish Bhagaji Gunjal; 1,750 Equity Shares to Mayank Kaim; 1,500 Equity Shares to Manpreet Kaur; 1,450 Equity Shares to Nikhil Gulve; 1,750 Equity Shares to Arun Janardan Gawai; 1,750 Equity Shares to Anil S Nimbakar; 1,750 Equity Shares to Anand Bhatnagar; 300 Equity Shares to Sameer Shambhunaik; 1,750 Equity Shares to Vaibhav Pawar; 1,750 Equity Shares to Uttam Ramchandra Dawange; 1,750 Equity Shares to Kiran Sampat Bombale; 1,750 Equity Shares to Sanjay Vasantrao Deshmukh; 1,750 Equity Shares to Prabhakar Alu Sathe; 1,750 Equity Shares to Janardhan Mote; 1,750 Equity Shares to Vijay R Bhaybhang; 1,750 Equity Shares to Sachin P Gangurde; 1,750 Equity Shares to Mangesh Babaji Charaskar; 1,750 Equity Shares to Dilip Suresh Potinde; 1,750 Equity Shares to Chandrakant Namdeo Tumbde; 1,750 Equity Shares to Ashok Baban Gotarne; 1,750 Equity Shares to Samadhan Sadu Gumbade; 1,750 Equity Shares to Fakira Ramdas Khode; 1,750 Equity Shares to Ramnath Kondaji Nimbekar; 1,750 Equity Shares to Yadav Bapu Abhale; 1,750 Equity Shares to Santosh Valu Gumbade; 1,750 Equity Shares to Shantaram R Gotarne; 1,750 Equity Shares to Pramod Ratan More; 1,750 Equity Shares to Tanaji M Vanse; 1,750 Equity Shares to Vishal Gawali; 1,750 Equity Shares to Prakash Nivrutti Dagle; 1,750 Equity Shares to Ravindra Somnath Gotarne; 1,750 Equity Shares to Ravindra Satpute; 1,750 Equity Shares to Dasrath Ganapat Ughade; 1,750 Equity Shares to Ankush Ramu Khode; 1,750 Equity Shares to Kailas Vitthal Saindane; 1,750 Equity Shares to Vithalrao Mekale; 1,750 Equity Shares to Sagar Thakare; 1,500 Equity Shares to Prasad Geete; 1,500 Equity Shares to Sanjay Balasaheb Jadhav; 1,500 Equity Shares to Bhikan Keshav Kond; 1,500 Equity Shares to Rajesh Kumar Thakur; 1,500 Equity Shares to Mayuri Amrut Nikam; 1,500 Equity Shares to Rahul Moule; 1,500 Equity Shares to Shakti Singh; 1,500 Equity Shares to Pooja Vijay Pote; 1,500 Equity Shares to Deepak Raturi; 1,500 Equity Shares to Samitranjan Jana; 1,500 Equity Shares to Riya Kalpesh Pathak; 1,500 Equity Shares to Bansi Badan Pal; 1,500 Equity Shares to Vinayak Tanaji Gadade; 1,500 Equity Shares to Sampat Dehade; 1,500 Equity Shares to Basim; 1,500 Equity Shares to Kuldeep Surendramani Tripathi; 1,500 Equity Shares to Sagar Subhash Korde; 1,500 Equity Shares to Subrata Das; 1,500 Equity Shares to Niraj Ulhas Kulkarni; 1,500 Equity Shares to Sagar Kakrale; 1,500 Equity Shares to Ajit Vishnu Gangurde; 1,500 Equity Shares to Appa Lahanu Dhule; 1,000 Equity Shares to Ashok Savliram Gorale; 1,500 Equity Shares to Eknath J Chahale; 1,500 Equity Shares to Laxman Ramji Gadade; 1,500 Equity Shares to Madhav Dahale; 1,500 Equity Shares to Navnath Padekar; 1,500 Equity Shares to Ravi Nagoo Zole; 1,500 Equity Shares to Santosh Dhule; 1,500 Equity Shares to Sunil Gotarne; 1,500 Equity Shares to Saurabh Kumar Rawat; 1,500 Equity Shares to Nitin Galande; 1,500 Equity Shares to Chetan Digambar Shendage; 1,250 Equity Shares to Mukesh Kumar; 1,250 Equity Shares to Prashant Gethe; 1,250 Equity Shares to P. Saiprasad Reddy; 1,250 Equity Shares to Manohar Sonawane; 1,250 Equity Shares to Rupesh Pawar; 1,250 Equity Shares to Prashanto Roy; 1,250 Equity Shares to Amol Sharad Bidwai; 1,250 Equity Shares to Vilas Ramdas Bhagwat; 1,250 Equity Shares to Namdev Gawade; 1,250 Equity Shares to Muniswamy; 1,250 Equity Shares to M. Srinivas Rao; 1,250 Equity Shares to Kalu Vishnu Nimbekar; 1,250 Equity Shares to Vaishnavi V Joshi; 1,250 Equity Shares to Sandesh Mohan Sonawane; 1,250 Equity Shares to Javed ladlesab Mulla; 1,250 Equity Shares to Namdev Hari Chahale; 1,250 Equity Shares to Gokul Aringale; 1,250 Equity Shares to Pramod Gangurde; 1,250 Equity Shares to Sandip Sakharam Dhale; 350 Equity Shares to Ramesh Raju KP; 1,250 Equity Shares to Ganesh Manatkar; 1,250 Equity Shares to Manjula Yadav; 1,250 Equity Shares to Nagraj H Korven; 1,250 Equity Shares to Shrikrishna Ghorband; 1,250 Equity Shares to Kalyani Shrikant Sonawane; 1,250 Equity Shares to Nilesh Prashant Kasar; 1,250 Equity Shares to Mohnish Vishwanath Dalvi; 1,250 Equity Shares to Pankaj Uttam Shevkar; 1,250 Equity Shares to Akkur Suchithra; 1,000 Equity Shares to Vikas Reddy; 1,000 Equity Shares to Gumdala V. Ramana; 1,000 Equity Shares to Eashwar Reddy Kotla; 1,000 Equity Shares to Jayesh Prashant Patil; 1,000 Equity Shares to Bhushan Sonawane; 1,000 Equity Shares to Dipak Patil; 1,000 Equity Shares to Rahul Keshav Avhad; 1,000 Equity Shares to Chetan Ashok Salunke; 1,000 Equity Shares to Sandip Sukdeo Shinde; 1,000 Equity Shares to Vinayak Bhoga; 1,000 Equity Shares to Sagar Dattatraya Sonawane; 1,000 Equity Shares to Immanuel Thomas; 1,000 Equity Shares to Chetan Naresh Dalvi; 1,000 Equity Shares to Deepesh Gupta; 1,000 Equity Shares to Ganesh Gadhave; 1,000 Equity Shares to Shaik Vajeer Basha; 1,000 Equity Shares to Madhava Reddy; 1,000 Equity Shares to Sharad Tambe; 1,000 Equity Shares to Sagar Dayanand Bhusare; 400 Equity Shares to Dipannita Sarkar; 1,000 Equity Shares to Rahul B Sonawane; 750 Equity Shares to Prakash Waghela; 750 Equity Shares to Amol vitthal Patil; 750 Equity Shares to Shailesh Bhagat; 750 Equity Shares to Pradeep Jayvant Hire; 750 Equity Shares to Jyoti Sandip Bairagi; 750 Equity Shares to Shobha Gangurde; 750 Equity Shares to Kavita Rambhau Gangurde; 750 Equity Shares to Minabai M Salunke; 750 Equity Shares to Padmabai Govind Chavan; 750 Equity Shares to Shobha R Salunke; 750 Equity Shares to Bharti N Borse; 750 Equity Shares to Mangala Bhalerao; 750 Equity Shares to Popat Datu Jagtap; 750 Equity Shares to Santosh Vedu Bagul; 750 Equity Shares to Samadhan B Bagul; 750 Equity Shares to Bhagwant Baburao Ush; 750 Equity Shares to Mangesh Sahebrao Kaloge; 750 Equity Shares to Kailash Yadav Gangode; 750 Equity Shares to Yashwant Eknath Kadale; 750 Equity Shares to Siddharth S Bhamare; 750 Equity Shares to Vikram Sanjay Bhavar; 750 Equity Shares to Pritesh Sonawane; 750 Equity Shares to Jeet Dayanand Sawant; 750 Equity Shares to Sadashiv Bhima Malekar; 750 Equity Shares to Kunal Hariwanshi; 750 Equity Shares to Vijayraj Pritish Hele; 750 Equity Shares to Neville N Fernandes; 750 Equity Shares to Ratheena Rajan Pathinarupathiyil; 750 Equity Shares to Nikesh Bele 750 Equity Shares to Mahadeb Roy; 750 Equity Shares to Alok Roy; 750 Equity Shares to Shadab Farukh Shaikh; 750 Equity Shares to Bhausaheb Balasaheb Shinde; 750 Equity Shares to Yatin Nanabhau Patil; 750 Equity Shares to Amol Ashok Gade; 750 Equity Shares to Preeti Nitin Gaikwad; 750 Equity Shares to Yogesh Annasaeb Kale; 750 Equity Shares to Nilesh Ashok Padok; 750

Equity Shares to Likita Puthran; 600 Equity Shares to Ravi; 750 Equity Shares to Amrutpalsingh Sandhu; 750 Equity Shares to Ganesh Gawali; 750 Equity Shares to Premraj Udayram Bhandari; 750 Equity Shares to Yogesh Solanki; 750 Equity Shares to Sharad Raghunath Marathe; 750 Equity Shares to Hiranmay Hui; 750 Equity Shares to Rohit Sunil Potinde; 500 Equity Shares to Sunil Pandurang Karad; 500 Equity Shares to Surya Prakash Sharma; 500 Equity Shares to Yogesh Lambe; 500 Equity Shares to Mayur Kishor Jadhav; 500 Equity Shares to Nikhil Kailas Waychale; 500 Equity Shares to Ashmita Uday Pol; 500 Equity Shares to Prakash Gowtham; 500 Equity Shares to Anand Dilip Kulkarni; 500 Equity Shares to Atul Vijay Kukekar; 250 Equity Shares to Kalpesh Somvanshi; 500 Equity Shares to Nimish Vijay Almeida; 250 Equity Shares to Sunil Bendkule; 500 Equity Shares to Pankaj Eknath Gothe; 500 Equity Shares to Rakesh Suryavanshi; 500 Equity Shares to Prasad; 500 Equity Shares to Pravin Dilip Kale; 500 Equity Shares to Chetan Arun Deshmukh; 500 Equity Shares to Nagesh Balu Karpe; 500 Equity Shares to Kalvar Ashvini Nivrutti; 500 Equity Shares to Siddheshwar More; 500 Equity Shares to Rupali Bharat Berad; 500 Equity Shares to Jagdish Navriya; 500 Equity Shares to Chetan Jagtap; 500 Equity Shares to Cheryl Sunil Nirmal; 500 Equity Shares to Rahul Yogesh More; 500 Equity Shares to Gurunath Janamatti; 500 Equity Shares to Anish Raman Nikam; 500 Equity Shares to Reena Suhasnagvekar; 500 Equity Shares to Damini Virji; 500 Equity Shares to Uttam Bhikaji Jangam; 500 Equity Shares to Ajay Vaman Suryavanshi; 500 Equity Shares to Gangaram Adep; 500 Equity Shares to Nitin Ramesh Kate; 500 Equity Shares to Sagar Kapoor; 250 Equity Shares to Shradha Sunil Dodke; 250 Equity Shares to Tejas Sunil Wavre; 250 Equity Shares to Nandeesha N; 250 Equity Shares to Shravan Madhukar Gumbade; 250 Equity Shares to Dnyaneshwar Mohite; 250 Equity Shares to Somnath Baburao Gangurde; 250 Equity Shares to Vilas Nivrutti Vagale; 250 Equity Shares to Mangesh Babu Vanse; 250 Equity Shares to Bhaskar Suka Gotarne; 250 Equity Shares to Suresh Ramu Gotarne; 250 Equity Shares to Shankar Nimbekar; 250 Equity Shares to Vijay Prabhakar Shelke; 250 Equity Shares to Dipak Eknath Page250 Equity Shares to Jivan Sangamnere; 250 Equity Shares to Madhav Gangode; 250 Equity Shares to Sneha Ganga Gupta; 250 Equity Shares to Anil Manik Gaikwad; 250 Equity Shares to Yogesh Potinde; 250 Equity Shares to Santosh Gotarne; 250 Equity Shares to Sumedh Dandekar; 250 Equity Shares to Shweta Chitnis; 250 Equity Shares to Nandan M Y; 250 Equity Shares to Prashanth M K; 250 Equity Shares to Akash Rajendra Nigam; 250 Equity Shares to Unnithan Harikrishna; 250 Equity Shares to Jyoti Shankar Durge; 250 Equity Shares to Kedu Devram Jadhav; 250 Equity Shares to Mayur Mahesh Kalkate; 250 Equity Shares to Avinash Ailwar; 250 Equity Shares to Yogesh Atmaram Solunke; 250 Equity Shares to Ajaya Kumar; 250 Equity Shares to Sirajoddin; 250 Equity Shares to Pritish P Kajale; 250 Equity Shares to Sushil Vitthal Patil; 250 Equity Shares to Hemant Dada Bendkule; 250 Equity Shares to Santosh Patil; 250 Equity Shares to Vaibhav Sahebrao Chaudhari; 250 Equity Shares to Tapesh Sanjay Zawar; 250 Equity Shares to Jayram Kalu Bendkule; 250 Equity Shares to Prashant Dinkar Naik; 250 Equity Shares to N V Vinidkumar; 250 Equity Shares to Atul Devidas Patil; 250 Equity Shares to Kisan Laxman Dive; 250 Equity Shares to Mayur Dinkar Wagh; 250 Equity Shares to Niranjan Gavhane; 250 Equity Shares to Sandip Tajane; 250 Equity Shares to Adarsh Wagh; 250 Equity Shares to Arup Ratan Bhaduri; 250 Equity Shares to Rajesh C S; 250 Equity Shares to Sayali Phansalkar; 250 Equity Shares to Swapnil Gotarne; 250 Equity Shares to Nandkishor Shalikram Deshmukh; 250 Equity Shares to Aniket Sanjay Muley; 250 Equity Shares to Tushar Nikam; 250 Equity Shares to Gaurang Mukherji; 250 Equity Shares to Manoj Sandanshiv; 250 Equity Shares to Prasad Sampat Gunjal; 250 Equity Shares to Dhananjay Shrihari Deshmukh; 250 Equity Shares to Amit Koranne; 250 Equity Shares to Ankita S Chhallani; 250 Equity Shares to Nikhil Karingwar; 250 Equity Shares to Abhishek Jain; 250 Equity Shares to Tanvi Uday Dandekar; 250 Equity Shares to Manjinder Singh; 250 Equity Shares to Shubham Dagadu Patil; 250 Equity Shares to Vilas Tukaram Raut; 250 Equity Shares to Swapnil U Patil; 250 Equity Shares to Prajwal Rajendra Sonawane; 250 Equity Shares to Prasannan; 250 Equity Shares to Abhishek Tukaram Gambhire; 250 Equity Shares to Rajiv Ranjan Tiwari; 250 Equity Shares to Sagar Dhondiram Tarle; 250 Equity Shares to Mottana Anand Charan; 250 Equity Shares to Reema Santosh Goregaonkar; 250 Equity Shares to Sopan Pundlik Pachorkar; 250 Equity Shares to Pratik K Turkane; 250 Equity Shares to Prathamesh Sawant; 250 Equity Shares to Santram; 250 Equity Shares to Nikhil Batakurki; 250 Equity Shares to Yogesh Subhash Patil; 250 Equity Shares to Chandrashekhar W; 250 Equity Shares to Chaitalee H Parikh; 250 Equity Shares to Divya Melvin Fernandes; 250 Equity Shares to Dattatray Patil; 250 Equity Shares to Ganesh Tanaji Walunj; 250 Equity Shares to Vinay Reddy Erupaka; 250 Equity Shares to Shrikant Sanglodkar; 250 Equity Shares to Komal Sudam Londhe; 500 Equity Shares to Kinjal Govani; 250 Equity Shares to Manjunath A Kalbhavi; 250 Equity Shares to Basavalingappa; 250 Equity Shares to Shivanand Bomanalli; 250 Equity Shares to Amol Kamaraj Mhasde; 250 Equity Shares to Amol Mohan Deshmukh; 250 Equity Shares to Abhishek Jha; 250 Equity Shares to Rushikesh Dattu Vanse; 250 Equity Shares to Kamlesh N Bhanushali; 250 Equity Shares to Nikhil Patel; 250 Equity Shares to Pankaj Bhausaheb Waghchaure; 250 Equity Shares to Srikanth; 250 Equity Shares to Ganesh Shivaji Panpatil; 250 Equity Shares to Rohit Janakkumar Bhandari; 250 Equity Shares to Ravindra Dattu Pawar; 250 Equity Shares to Annoji Rao Likitha; 1,000 Equity Shares to Sachin Prakash Darade; 250 Equity Shares to Shagith Prakash; 250 Equity Shares to Vijayanand R Bhusare; 250 Equity Shares to Nanabhau Namdeo Pawar; 250 Equity Shares to Sandip Sukhadeo Raut; 250 Equity Shares toSamadhan Balu Gadade; 250 Equity Shares to Mohan Govind Nimbekar; 250 Equity Shares to Rangnath Govind Nimberkar; 250 Equity Shares to Samadan E Bendkule; 250 Equity Shares to Suresh Zumbar Gadade, 250 Equity Shares to Shantaram R Dhule; 250 Equity Shares to Krishna Kondaji Gadade; 250 Equity Shares to Ankush Ratan Dhule; 250 Equity Shares to Mangal D Pithe; 250 Equity Shares to Lata J Bombale; 250 Equity Shares to Shantaram Ambadas Gadade; and 250 Equity Shares to Deepak Lahanu Dhule.

(b) History of preference share capital

As on the date of this Red Herring Prospectus, our Company does not have any outstanding preference shares.

(c) Shares issued for consideration other than cash or by way of bonus

Except as stated below, our Company has not issued any equity shares for consideration other than cash or by way of bonus issue at any time since incorporation.

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
March 27, 2007	964,200 equity shares to Suresh Anant Samant, 594,150 equity shares to Mohan B. Samant, 75,075 equity shares to Sulabha S. Samant, 9,525 equity shares to Bharat S. Samant, 1,357,575 equity shares to Rajeev Samant, 525,000 equity shares to J.M. Chudasama, 37,500 equity shares to Dinesh G. Vazirani, 15,000 equity shares to Major A.V. Phatak (Retd.), 15,000 equity shares to J.A. Moos, 100,437 equity shares to Dale George Damskey, 30,682 equity shares to Manish Patel, 30,682 equity shares to Sumeet Gupta and one equity share allotted to GIA (Sula) Holdings Limited	Allotment pursuant to scheme of amalgamation between Samant Soma Wines Private Limited and the Company(1)	3,754,827	10	N.A.	Other than cash
June 7, 2018	Kerry Damskey	Issue of sweat equity shares(2)	2,441	10	N.A.	Other than cash
October 3, 2018	Chaitanya Rathi	Private placement(3)	2,118	10	N.A.	Other than cash
June 7, 2019	Kerry Damskey	Issue of sweat equity shares(4)	2,746	10	N.A.	Other than cash
December 3, 2020*	Kerry Damskey	Issue of sweat equity shares(5)	2,012	10	N.A.	Other than cash

* *Our Company has filed Form FC-GPR for this allotment after the expiry of the prescribed time as Kerry Damskey was unable to submit his KYC documents, as requested by the AD Bank, through his bank (exchange bank) via SWIFT mode of banking communication up till August, 2022. For details, see "**Risk Factor – Our Company has filed Form FC-GPR in relation to the issuance of our equity shares to a person resident outside India after the expiry of the prescribed time and cannot assure you that these matters will be resolved.**"* *on page 58.*

(1) *For every four equity shares of Samant Soma Wines Private Limited, three equity shares of our Company were allotted to each shareholder of Samant Soma Wines Private Limited, pursuant to the exchange ratio mentioned in the scheme of amalgamation between Samant Soma Wines Private Limited and the Company which was approved by the High Court of by its order dated February 2, 2007.*

(2) *2,441 sweat equity shares allotted to Kerry Damskey, for the services rendered by him for the Company in FY 2018, during which period he was appointed as a director of our Company. Kerry Damskey was appointed as a Director of our Company from August 19, 2017 to September 29, 2021.*

(3) *2,118 equity shares allotted to Chaitanya Rathi (without consideration), for his services for the Company during the period from May 27, 2018- May 26, 2019 pursuant to the terms of the consultancy agreement dated July 16, 2018 entered into by him and the Company.*

(4) *2,746 sweat equity shares allotted to Kerry Damskey (without consideration), for the services rendered by him for the Company for FY 2019, during which period he was appointed as a director of our Company. Kerry Damskey was appointed as a Director of our Company from August 19, 2017 to September 29, 2021.*

(5) *2,012 sweat equity shares allotted to Kerry Damskey (without consideration), for the services by him for the Company in for during the period from April 1, 2019- December 31, 2019, during which period he was appointed as a director of our Company. Kerry Damskey was appointed as a Director of our Company from August 19, 2017 to September 29, 2021.*

(d) Shares issued out of revaluation reserves

Our Company has not issued any shares out of revaluation reserves since its incorporation.

(e) Issue of equity shares pursuant to Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Except as stated below, our Company has not issued any equity shares pursuant to schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.

Date of allotment	Name(s) of allottee(s)	Reason / Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
March 27, 2007	964,200 equity shares to Suresh Anant Samant, 594,150 equity shares to Mohan B. Samant, 75,075 equity shares to Sulabha S. Samant, 9,525 equity shares to Bharat S. Samant, 1,357,575 equity shares to Rajeev Samant, 525,000 equity shares to J.M. Chudasama, 37,500 equity shares to Dinesh G. Vazirani, 15,000 equity shares to Major A.V. Phatak (Retd.), 15,000 equity shares to J.A. Moos, 100,437 equity shares to Dale George Damskey, 30,682 equity shares to Manish Patel, 30,682 equity shares to Sumeet Gupta and one equity share allotted to GIA (Sula) Holdings Limited	Allotment pursuant to scheme of amalgamation between Samant Soma Wines Private Limited and the Company(1)	3,754,827	10	N.A.	Other than cash

(1) *For every four equity shares of Samant Soma Wines Private Limited, three equity shares of our Company were allotted to each shareholder of Samant Soma Wines Private Limited, pursuant to the exchange ratio mentioned in the scheme of amalgamation between Samant Soma Wines Private Limited and the Company which was approved by the High Court of by its order dated February 2, 2007.*

(f) Equity shares issued at a price lower than the Offer Price in the last year

Except as disclosed under "– ***Notes to the Capital Structure – Share capital history of our Company – History of equity share capital***" above, our Company has not issued any equity shares in the previous one year immediately preceding the date of this Red Herring Prospectus.

(g) Issue of equity shares under employee stock option schemes

Except as disclosed under "- ***Notes to the Capital Structure – Share capital history of our Company – History of equity share capital***" above, our Company has not issued any equity shares pursuant to the exercise of options which have been granted under the employee stock option schemes of our Company.

2. History of build-up of Promoter's shareholding and lock-in of Promoter's shareholding (including Promoter's contribution)

(a) ***History of equity share capital build-up of our Promoter's shareholding***

As on the date of this Red Herring Prospectus, our Promoter, being Rajeev Samant, holds 22,858,619 Equity Shares aggregating to 27.15% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

Set forth below is the build-up of the equity shareholding of our Promoter since incorporation of our Company:

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
February 26, 2003	Initial subscription to the Memorandum	15,100	10	10	Cash	0.09	[•]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
	of Association[1]						
November 3, 2003	Further issue	282,720	10	10	Cash	1.68	[●]
December 7, 2004	Further issue	410,220	10	10	Cash	2.44	[●]
January 6, 2006	Transfer to M/S GIA (Sula) Holdings Ltd.	(1)	10	16	Cash	Negligible	[●]
May 17, 2006	Transfer from Dale George Damskey[2]	16,000	10	39.16	Cash	0.10	[●]
February 6, 2007	Rights issue	120,673	10	85	Cash	0.72	[●]
March 27, 2007	Further issue	20,000	10	85	Cash	0.12	[●]
	Allotment pursuant to scheme of amalgamation between Samant Soma Wines Private Limited and the Company[3]	1,357,575	10	N.A.	Other than cash	8.06	[●]
February 28, 2008	Further issue	20,000	10	85	Cash	0.12	[●]
	Transfer from Anuradha J. Chudasama	21,330	10	165	Cash	0.13	[●]
February 26, 2009	Further issue	20,000	10	85	Cash	0.12	[●]
August 11, 2011	Transfer from Anuradha J. Chudasama	5,523	10	260	Cash	0.03	[●]
April 9, 2014	Transfer from Anuradha J. Chudasama	20,000	10	450	Cash	0.12	[●]
December 5, 2014	Transfer from Anuradha J. Chudasama	33,334	10	450	Cash	0.20	[●]
March 9, 2015	Transfer from Anuradha J. Chudasama	10,000	10	450	Cash	0.06	[●]
December 19, 2015	Transfer from Sulabha S. Samant (jointly held with Rajeev Samant)	440,546	10	10	Cash	2.62	[●]
April 26, 2017	Transfer from Anuradha J. Chudasama*	10,000	10	425	Cash	0.06	[●]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
June 7, 2017	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	20,000	10	155	Cash	0.12	[●]
August 19, 2017	Transfer from Major A.V. Phatak (Retd.) *	10,000	10	500	Cash	0.06	[●]
November 15, 2017	Transfer from Dinesh G. Vairani*	10,000	10	500	Cash	0.06	[●]
November 16, 2017	Transfer from Anuradha J. Chudasama*	5,000	10	500	Cash	0.03	[●]
February 27, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	20,000	10	155	Cash	0.12	[●]
March 6, 2018	Transfer from Anuradha J. Chudasama*	1,399	10	500	Cash	0.01	[●]
April 17, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	40,000	10	165	Cash	0.24	[●]
June 21, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	40,000	10	200	Cash	0.24	[●]
July 6, 2018	Exercise of warrants into equity shares at a	23,500	10	200	Cash	0.14	[●]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
	conversion ratio of one equity share for every warrant(4)						
July 27, 2018	Transfer from Suresh Anant Samant by way of a gift	178,611	10	-	Other than cash	1.06	[●]
	Transfer from Sulabha S. Samant by way of a gift	267,917	10	-	Other than cash	1.59	
August 8, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	40,000	10	260	Cash	0.24	[●]
October 16, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	30,000	10	260	Cash	0.18	[●]
October 31, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	46,500	10	260	Cash	0.28	[●]
November 14, 2018	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	10,000	10	508.71	Cash	0.06	[●]
May 28, 2019	Exercise of warrants into equity shares at a	5,500	10	508.71	Cash	0.03	[●]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
	conversion ratio of one equity share for every warrant(4)						
October 10, 2019	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	12,000	10	508.71	Cash	0.07	[●]
November 14, 2019	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	15,000	10	508.71	Cash	0.09	[●]
August 28, 2020	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	6,700	10	508.71	Cash	0.04	[●]
November 2, 2020	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	10,921	10	508.71	Cash	0.06	[●]
January 9, 2021	Exercise of warrants into equity shares at a conversion ratio of one equity share for every warrant(4)	6,553	10	508.71	Cash	0.04	[●]
March 18, 2021	Exercise of warrants into equity shares	10,000	10	508.71	Cash	0.06	[●]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
	at a conversion ratio of one equity share for every warrant(4)						
Pursuant to the resolutions passed by our Board of Directors on July 15, 2021 and our Shareholders on July 30, 2021, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the cumulative number of Equity Shares held by Rajeev Samant, pursuant to the split, was 18,063,105 Equity Shares.							
August 18, 2021	Preferential allotment	333,334	2	240	Cash	0.40	[●]
October 1, 2021	Exercise of warrants into Equity Shares at a conversion ratio of one Equity Share for every warrant(4)	116,630	2	101.74	Cash	0.14	[●]
	Exercise of warrants into Equity Shares at a conversion ratio of one Equity Share for every warrant(4)	37,635	2	116.80	Cash	0.04	[●]
November 17, 2021	Exercise of warrants into Equity Shares at a conversion ratio of one Equity Share for every warrant(4)	338,365	2	116.80	Cash	0.40	[●]
	Exercise of warrants into Equity Shares at a conversion ratio of one Equity Share for every warrant(4)	376,000	2	126.20	Cash	0.45	[●]
December 14, 2021	Transfer from Bharat Samant*	25,000	2	240	Cash	0.03	[●]
January 18, 2022	Exercise of warrants into Equity Shares	241,546	2	126.20	Cash	0.29	[●]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
	each at a conversion ratio of one Equity Share for every warrant(4)						
February 4, 2022	Transfer to Rasa Holdings by way of a gift	(1000)	2	-	Other than cash	Negligible	[●]
February 22, 2022	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant(4)	33,000	2	126.20	Cash	0.04	[●]
March 8, 2022	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant(4)	101,454	2	126.20	Cash	0.12	[●]
	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant(4)	376,000	2	152	Cash	0.45	[●]
	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant(4)	50,591	2	170	Cash	0.06	[●]
April 21, 2022	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share	32,738	2	170	Cash	0.04	[●]

Date of allotment/ transfer/ acquisition of shares	Nature of transaction	Number of equity shares allotted / transferred	Face value per equity share (₹)	Issue/ Acquisition/ transfer price per equity share (₹)	Nature of consideration	Percentage of pre-Offer equity share capital of the Company (%)	Percentage of post-Offer equity share capital of the Company (%)
	for every warrant[(4)]						
May 3, 2022	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant[(4)]	2,734,221	2	170	Cash	3.24	[●]
Total					**22,858,619**	**27.15**	**[●]**

*[*] The demat transfer slips in relation to these transfers are not traceable by the transferor and/or the transferee. Accordingly, our Company has relied on the register of members and the statements of the relevant bank accounts held by our Promoter to ascertain the date of transfer and the purchase consideration paid in relation to such transfer. For details, see "**Risk Factors – We have been unable to locate certain of our historical corporate records.**" on page 58.*

(1) Our Company was incorporated on February 26, 2003. The date of subscription to the Memorandum of Association is February 18, 2003 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on March 6, 2003.

(2) Our Shareholder, Dale George Damskey was earlier referred to as Daisy Damskey in the corporate records maintained by our Company and the relevant filings with the statutory authorities. Pursuant to a written application received from Dale George Damskey informing our Company of her correct legal name and requesting for a fresh share certificate in the name of Dale George Damskey, our Board passed a resolution dated February 23, 2022 issuing a fresh share certificate in accordance with applicable law. Further, our Company voluntarily intimated the RBI of such change of name by a letter dated April 13, 2022 in relation to the FC-GPR and FC-TRS forms, as applicable, filed with the RBI in the earlier name.

(3) For every four equity shares of Samant Soma Wines Private Limited, three equity shares of our Company were allotted to each shareholder of Samant Soma Wines Private Limited, pursuant to the exchange ratio mentioned in the scheme of amalgamation between Samant Soma Wines Private Limited and the Company which was approved by the High Court of by its order dated February 2, 2007.

(4) Details of warrants issued by our Company to our Promoter from time to time, each of which have been exercised by him as of the date of the Draft Red Herring Prospectus and this Red Herring Prospectus as disclosed above, are set out below:

Date of issuance of warrants	***Number of warrants issued***	***Date(s) of exercise of warrant***
June 23, 2008	*40,000 warrants having face value of ₹10 each*	*20,000 warrants were exercised on June 7, 2017; and 20,000 warrants were exercised on February 27, 2018.*
February 9, 2010	*40,000 warrants having face value of ₹10 each*	*40,000 warrants were exercised on April 17, 2018*
February 14, 2011	*40,000 warrants having face value of ₹10 each*	*40,000 warrants were exercised on June 21, 2018*
February 14, 2011	*140,000 warrants having face value of ₹10 each*	*23,500 warrants were exercised on July 6, 2018; 40,000 warrants were exercised on August 8, 2018; 30,000 warrants were exercised on October 16, 2018; and 46,500 warrants were exercised on October 31, 2018*
August 19, 2014	*100,000 warrants having face value of ₹10 each*	*10,000 warrants were exercised on November 14, 2018; 5,500 warrants were exercised on May 28, 2019; 12,000 warrants were exercised on October 10, 2019; 15,000 warrants were exercised on November 14, 2019; 6700 warrants were exercised on August 28, 2020; 10,921 warrants were exercised on November 2, 2020; 6,553 warrants were exercised on January 9, 2021; 10,000 warrants were exercised on March 18, 2021; and 23,326 warrants were exercised on October 1, 2021*
May 31, 2016	*376,000 warrants having face value of ₹ 2 each (which were issued as 75,200 warrants having face value of ₹10 each and were subsequently sub-divided into 376,000 warrants pursuant to a resolution passed by our Board on July 15, 2021 and our Shareholders on July 30, 2021)*	*37,635 warrants were exercised on October 1, 2021; and 338,365 warrants were exercised on November 17, 2021*
June 7, 2017	*376,000 warrants having face value of ₹2 each (which were issued as 75,200 warrants having face value of ₹10 each and were subsequently sub-divided into 376,000*	*376,000 warrants were exercised on November 17, 2021*

Date of issuance of warrants	Number of warrants issued	Date(s) of exercise of warrant
	warrants pursuant to a resolution passed by our Board on July 15, 2021 and our Shareholders on July 30, 2021)	
November 28, 2017	*376,000 warrants having face value of ₹2 each (which were issued as 75,200 warrants having face value of ₹10 each and were subsequently sub-divided into 376,000 warrants pursuant to a resolution passed by our Board on July 15, 2021 and our Shareholders on July 30, 2021)*	*241,546 warrants were exercised on January 18, 2022; 33,000 warrants were exercised on February 22, 2022; and 101,454 warrants were exercised on March 8, 2022*
May 23, 2018	*376,000 warrants having face value of ₹2 each (which were issued as 75,200 warrants having face value of ₹10 each and were subsequently sub-divided into 376,000 warrants pursuant to a resolution passed by our Board on July 15, 2021 and our Shareholders on July 30, 2021)*	*376,000 warrants were exercised on March 8, 2022*
September 11, 2018	*1,145,350 warrants having face value of ₹2 each (which were issued as 229,070 warrants having face value of ₹10 each and were subsequently sub-divided into 1,145,350 warrants pursuant to a resolution passed by our Board on July 15, 2021 and our Shareholders on July 30, 2021)*	*50,591 warrants were exercised on March 8, 2022; 32,738 warrants were exercised on April 21, 2022; and 1,062,021 warrants were exercised on May 3, 2022*
July 15, 2021	*1,672,000 having face value of ₹2 each*	*1,672,000 warrants were exercised on May 3, 2022*

(b) Details of Lock-in

(i) Details of Equity Shares locked-in for eighteen months

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoter is required to be provided towards minimum promoter's contribution and locked-in for a period of 18 months from the date of Allotment.

Set forth below are the details of the [●] Equity Shares that will be locked-in as promoter's contribution from the date of Allotment*:

Name of the Promoter	Number of Equity Shares	Date of allotment/ acquisition of equity shares	Nature of Transaction	Face value per equity share (₹)	Offer/ Acquisition price per equity share (₹)	Percentage of pre-Offer equity share capital (%)	Percentage of the fully diluted post-Offer equity share capital (%)
Rajeev Samant	[●]	[●]	[●]	[●]	[●]	[●]	[●]

**To be completed prior to filing of the Prospectus with the RoC.*

For details on the build-up of the equity share capital of our Company held by our Promoter, see "-***History of equity share capital build-up capital of Promoter's shareholding***" above.

Our Promoter has given their consent to include all Equity Shares held by him, constituting 20% of the fully diluted post-Offer equity share capital of our Company as promoter's contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the promoter's contribution from the date of the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of promoter's contribution under Regulation 15 of the SEBI ICDR Regulations. In this regard, we confirm that:

i. the Equity Shares offered as part of the promoter's contribution do not comprise Equity Shares acquired during the immediately preceding three years for consideration other than cash and wherein revaluation of assets or capitalization of intangible assets was involved or bonus issue out of revaluations reserves or unrealized profits of the Company or against Equity Shares that are otherwise ineligible for computation of promoter's contribution;

ii. the promoter's contribution does not include Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

iii. our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the immediately preceding one year pursuant to conversion of a partnership firm; and

iv. the Equity Shares held by our Promoter and offered as part of the promoter's contribution are not subject to any pledge.

All Equity Shares held by our Promoter are in dematerialized form.

(ii) ***Details of Equity Shares locked-in for six months***

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except (a) the promoter's contribution which shall be locked in as above; (b) the Equity Shares which may be allotted to the employees under the ESOP Schemes pursuant to exercise of options held by such employees (whether currently employees or not); and (c) Offered Shares, which are successfully transferred as part of the Offer for Sale.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository. Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

(iii) ***Lock-in of Equity Shares Allotted to Anchor Investors***

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(iv) ***Other Requirements in respect of Lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter and locked-in for six months may be pledged only with scheduled commercial banks or public financial institutions or a Systemically Important NBFC or a housing finance company as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter and locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations for a period of eighteen months or such other periods, as may be prescribed under the SEBI ICDR Regulations, may be transferred amongst our Promoter and any member of the Promoter Group or to a new promoter, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoter and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations for a period of six months or such other periods, as may be prescribed under the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

Our Promoter, Rajeev Samant, had pledged 5,550,877 Equity Shares held by him ("**Pledged Shares**"), representing 6.59% of the paid-up share capital of our Company, in favour of IIFL Finance Limited ("**Lender**"), an affiliate of one of the BRLMs, being IIFL, as security for a loan availed by Rajeev Samant for the purpose of exercising the warrants that were held by him. For details, see "***-History of build-up of Promoter's shareholding and lock-in of Promoter's shareholding (including Promoter's contribution)***" above. Pursuant to the terms of the loan documentation, the Pledged Shares were temporarily released from the pledge prior to the filing of the Draft Red Herring Prospectus and subsequently repledged in favour of the Lender on completion of the filing of the Draft Red Herring Prospectus. 511,938 Equity Shares of the Pledged Shares are being offered by the Promoter Selling Shareholder in the Offer for Sale and pursuant to the terms of the loan documentation, such Pledged Shares have been released from the pledge prior to the filing of this Red Herring Prospectus and transferred to the escrow account to be opened pursuant to the Share Escrow Agreement. The remaining Pledged Shares, being 5,038,939 Equity Shares representing 5.98% of the paid-up share capital of our Company, which are not offered in the Offer for Sale will be temporarily released from the pledge on or before the Anchor Investor Bid/Offer Period and re-pledged immediately after the implementation of the statutory lock-in under Regulation 16(1)(b) of the SEBI ICDR Regulations post Allotment of the Offered Shares.

(c) ***Shareholding of our Promoter and Promoter Group***

Our Promoter and Promoter Group holds 28.44% of the pre-Offer Equity Share capital of our Company. Except as stated below, our Promoter and the members of our Promoter Group do not hold any Equity Shares in our Company as on date of this Red Herring Prospectus:

Name	**Pre-Offer**		**Post-Offer**	
	Number of Equity Shares held	**Percentage of the total shareholding (%)**	**Number of Equity Shares held**	**Percentage of the total shareholding (%)**
Promoter				
Rajeev Samant	22,858,619	27.15	[●]	[●]
Sub-total (A)	22,858,619	27.15	[●]	[●]
Members of the Promoter Group				
Mia Samant	1,086,245	1.29	[●]	[●]
RASA Holdings	1,000	Negligible	[●]	[●]
Sub-total (B)	1,087,245	1.29	[●]	[●]
Total (A+B)	**23,945,864**	**28.44**	[●]	[●]

Except for 5,038,939 Equity Shares held by our Promoter, Rajeev Samant, pledged in favour of the Lender, none of the Equity Shares held by our Promoter and the members of our Promoter Group are pledged or otherwise encumbered. For details, see "***- Details of Lock-in– Other Requirements in respect of Lock-in***" above.

(*The remainder of this page is intentionally left blank*)

3. **Our shareholding pattern**

The table below represents the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of Equity Shares underlying Depository Receipts (VI)	Total No. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)		No. of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII) + (X) as a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights (X)	Total as a % of total voting rights			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a of total Equity Shares held (b)	
								Total								
(A)	**Promoter & Promoter Group**	3	23,945,864	NIL	NIL	23,945,864	28.44	23,945,864	28.44	NIL	28.44	NIL	NIL	5,038,939	5.98	23,945,864
(B)	**Public**	629	60,252,884	NIL	NIL	60,252,884	71.56	60,252,884	71.56	NIL	71.56	NIL	NIL	1,966,785(1)	3.44	57,040,527
(C)	**Non Promoter-Non Public**	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(1)	**Shares underlying Custodian/Depository Receipts**	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(2)	**Shares held by Employee Trust**	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)+(B)+(C)	632	84,198,748	NIL	NIL	84,198,748	100.00	84,198,748	100.00	NIL	NIL	NIL	NIL	NIL	NIL	8,098,6391

(1) As on the date of this Red Herring Prospectus, 1,966,785 Equity Shares have been pledged in favour of IIFL Finance Limited as security for loans availed by certain employees for the purpose of exercising the ESOPs that were held by them.

4. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares or employee stock options in our Company.

Name	No. of Equity Shares	Percentage of pre-Offer Equity Share capital (%)	Granted options (Not vested as on the date of this Red Herring Prospectus)	Vested options as on the date of this Red Herring Prospectus	Percentage of pre-Offer Equity Share capital (%)*
Directors					
Rajeev Samant	22,858,619	27.15	-	-	27.09
Alok Vajpeyi	225,825	0.27	-	-	0.27
Sangeeta Pendurkar	125,000	0.15	-	-	0.15
Key Managerial Personnel					
Bittu Varghese	193,500	0.23	-	-	0.23
Chaitanya Rathi	994,770	1.18	-	-	1.18
Karan Vasani	262,500	0.31	-	-	0.31
Monit Dhavale	106,000	0.13	-	-	0.13
Neeraj Sharma	-	-	16,670	70,830	0.10
Ruchi Sathe	7,500	Negligible	-	-	Negligible

**The percentage includes the Equity Shares and the granted and vested options, if any, under the ESOP Schemes and is calculated against the total share capital of our Company, including vested ESOPs*

For further details on the stock options held by our Directors and Key Managerial Personnel, see " ***– Notes to Capital Structure – Employee Stock Option Schemes***" on page 108.

5. As on the date of this Red Herring Prospectus, our Company has cumulatively 632 shareholders.

6. **Details of shareholding of the major shareholders of our Company**

(a) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Red Herring Prospectus:

S. No.	Shareholder	Number of Equity Shares	Pre-Offer Percentage of Equity Share capital (%)*
1.	Cofintra S.A.	7,191,835	8.52
2.	Eshaanika Raje	1,064,585	1.26
3.	Haystack Investments Limited	952,741	1.13
4.	Karishma Singh	1,064,585	1.26
5.	Mia Samant	1,086,245	1.29
6.	Mousserena LP	3,091,750	3.66
7.	Narain Girdhar Chanrai	2,238,475	2.65
8.	Rajeev Samant	22,858,619	27.09
9.	Ruta M Samant	4,477,240	5.31
10.	Saama Capital III, Ltd	1,527,530	1.81
11.	Sanjay Naraindas Kirpalani	954,705	1.13
12.	Verlinvest Asia Pte. Ltd	17,642,275	20.90
13.	Verlinvest France S.A	6,579,565	7.80
14.	Verlinvest S.A	7,191,835	8.52
15.	Chaitanya Rathi	994,770	1.18
16.	Aditi Samant	1,086,245	1.29
	Total	**80,003,000**	**94.80**

**The percentage is calculated against the total share capital of our Company, including vested ESOPs*

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Red Herring Prospectus:

S. No.	Shareholder	Number of Equity Shares	Pre-Offer Percentage of Equity Share capital (%)*
1.	Cofintra S.A.	7,191,835	8.52
2.	Eshaanika Raje	1,064,585	1.26
3.	Haystack Investments Limited	952,741	1.13
4.	Karishma Singh	1,064,585	1.26
5.	Mia Samant	1,086,245	1.29
6.	Mousserena LP	3,091,750	3.66
7.	Narain Girdhar Chanrai	2,238,475	2.65
8.	Rajeev Samant	22,858,619	27.09
9.	Ruta M Samant	4,477,240	5.31
10.	Saama Capital III, Ltd	1,527,530	1.81
11.	Sanjay Naraindas Kirpalani	954,705	1.13
12.	Verlinvest Asia Pte. Ltd	17,642,275	20.90
13.	Verlinvest France S.A	6,579,565	7.80
14.	Verlinvest S.A	7,191,835	8.52
15.	Chaitanya Rathi	994,770	1.18
16.	Aditi Samant	1,086,245	1.29
	Total	**80,003,000**	**94.80**

**The percentage is calculated against the total share capital of our Company, including vested ESOPs*

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Red Herring Prospectus:

S. No.	Shareholder	Number of equity shares of face value of ₹10	Pre-Offer Percentage of Equity Share capital*
1.	Rajeev S Samant	19,265,069	22.80
2.	Sulabha S Samant	1,495,000	1.77
3.	Ruta M Samant	4,461,740	5.28
4.	Ursula Sumal	2,129,170	2.52
5.	Verlinvest S.A	7,191,835	8.51
6.	Cofintra S.A.	7,191,835	8.51
7.	Verlinvest France S.A	6,579,565	7.79
8.	Verlinvest Asia Pte. Ltd	17,642,275	20.88
9.	Haystack Investments Ltd.	952,741	1.13
10.	Saama Capital III, Ltd	1,527,530	1.81
11.	Sanjay Naraindas Kirpalani	954,705	1.13
12.	Narain Girdhar Chanrai	2,238,475	2.65
13.	Mousserena LP	3,091,750	3.66
	Total	**74,721,690**	**88.44**

**The percentage is calculated against the total share capital of our Company, including vested ESOPs and outstanding warrants as on the relevant date.*

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Red Herring Prospectus:

S. No.	Shareholder	Number of equity shares of face value of ₹10	Pre-Offer Percentage of Equity Share capital*
1.	Ashwin Samant	407,724	2.58
2.	Cofintra S.A.	1,438,367	9.10
3.	Mousserena LP	618,350	3.91
4.	Narain Girdhar Chanrai	447,695	2.83
5.	Rajeev Samant	3,596,068	22.76
6.	Ruta M Samant	487,724	3.09
7.	Saama Capital III, Ltd	305,506	1.93
8.	Sanjay Naraindas Kirpalani	190,941	1.21
9.	Sulabha S Samant	299,000	1.89
10.	Ursula Sumal	425,834	2.70
11.	Verlinvest Asia Pte. Ltd	3,528,455	22.33
12.	Verlinvest France S.A	1,315,913	8.33
13.	Verlinvest S.A	1,438,367	9.10
	Total	**14,499,944**	**91.77**

**The percentage is calculated against the total share capital of our Company, including vested ESOPs and outstanding warrants as on the relevant date.*

7. **Employee Stock Option Schemes**

Our Company has two ESOP schemes, namely, Sula Vineyards Limited Employees Stock Option Scheme, 2020 ("**ESOP 2020**") and Sula Vineyards Limited Employees Stock Option Scheme, 2021 ("**ESOP 2021**" and collectively with ESOP 2020, the "**ESOP Schemes**").

Our Company also had 2 erstwhile ESOP schemes, namely, Sula Vineyards Limited Employees Stock Option Scheme, 2018(2) ("**ESOP 2018**") and Sula Vineyards Limited Employees Stock Option Scheme for COO and CFO, 2019 ("**ESOP 2019**" and collectively with ESOP 2018, the "**Erstwhile ESOP Schemes**"), each of which were extinguished pursuant to a Board resolution dated November 23, 2022.

(a) Erstwhile ESOP Schemes

ESOP 2018

ESOP 2018 was approved pursuant to a Board resolution dated May 23, 2018 and Shareholders' resolution dated June 7, 2018, and further amended by Shareholders' resolutions dated September 29, 2020, March 30, 2021, July 30, 2021 and March 7, 2022. A total of 100,000 options were available for being granted to eligible employees under ESOP 2018, with each option being exercisable to receive one equity share of our Company. As on the date of this Red Herring Prospectus, there are no outstanding options which are to be granted under ESOP 2018.

Under ESOP 2018, an aggregate of 50,000 options were granted and vested and all options have been exercised as on the date of this Red Herring Prospectus. Accordingly, ESOP 2018 was extinguished pursuant to a Board resolution dated November 23, 2022 as the ESOP pool available under ESOP 2018 had been exhausted. For details of the equity shares issued under ESOP 2018, see *"– **Notes to Capital Structure – Share Capital History of our Company – History of equity share capital**"* on page 88.

ESOP 2019

ESOP 2019 was approved pursuant to a Board resolution dated May 28, 2019 and Shareholders' resolution dated June 7, 2019, and further amended by Shareholders' resolutions dated September 29, 2020, July 30, 2021 and March 7, 2022. A total of 922,180 options were available for being granted to eligible employees under ESOP 2019, of which 772,180 options were allocated for Chaitanya Rathi, our COO and the remaining 150,000 options were allocated for Bittu Varghese, our CFO, with each option being exercisable to receive one equity share of our Company. As on the date of this Red Herring Prospectus, there are no outstanding options which are to be granted under ESOP 2019.

Under ESOP 2019, an aggregate of 922,180 options were granted and vested and all options have been exercised as on the date of this Red Herring Prospectus. Accordingly, ESOP 2019 was extinguished pursuant to a Board resolution dated November 23, 2022 as the ESOP pool available under ESOP 2019 had been exhausted. For details of the equity shares issued under ESOP 2019, see *"- **Notes to Capital Structure – Share Capital History of our Company – History of equity share capital**"* on page 88.

(b) ESOP Schemes

ESOP 2020

ESOP 2020 was approved pursuant to a Board resolution dated September 18, 2020 and Shareholders' resolution dated September 29, 2020, and further amended by Shareholders' resolutions dated July 30, 2021 and March 7, 2022. A total of 50,000 options were available for being granted to eligible employees under ESOP 2020, which are allocated for Neeraj Sharma, the Senior Vice President- Sales, of our Company, with each option being exercisable to receive one equity share of our Company.

Under ESOP 2020, an aggregate of 50,000 options have been granted and an aggregate of 33,330 options have vested, none of which have been exercised as on the date of this Red Herring Prospectus. The ESOP 2020 is in compliance with the SEBI SBEBSE Regulations. The following table sets forth the particulars of ESOP 2020 during the last three Financial Years, and as on the date of this Red Herring Prospectus, as certified by Sunil Agarwal & Co., Company Secretaries, through a certificate dated December 5, 2022:

Particulars	Details			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	April 1, 2022 – until the date of this RHP
Total options granted in each Fiscal/period	Nil	16,665	16,665	16,670
Total options vested in each Fiscal/period (net of forfeited/ lapsed/ cancelled/ exercised options)	Nil	Nil	16,665	16,665
Total options exercised in each Fiscal/period	Nil	Nil	Nil	Nil
Options forfeited/ lapsed/ cancelled in each Fiscal/period	Nil	Nil	Nil	Nil
Total number of options outstanding in force as at the end of each Fiscal/period (excluding options not granted)	Nil	16,665	33,330	50,000
Vesting period (years)	ESOPs shall vest over a period of 3 (three) years as per the schedule provided in ESOP 2020 or on the consummation of an IPO of the Company, whichever is earlier, provided one year has passed from the date of grant of the stock options.			
Exercise price of options in ₹ (as on the date of grant of options) *	Nil	170	170	170
Variation of terms of options	1. Extend the exercise period until 6 (six) months from the date of vesting or from the date of consummation of an IPO. 2. In the event of an IPO of the Company, all granted stock options, whether vested or not, may be exercised immediately, provided one year has passed from the date of grant of the stock options. 3. Modification in the number of equity shares granted/to be granted, nominal value per share and strike price to align with the sub-division of equity shares.			
Money realized by exercise of options (in ₹ million)	Nil			
Options exercised (since implementation of the ESOP scheme)	Nil			
Total number of Equity Shares that would arise as a result of exercise of granted options	Nil	16,665	33,330	50,000
Method of valuation	Black-Scholes Model			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option:	Significant assumptions used to estimate fair value of options as follows:			

Particulars	Fiscal 2021	Fiscal 2022	April 1, 2022 – until the date of this RHP
Market Price (₹)	76.25	122.80	155.10
Expected life (in years)	3	1.17	1.25
Expected volatility*	46.00%	43.03%	46.91%
Risk free interest rate (%)	5.41%	3.78%	5.43%
Dividend Yield (%)	1.31%	2.44%	3.16%
Exercise Price	170	170	170
Option Fair Value (₹)	7.06	9.68	27.2

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

Particulars	Details			
	Fiscal 2020	**Fiscal 2021**	**Fiscal 2022**	**April 1, 2022 – until the date of this RHP**
	The above is not applicable for Fiscal 2020			
Employee wise details of options granted to:				
(i) Key managerial personnel	Nil	Neeraj Sharma	Neeraj Sharma	Neeraj Sharma
(i) Any other employee who receives a grant in any one year of options amounting to 5 percent or more of the options granted during the year	Not Applicable			
(ii) (iii) Identified employees who were granted options during any one year equal to or exceeding 1 percent of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Not Applicable			
Diluted earnings per share pursuant to the issue of equity shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'(₹)	(2.09)	0.40	6.79	-
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per equity share of our Company	The Company has recognised the employee compensation cost using fair value option. Hence, there is no differential impact of the same on profits and EPS of the Company.			
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEBSE Regulations had been followed, in respect of options granted in the last three years	The Company has adopted the accounting policies for ESOP in compliance with the accounting policies as specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEBSE Regulations in respect of options granted in last three years. Hence, there is no differential impact on profits and EPS.			
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of	Not Applicable			

Particulars	Details			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	April 1, 2022 – until the date of this RHP
Equity Shares pursuant to the Offer				
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1 percent of the issued capital (excluding outstanding warrants and conversions)	Not Applicable			

**The strike price as at the date of grant of ESOPs under ESOP 2020 was ₹ 850 for each option. However, pursuant to the resolutions passed by our Shareholders on July 30, 2021, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share and accordingly strike price is ₹ 170 for each option.*

Note 1: Number of options and shares are updated in the table to factor in impact of equity shares split in the ratio of 1:5, as approved by our Shareholders on July 30, 2021.

ESOP 2021

ESOP 2021 was approved pursuant to a Board resolution dated July 15, 2021and Shareholder's resolution dated July 30, 2021 and further amended by Shareholders' resolutions dated March 7, 2022. A total of 1,879,750 options are available for being granted to eligible employees under ESOP 2021, with each option being exercisable to receive one Equity Share.

Under ESOP 2021, an aggregate of 1,864,200 options have been granted (out of 1,864,200 options granted under ESOP 2021, 69,700 options were added back to the ESOP pool available for being granted under ESOP 2021, due to resignation of the eligible employees holding these options) and an aggregate of 1,811,200 options have vested, out of which 1,625,693 options have been exercised as on the date of this Red Herring Prospectus. ESOP 2021 is in compliance with the SEBI SBEBSE Regulations. The following table sets forth the particulars of the ESOP 2021 during the last three Financial Years, and as on the date of this Red Herring Prospectus, as certified by Sunil Agarwal & Co., Company Secretaries, through a certificate dated December 5, 2022:

Particulars	Details			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	April 1, 2022 – until the date of this RHP
Total options granted in each Fiscal/period*	Nil	Nil	1,829,000	35,200
Total options vested in each Fiscal/period (net of forfeited/ lapsed/ cancelled/ exercised options)	Nil	Nil	Nil	135,557
Total options exercised in each Fiscal/period	Nil	Nil	Nil	1,625,693
Options forfeited/ lapsed/ cancelled in each Fiscal/period	Nil	Nil	23,000	49,950
Total number of options outstanding in force as at the end of each Fiscal/period (excluding options not granted)	Nil	Nil	1,806,000	168,807
Vesting period (years)	Stock options shall vest on the consummation of an IPO of the Company, wherein the			

<table>
<tr><th rowspan="2">Particulars</th><th colspan="4">Details</th></tr>
<tr><th>Fiscal 2020</th><th>Fiscal 2021</th><th>Fiscal 2022</th><th>April 1, 2022 – until the date of this RHP</th></tr>
<tr><td>(Refer Note 2)</td><td colspan="4">percentage of granted stock options which will vest is to be determined on the basis of the post-IPO market capitalisation of the Equity Shares. In case the above vesting conditions are not met on or before June 30, 2024, all the granted stock options shall lapse.

The stock options granted subsequent to an IPO shall vest after a minimum of one year from the date of their grant.</td></tr>
<tr><td>Exercise price of options in ₹ (as on the date of grant of options)**</td><td>Nil</td><td>Nil</td><td>170</td><td>170</td></tr>
<tr><td>Variation of terms of options</td><td colspan="4">Extend the exercise period until 6 (six) months from the date of vesting or from the date of consummation of an IPO.</td></tr>
<tr><td>Money realized by exercise of options (in ₹ million)</td><td colspan="4">Nil</td></tr>
<tr><td>Options exercised (since implementation of the ESOP scheme)</td><td colspan="4">Nil</td></tr>
<tr><td>Total number of Equity Shares that would arise as a result of exercise of granted options</td><td>Nil</td><td>Nil</td><td>1,806,000</td><td>168,807</td></tr>
<tr><td>Method of valuation</td><td colspan="4">Black-Scholes Model</td></tr>
<tr><td>Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option:</td><td colspan="4">Significant assumptions used to estimate fair value of options as follows:
<table>
<tr><th>Particulars</th><th>Fiscal 2022</th><th>April 1, 2022 – until the date of this RHP</th></tr>
<tr><td>Market Price (₹)</td><td>122.80</td><td>155.1</td></tr>
<tr><td>Expected life (in years)</td><td>1.61</td><td>1.25</td></tr>
<tr><td>Expected volatility*</td><td>43.07%</td><td>46.91%</td></tr>
<tr><td>Risk free interest rate (%)</td><td>4.15%</td><td>5.43%</td></tr>
<tr><td>Dividend Yield (%)</td><td>2.44%</td><td>3.16%</td></tr>
<tr><td>Exercise Price</td><td>170</td><td>170</td></tr>
<tr><td>Option Fair Value (₹)</td><td>13.54</td><td>27.2</td></tr>
</table>
* Expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The above is not applicable for Fiscals 2020 and 2021</td></tr>
<tr><td>Employee wise details of options granted to:</td><td colspan="4"></td></tr>
<tr><td>(ii) Key managerial personnel</td><td>Nil</td><td>Nil</td><td>Refer Note 3</td><td>Nil</td></tr>
<tr><td>(iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td colspan="4">Not Applicable</td></tr>
<tr><td>(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="4">Not Applicable</td></tr>
<tr><td>Diluted earnings per share pursuant to the issue of equity shares on exercise of options</td><td>6.79</td><td>0.40</td><td>(2.09)</td><td>-</td></tr>
</table>

Particulars	Details			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	April 1, 2022 – until the date of this RHP
in accordance with IND AS 33 'Earnings Per Share'(₹)				
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per equity share of our Company	The Company has recognised the employee compensation cost using fair value option. Hence, there is no differential impact of the same on profits and EPS of the Company.			
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEBSE Regulations had been followed, in respect of options granted in the last three years	The Company has adopted the accounting policies for ESOP in compliance with the accounting policies as specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEBSE Regulations in respect of options granted in last three years. Hence, there is no differential impact on profits and EPS.			
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Certain of our Key Managerial Personnel may sell some Equity Shares allotted on the exercise of their options post-listing of the Equity Shares of our Company			
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not Applicable			

**Out of 1,864,200 options granted under ESOP 2021, 69,700 options were added back to the ESOP pool available for being granted under ESOP 2021, due to resignation of the eligible employees holding these options.*

***The strike price as at the date of grant of ESOPs under ESOP 2021 was ₹ 850 for each option. However, pursuant to the resolutions passed by our Shareholders on July 30, 2021, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share and accordingly strike price is ₹ 170 for each option.*

Note 1: Number of options and shares are updated in the table to factor in impact of equity shares split in the ratio of 1:5, as approved by our Shareholders on July 30, 2021.

Note 2: Out of the granted stock options under ESOP 2021, the number of vested stock options shall be determined as set out below, unless determined otherwise by our Board. It is clarified that any granted stock options that are not vested on the date of the consummation of the IPO in accordance with the vesting conditions set out below, will lapse with immediate effect from such date.

(i) In case of an IPO being consummated on or before March 31, 2023:

Vesting condition		***Number of granted stock options which will vest***	
Total post IPO market capitalization of the equity shares of the Company	***Percentage of granted options which will vest***	***Fiscal 2022***	***April 1, 2022 – until the date of this RHP***
₹ 3,500 crores or more	*100%*	*1,806,000*	*135,557*
₹ 3,250 crores or more but less than ₹ 3,500 crores	*80%*	*1,444,800*	*108,446*
₹ 3,000 crores or more but less than ₹ 3,250 crores	*60%*	*1,083,600*	*81,334*
Less than ₹ 3,000 crores	*0%*	*0*	*0*

(ii) In case of an IPO being consummated after March 31, 2023 and on or before June 30, 2024:

Vesting condition		***Number of granted stock options which will vest***	
Total post IPO market capitalization of the equity shares of the Company	***Percentage of granted options which will vest***	***Fiscal 2022***	***April 1, 2022 – until the date of this RHP***
₹ 4,000 crores or more	*100%*	*1,806,000*	*135,557*
₹ 3,750 crores or more but less than ₹ 4,000 crores	*80%*	*1,444,800*	*108,446*
₹ 3,500 crores or more but less than ₹ 3,750 crores	*60%*	*1,083,600*	*81,334*
Less than ₹ 3,500 crores	*0%*	*0*	*0*

Note 3:

Name of the Key Managerial Personnel	***Number of stock options granted***
Bittu Varghese	*43,500*
Chaitanya Rathi	*212,000*
Karan Vasani	*50,000*
Monit Dhavale	*100,000*
Neeraj Sharma	*37,500*
Ruchi Sathe	*7,500*

8. Except as disclosed below, the members of our Promoter Group, nor our Directors or their relatives have sold or purchased any equity shares of our Company during the six months preceding the date of this Red Herring Prospectus:

Name	**Sale/ Purchase**	**Number of equity shares**	**Face value per equity share (in ₹)**	**Issue Price per squity share (in ₹)**	**Date of sale/ purchase**
Promoter Group					
Rajeev Samant	Purchase from Bharat Samant	25,000	2	240.00	December 14, 2021
RASA Holdings	Transfer by way of gift	1,000	2	-	February 4, 2022
Mia Samant	Transfer by way of gift	338,745	2	-	February 4, 2022
Mia Samant	Transfer by way of gift	747,500	2	-	February 8, 2022
Directors/ Relatives of Directors					
Rajeev Samant	Purchase from Bharat Samant	25,000	2	240.00	December 14, 2021

9. There have been no financing arrangements whereby the members of our Promoter Group, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Red Herring Prospectus.

10. Our Company, our Directors, and the BRLMs have not entered into any buy-back arrangements for purchase of the Equity Shares being offered through this Offer.

11. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

12. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in the Company as on the date of this Red Herring Prospectus. Our Promoter, Rajeev Samant, has pledged 5,038,939 Equity Shares held by him, representing 5.98% of the paid-up share capital of our Company, as security for a loan availed by Rajeev Samant for the purpose of exercising the warrants that were held by him and certain employees of our Company have pledged 1,966,785 Equity Shares, representing 3.44% of the paid-up share capital of our Company, as security for loans availed by them for the purpose of exercising the ESOPs that were held by them, each in favour of IIFL Finance Limited, an affiliate of one of the BRLMs, being IIFL,. For details, see **"- *Details of Lock-in– Other Requirements in respect of Lock-in*"** above.

13. Except for the options granted pursuant to the ESOP Schemes, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Red Herring Prospectus.

14. No person connected with the Offer, including, but not limited to, our Company, our Promoter, the Promoter Group, the Selling Shareholders, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

15. Except for issue of Equity Shares pursuant to exercise of options granted under the ESOP Schemes, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

16. Except for the issue of Equity Shares pursuant to exercise of options granted under the ESOP Schemes, there is no proposal or intention, negotiations and consideration of our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

17. The BRLMs, and any person related to the BRLMs or the Syndicate Member nor any person related to the Promoter or Promoter Group, cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associate of the BRLMs.

18. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

19. Our Company shall ensure that transactions in Equity Shares by our Promoter and our Promoter Group during the period between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information, see "***Offer Procedure***" beginning on page 425.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) to carry out the Offer for Sale of up to 26,900,530 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all such proceeds (net of any Offer related expenses to be borne by the Selling Shareholders) will go to the Selling Shareholders. For details of the Selling Shareholders and their respective portion of the Offered Shares, see "***The Offer***" beginning on page 73.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India.

Utilisation of the Offer Proceeds by Selling Shareholders

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses the relevant taxes thereon. For details of Offered Shares by each Selling Shareholder, see ***"Other Regulatory and Statutory Disclosures"*** beginning on page 400.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, amongst others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Escrow Collection Banks and Sponsor Banks to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The estimated Offer expenses are as follows:

S. No	Activity	Estimated amount* (*in ₹ million*)	As a % of total estimated offer Expenses*	As a % of Offer Size*
1.	Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)(2) and Bidding Charges(3)(4)(5)(6) for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Other expenses:			
	(i) Listing fees, SEBI filing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
	(ii) Printing and stationery expenses	[●]	[●]	[●]
	(iii) Advertising and marketing expenses			
	(iv) Fees payable to the legal counsels to the Offer			
	(v) Fees payable to the other advisors to the Offer#	[●]	[●]	[●]
	(vi) Miscellaneous	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalisation of the Offer Price. Offer expenses include applicable taxes, where applicable.*
\# *The other advisors to the Offer include Statutory Auditors, practicing company secretary, chartered accountant, chartered engineer, RoC consultant etc.*

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by SCSBs would be as follows:

*Portion for Retail Individual Bidders**	*0.35% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE. No processing fees shall be payable by to the SCSBs on the applications directly procured by them.*

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders (excluding UPI Bids), which are procured by the members of the Syndicate/sub-Syndicate/Registered Brokers/RTAs/CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Retail Individual Bidders and Non-Institutional Bidders	*₹ 10 per valid Bid cum Application Forms* (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional Buyers with bids above ₹ 500,000 would be ₹ 10 plus applicable taxes, per valid Bid cum Application Form*

(3) Selling commission on the portion for Retail Individual Bidders (up to ₹ 200,000) and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat and bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Bidders **	*0.35% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders **	*0.20% of the Amount Allotted* (plus applicable taxes)*

** Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined:

(i) *For Retail Individual Bidders and Non-Institutional Bidders (up to ₹ 500,000), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

(ii) *For Non-Institutional Bidders (above ₹ 500,000), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub-Syndicate Members and not the SCSB.*

Uploading Charges:

(i) *Bid uploading charges payable to members of the Syndicate (including their Sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their Sub-Syndicate embers).*

(ii) *Bid uploading charges payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ 10 per valid application (plus applicable taxes).*

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

(4) Selling commission/ uploading charges payable to the Registered Brokers on the portion for Retail Individual Bidders procured through UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders and Non-Institutional Bidders	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)*

(5) Uploading charges/ processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs (uploading charges)	*₹ 15 per valid application (plus applicable taxes)*
Axis Bank Limited (Sponsor Bank 1)	*₹ Nil per valid Bid cum Application Form (plus applicable taxes)* *Axis Bank Limited will also be entitled to a one time escrow management fee of ₹ Nil.* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*
Kotak Mahindra Bank Limited (Sponsor Bank 2)	*₹ 8/- per valid Bid cum Application Form (plus applicable taxes)* *Kotak Mahindra Bank Limited will also be entitled to a one time escrow management fee of ₹ 350,000 (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

BASIS FOR OFFER PRICE

The Price Band will be determined by our Company acting through the IPO Committee, in consultation with the BRLMs, and the Offer Price will be determined by our Company acting through the IPO Committee, in consultation with the BRLMs, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to "***Risk Factors***", "***Our Business***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 30, 194, 264 and 350, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

1. High barriers of entry;
2. Established market leader in the Indian wine industry with the leading brand "Sula";
3. Largest wine producer in India with the widest and innovative product offering supported by an efficient production mechanism;
4. Largest wine distribution network and sales presence;
5. Secured supply of raw material with long term contracts exclusive to Sula;
6. Leader and pioneer of the wine tourism business in India;
7. Early adoption and focus on sustainability; and
8. Experienced Board, qualified senior management team.

For further details, see "***Risk Factors***" and "***Our Business***" beginning on pages 30 and 194, respectively.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Consolidated Financial Information. For further information, see "***Financial Information***" beginning on page 264.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Equity Share ("EPS") at face value of ₹ 2, as adjusted

Fiscal/ period	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2022	6.53	6.53	3
March 31, 2021	0.38	0.38	2
March 31, 2020	(2.01)	(2.01)	1
Weighted Average	**3.06**	**3.06**	
For the six month period ended September 30, 2022*	3.71	3.71	

**Not annualised*

Notes:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33, notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirements of SEBI ICDR Regulations.*
2. *The ratios have been computed as below:*
   - *Basic EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number basic equity shares outstanding during the year/period.*
   - *Diluted EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number of adjusted diluted equity shares outstanding during the year/period.*
3. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.*
4. *Pursuant to the approval of the members at the 18th Annual General Meeting of the Company-held on July, 30 2021 to the sub-division of the Equity Shares of the Company, each equity share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was July, 30 2021. Consequent to the share split, earnings per share for the Fiscals ended March 31, 2021 and 2020 have been retrospectively adjusted in accordance with Ind AS 33 Earning Per Share (EPS).*

   Basic EPS and Diluted EPS for the six months period ended September 30, 2022 and September 30, 2021 and Fiscals ended March 31, 2022, 2021 and 2020 are further adjusted to give effect to the consequent increase in share capital on the *assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options), wherever applicable, were exercised in the respective financial year/period from the date they were convertible/ exercisable. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and have not been derived from Restated Consolidated Financial Information.*

5. *Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}.*

*For further details, see "**Other Financial Information**" on page 343.*

2. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at Floor Price (no. of times)	P/E at Cap Price (no. of times)
Based on basic EPS	[●]	[●]
Based on diluted EPS	[●]	[●]

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 119.83, the lowest P/E ratio is 53.36 and the average P/E ratio is 83.11.

Notes:

1. *The industry high and low has been considered from the industry peer set provided below. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed below.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on NSE on November 25, 2022 divided by the Basic EPS as at March 31, 2022.*
3. *All the financial information for listed industry peers mentioned above is sourced from the consolidated audited financial statements/results of the relevant companies for Fiscal 2022, as available on the websites of the Stock Exchanges.*

4. Average Return on Net Worth ("RoNW"), as adjusted

Fiscal/ period ended	RoNW (%)	Weight
March 31, 2022	11.45	3
March 31, 2021	0.85	2
March 31, 2020	(4.60)	1
Weighted Average	**5.24**	
For the six month period ended September 30, 2022*	6.20	

**Not annualised*

Notes:

1. *Return on Net Worth: Restated Consolidated profit/(loss) for the year/period attributable to owners of the parent divided by the Net Worth at the end of the respective year/period attributable to the owners of the parent.*
2. *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of statement of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off and non-controlling Interest, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth represents the equity attributable to the owners of the Company and does not involve amount attributable to non-controlling interests.*
3. *Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. {(RoNW x Weight) for each year} / {Total of weights}.*
4. *Net worth as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 have been adjusted to give effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options), wherever applicable, were exercised in the respective financial year/period. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the net worth has not been derived from Restated Consolidated Financial Information.*

*For further details, see "**Other Financial Information**" on page 343.*

5. Net Asset Value ("NAV") per Equity Share of face value of ₹ 2 each, as adjusted

Net Asset Value per Equity Share	(₹)
As on March 31, 2022	55.34
As on September 30, 2022	58.40
After the Offer	
At Offer Price	[●]

Notes:

1. *Net asset value per equity share = net worth attributable to the owners of the parent as at the end of the year/period divided by adjusted number of equity shares outstanding as at the end of year/period.*
2. *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of statement of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off and non-controlling interest, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
3. *Net Worth and the number of equity shares as at the end of the year/period have been adjusted to give effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options), wherever applicable, were exercised in the respective financial year/period. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the net worth and the number of equity shares outstanding as at the end of the year/period has not been derived from Restated Consolidated Financial Information.*

*For further details, see "**Other Financial Information**" on page 343.*

6. Key financial and operational performance indicators ("KPIs")

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated November 26, 2022 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by N B T and Co, Chartered Accountants, by their certificate dated December 5, 2022.

The Company's chief operating decision makers (which includes our CEO, CFO, COO and members of the Board) monitor and review the operating result of our Company as a single operating segment of manufacture, purchase and sale of wines and spirits. Key metrics like revenue growth, contribution of sales between Wine Business, Wine Tourism and others, contribution of various segments within the own brands business, EBIDTA Margin, PBT Margin and few balance sheet ratios are monitored by the chief operating decision makers on a periodic basis for evaluating the overall performance of Company.

a. *Revenue details of our Wine Business and Wine Tourism Business*

Our business can be broadly classified under two categories (i) the production of wine, the import of wines and spirits, and the distribution of wines and spirits (the "**Wine Business**"); and (ii) the sale of services from ownership and operation of wine tourism venues, including vineyard resorts and tasting rooms (the "**Wine Tourism Business**"). However, since the Wine Tourism Business is incidental and complements the overall Wine Business, the Company's chief operating decision makers (which includes our CEO, CFO, COO and members of the board) monitor and review the operating result of the Group as a single operating segment of manufacture, purchase and sale of wines and spirits. For details, see "***Our Business***" on page 194.

Details of revenue from operations	**Year ended March 31,**			**Six months ended**	
	2020	**2021**	**2022**	**September 30, 2021**	**September 30, 2022**
	(in ₹ million, except as otherwise specified)				
(A) Wine Business[1]	4,930.98	3,984.24	4,166.27	1454.37	2,032.86
Own brands	3,316.22	2,873.00	3,808.91	1,317.04	1,915.47
– Elite (%)	18.48%	19.87%	24.05%	23.62%	25.14%
– Premium (%)	49.33%	48.71%	46.52%	46.06%	45.39%
– Economy (%)	15.06%	15.79%	13.62%	14.78%	12.62%
– Popular (%)	17.12%	15.63%	15.81%	15.55%	16.86%
Third Party Brands and distribution business[2]	1,614.76	1,111.24	357.36	137.33	117.39
(B) Wine Tourism Business	281.67	181.38	346.21	120.88	198.00
(C) Others[3]	3.69	13.97	26.68	16.25	9.82
Revenue from operations (A+B+C)	**5,216.34**	**4,179.59**	**4,539.16**	**1,591.50**	**2,240.68**
Year on year revenue growth (%)	-	(19.88)%	8.60%	-	40.79%
Revenue contribution (%)					
Wine Business - Own Brands	63.57%	68.74%	83.91%	82.75%	85.49%
Wine Business - Imports	30.96%	26.59%	7.87%	8.63%	5.24%
Wine Tourism Business	5.40%	4.34%	7.63%	7.60%	8.84%
Others	0.07%	0.33%	0.59%	1.02%	0.44%

Details of revenue from operations	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
	(in ₹ million, except as otherwise specified)				

Notes:

(1) *Wine Business includes revenue from sales of our owned wines (including the Maharashtra Government subsidy on sales tax or wine industry promotion subsidy ("Government Grants")) and other alcoholic beverages imported by us.*
For Fiscals 2020 and 2021, this also includes the revenue contribution from our erstwhile subsidiary, PADPL, which had a standalone revenue of ₹1,035.62 million in Fiscal 2020 and ₹607.88 million in Fiscal 2021. PADPL ceased to be a subsidiary of our Company with effect from April 1, 2021. For further details regarding the PADPL Divestment, please see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 339.

(2) *Third Party Brands and distribution business includes the revenue from sales of alcoholic beverages imported by us and revenue from brands distributed by our erstwhile subsidiary PADPL in Fiscals 2020 and 2021.*

(3) *Includes provisions and balances no longer required, which were written back, and other miscellaneous sale of packing material consumables etc.*

For details, see "***Our Business – Key Operating Parameters of our Wine Tourism Business***" and for a period on period comparison of our revenue from operations, see "***Management's Discussion and Analysis of Financial Conditions and Results of Operations – Results of Operations***" on pages 221 and 372.

b. Gross Margin and other KPIs

Particulars	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
	(in ₹ million, except as otherwise specified)				
Gross Margin(1)	2,491.51	2,238.38	2,963.64	1,036.24	1,577.75
Gross Margin (%)(2)	47.76 %	53.32%	65.29 %	65.11 %	70.41%
EBITDAE	504.93	645.12	1,160.71	300.55	643.06
EBITDAE Margin(11) (%)	9.68 %	15.44%	25.57 %	18.88 %	28.70%
Net Asset turnover*(13)	1.73	1.37	1.15	-	-
Cash Conversion Cycle*(3) (days)	237	317	347	-	-
Days Sales Outstanding*(4) (days)	115	125	98	-	-
Days Inventory Outstanding*(5) (days)	252	358	449	-	-
Days Payable Outstanding*(6) (days)	130	166	200	-	-
ROCE – reported*(7) (%)	4.09 %	10.67%	20.86 %	-	-
Net Working Capital Days*(8) (days)	26	48	65	-	-
Debt to Equity Ratio(9) (times)	1.23	0.99	0.58	0.76	0.48
Debt to EBITDAE Ratio*(12) (times)	7.29	4.67	1.97	-	-
Net profit/ (loss) for the year (PAT)	(159.40)	30.14	521.39	45.31	305.06
PAT Margin (%)(10)	(3.06)%	0.72%	11.49 %	2.85 %	13.61%

Notes:

* *These ratios cannot be computed for the six month period ended September 30, 2022 and September 30, 2021*

(1) *Gross margin is calculated as the revenue from operations less (a) cost of materials consumed; (b) purchase of stock-in-trade; (c) changes in inventories of finished goods, work-in-progress and stock-in-trade; (d) restaurant expenses; (e) resort maintenance expenses; and (f) excise duty on sales*

(2) *Gross margin (%) is calculated as gross margin divided by revenue from operations*

(3) *Cash conversion cycle is calculated basis days sales outstanding plus days inventory outstanding less days payable outstanding.*

(4) *Days sales outstanding is calculated basis average trade receivables (i.e. opening trade receivables plus closing trade receivables divided by 2) divided by revenue from operations *365 days*

(5) *Days inventory outstanding is calculated basis average inventory (i.e. opening inventory plus closing inventory divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade plus consumables, stores and spares consumed) * 365 days*

(6) *Days payable outstanding is calculated basis average trade payables (i.e. opening trade payables plus closing trade payables divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade) * 365 days*

(7) *ROCE – reported is calculated basis earnings before interest and tax and exceptional item, divided by capital employed (i.e. total equity plus non-current borrowing)*

(8) *Net working capital days is calculated basis current asset less current liability divided by revenue from operations*

(9) *Debt to equity ratio is calculated basis total debt divided by total equity.*

(10) *PAT margin (%) is calculated as net profit/ (loss) for the year (PAT) divided by revenue from operations*

(11) *EBIDTAE margin (%) is calculated as EBIDTAE margin divided by revenue from operations.*

(12) *Debt to EBIDTAE is calculated basis total debt divided by EBIDTAE*

(13) *Net Asset turnover is calculated basis revenue from operations divided by Net Assets (i.e. Total assets less (a) non-current liabilities and (b) current liabilities)*

For details, see "***Our Business – Our Key Financial and Operational Performance Indicators***" on page 209.

c. *Other KPIs related to our Wine Business*

Details of volume and revenue contributions of our 'Elite' and 'Premium' categories as compared to our 'Economy' and 'Popular' categories, are set out below:

Details of volume of sales and revenue of operations of our Own Brands

Particulars	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
Elite and Premium					
Number of cases	393,878	330,562	442,833	153,579	214,153
Volume contribution (%)(1)	46.16%	46.09%	49.56%	48.98%	48.46%
Revenue of operations (₹ in million)	2,248.73	1,970.30	2,687.95	917.62	1,350.89
Revenue contribution (%)(2)	67.81%	68.58%	70.57%	69.67%	70.53%
Economy and Popular categories					
Number of cases	459,402	386,692	450,712	160,004	227,794
Volume contribution (%)(1)	53.84%	53.91%	50.44%	51.02%	51.54%
Revenue of operations (₹ in million)	1,067.49	902.70	1,120.96	399.42	564.58
Revenue contribution (%)(2)	32.19%	31.42%	29.43%	30.33%	29.47%

Notes:

(1) *Volume contribution is calculated as contribution to the total volume of our Own Brand portfolio*

(2) *Revenue contribution is calculated as contribution to the total revenue of operation from our Own Brand portfolio*

For details, see "***Our Business – Overview***" on page 194.

d. *Other KPIs related to our Wine Tourism Business*

Particulars	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
Average Room Revenue (ARR) (in ₹)	8,759	9,044	10,367	10,225	10,195
Average Rooms Occupancy (%)	66.48%	43.66%	70.97%	55.69%	77.37%

For details of our ARR and occupancy per cent., see "***Our Business – Key Operating Parameters of our Wine***

Tourism Business" on page 204.

7. Comparison with Listed Industry Peers

Our business can be broadly classified under two categories (i) the production of wine, the import of wines and spirits, and the distribution of wines and spirits (the "**Wine Business**"); and (ii) the sale of services from ownership and operation of wine tourism venues, including vineyard resorts and tasting rooms (the "**Wine Tourism Business**"). This differentiates us from other listed peer companies in India whose business focuses on alco-beverage products other than wine and who do not operate a related tourism business.

(a) Following is the comparison with our peer group companies listed in India:

Name of the company	Revenue from operations (₹ in million)	Face value (₹)	P/E	EPS (Basic and Diluted) (₹)	Return on net worth (%)	NAV per share (₹)
Sula Vineyards Limited*	4,539.16	2.00	[●]	6.53	11.45	55.34
Peer group**						
United Spirits Limited	310,618.00	2.00	76.14	11.68	16.63	67.09
Radico Khaitan Limited	124,705.02	2.00	53.36	19.70	13.18	149.46
United Breweries Limited	131,239.20	1.00	119.83	13.82	9.29	148.99

Source:

* *All the financial information for the Company above is on a consolidated basis and is sourced from the Retated Consolidated Financial Statements. The Basic EPS, Diluted EPS, Net Worth and the number of equity shares as at and for the Fiscal ended March 31, 2022 have been adjusted to give effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options) were exercised in the financial year. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the Basic EPS, Diluted EPS, Net Worth and the number of equity shares outstanding as at the end of the year have not been derived from Restated Consolidated Financial Information. For reconciliation and further details, see "**Other Financial Information**" on page 343.*

***All the financial information for the industry peers mentioned above is on a consolidated basis and is sourced from the annual reports as available of the respective company for the year ended March 31, 2022 submitted to Stock Exchanges.*

Notes for peer group:

1. *For the industry peers, the Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the financial statements of the companies respectively for the Fiscal ended March 31, 2022.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on NSE on November 25, 2022 divided by the Basic EPS as at March 31, 2022.*
3. *Return on Net Worth (%) = Profit for the year ended March 31, 2022 divided by Total Equity of the Company as on March 31, 2022*
4. *NAV is computed as the Total Equity of the Company as on March 31, 2022 divided by the outstanding number of equity shares as on March 31, 2022.*

(b) We believe that we are differentiated from other listed alco-beverage players in India as our business comprises of the Wine Business and the Wine Tourism Business. The following provides a comparison of our Company with certain listed players in the alco-beverage industry in India

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Parameters	Radico Khaitan Limited					United Spirits Limited					United Breweries Limited					Sula Vineyards Limited				
	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022
Gross Margin* (₹ Million)	11,788.49	11,963.73	12,905.79	5,989.83	6,462.79	42,965.00	36,757.00	44,209.00	19,670.00	22,719.00	33,581.10	22,137.20	29,123.20	12,831.60	18,670.20	2,491.51	2,238.38	2,963.64	1,036.24	1,577.75
Gross Margin* %	12.52%	11.39%	10.35%	10.07%	10.42%	14.91%	13.41%	14.23%	13.68%	14.74%	22.92%	21.73%	22.19%	21.58%	21.06%	47.76%	53.32%	65.29%	65.11%	70.41%
EBITDAE* (₹ Million)	3,809.95	4,229.04	4,096.10	2,072.47	1,878.95	16,576.00	10,267.00	14,784.00	6,244.00	11,857.00	8,851.40	4,313.10	7,264.10	2,715.90	5,101.50	504.93	645.12	1,160.71	300.55	643.06
EBITDAE Margin* (%)	4.05%	4.03%	3.28%	3.48%	3.03%	5.75%	3.74%	4.76%	4.34%	7.69%	6.04%	4.23%	5.54%	4.57%	5.75%	9.68%	15.44%	25.57%	18.88%	28.70%
Net profit/ (loss) for the year* (PAT) (₹ Million)	2,291.40	2,771.58	2,632.28	1,339.34	1,164.80	6,206.00	3,621.00	8,106.00	3,367.00	8,088.00	4,282.90	1,138.30	3,660.80	1112.8	2,966.20	(159.40)	30.14	521.39	45.31	305.06
PAT Margin* (%)	2.43%	2.64%	2.11%	2.25%	1.88%	2.15%	1.32%	2.61%	2.34%	5.25%	2.92%	1.12%	2.79%	1.87%	3.35%	(3.06)%	0.72%	11.49%	2.85%	13.61%
Net Asset turnover*	6.10	5.86	6.15	-	-	7.82	6.76	6.37	-	-	4.16	2.84	3.33	-	-	1.73	1.37	1.15	-	-
Cash Conversion Cycle (days)*	60	75	73	-	-	76	85	68	-	-	88	137	82	-	-	237	317	347	-	-
Days Sales Outstanding* (days)	28	26	21	-	-	31	30	27	-	-	36	49	37	-	-	115	125	98	-	-
Days Inventory Outstanding* (days)	106	129	117	-	-	140	163	145	-	-	118	193	124	-	-	252	358	449	-	-

Parameters	Radico Khaitan Limited					United Spirits Limited					United Breweries Limited					Sula Vineyards Limited				
	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022	FY20	FY21	FY22	Six months ended September 30, 2021	Six months ended September 30, 2022
Days Payable Outstanding* (days)	75	80	66	-	-	95	107	103	-	-	66	106	79	-	-	130	166	200	-	-
ROCE – reported*	21.27%	20.58%	16.97%	-	-	37.08%	17.92%	24.09%	-	-	16.99%	5.40%	12.93%	-	-	4.09%	10.67%	20.86%	-	-
Net Working Capital Days*	23	28.	28.	-	-	-2	6	16	-	-	24	43	39	-	-	26	48	65	-	-
Debt to Equity Ratio (times)*	0.26	0.15	0.09	0.10	0.19	0.44	0.22	0.07	0.18	0.06	0.05	0.07	0.00	0.06	0.00	1.23	0.99	0.58	0.76	0.48
Debt to EBITDAE* Ratio* (times)	1.05	0.65	0.46	-	-	0.98	0.86	0.23	-	-	0.19	0.58	0.00	-	-	7.29	4.67	1.97	-	-

* *In relation to these parameters for our Company, please refer to the notes given for the disclosure on '**-Gross Margin and Other KPIs**' on page 126 above.*

Notes:

(1) Gross margin is calculated as the revenue from operations less (a) cost of materials consumed; (b) purchase of stock-in-trade; (c) changes in inventories of finished goods, work-in-progress and stock-in-trade; (d) restaurant expenses; (e) resort maintenance expenses; and (f) excise duty on sales

(2) Gross margin (%) is calculated as gross margin divided by revenue from operations

(3) Cash conversion cycle is calculated basis days sales outstanding plus days inventory outstanding less days payable outstanding.

*(4) Days sales outstanding is calculated basis average trade receivables (i.e. opening trade receivables plus closing trade receivables divided by 2) divided by revenue from operations *365 days*

*(5) Days inventory outstanding is calculated basis average inventory (i.e. opening inventory plus closing inventory divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade plus consumables, stores and spares consumed) * 365 days*

*(6) Days payable outstanding is calculated basis average trade payables (i.e. opening trade payables plus closing trade payables divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade) * 365 days*

(7) ROCE – reported is calculated basis earnings before interest and tax and exceptional item, divided by capital employed (i.e. total equity plus non-current borrowing)

(8) Net working capital days is calculated basis current asset less current liability divided by revenue from operations

(9) Debt to equity ratio is calculated basis total debt divided by total equity.

(10) PAT margin (%) is calculated as net profit/ (loss) for the year (PAT) divided by revenue from operations

(11) EBIDTAE margin (%) is calculated as EBIDTAE margin divided by revenue from operations.

(12) Debt to EBIDTAE is calculated basis total debt divided by EBIDTAE

(13) Net Asset turnover is calculated basis revenue from operations divided by Net Assets (i.e. Total assets less (a) non-current liabilities and (b) current liabilities)

*Source: All the information for listed industry players mentioned above is is sourced from and relied upon on the consolidated audited financial statements and results of operations of the relevant listed industry peers for Fiscals 2022, 2021 and 2020, as available on the websites of the Stock Exchanges, including the annual reports of the respective companies for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 submitted to Stock Exchanges. For details, see "**Risk Factors- Certain key performance indicators for certain listed industry peers included in this Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete** " on page 59. The comparison is not a recommendation to invest/ disinvest in any entity, including our Company, and should not be construed as investment advice within the meaning of any law or regulation, or used as a basis for any investment decision.*

8. Weighted average cost of acquisition ("WACA"), floor price and cap price

a) *The price per share of the Company based on the primary/ new issue of shares (equity/ convertible securities)*

The Company has not issued any Equity Shares or convertible securities ("**Security(ies)**"), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

b) *The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)*

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Since there are no such transaction to report to under (a) and (b), the following are the details basis the last five primary or secondary transactions (secondary transactions where Promoter or members of the Promoter Group or Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration
May 3, 2022*	1,062,021	2	170.00	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	Cash	180.54
May 3, 2022*	1,672,200	2	170.00	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	Cash	284.27
May 3, 2022*	2,25,825	2	170.00	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	Cash	38.39
May 3, 2022*	10,000	2	70.00	Exercise of warrants into Equity Shares each at a conversion ratio of one Equity Share for every warrant	Cash	1.70
October 20, 2022	1,675,693	2	170.00	Exercise of stock options granted under ESOP 2018 and ESOP 2021	Cash	284.87
November 17, 2022	922,180	2	170.00	Exercise of stock options granted under ESOP 2019	Cash	156.77
Total	**5,567,919**					**946.55**
Weighted average cost of acquisition (WACA)						**170.00**

**Since four allotments were made on May 3, 2022, six transactions have been considered.*

Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and Cap Price:

Types of transactions	Weighted average cost of acquisition*	Floor price* (i.e. INR [•])	Cap price* (i.e. INR [•])
Past five primary issuances /secondary transactions, as disclosed above	170.00	[•] times [•] times	[•] times [•] times

**To be updated at Prospectus stage*

c) *Detailed explanation for Offer Price/Cap Price being [•] times of WACA of past five primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for six months ended September 30, 2022 and Fiscal 2022, 2021 and 2020 and in view of the external factors which may have influenced the pricing of the issue, if any.*

[●]*

**To be included on finalization of Price Band.*

For details of our Company's key performance indicators and financial ratios, see "- ***Key financial and operational performance indicators***", "***Our Business***" and "***Other Financial Information***" on pages 125, 194 and 343 respectively. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "***Risk Factors***" beginning on page 30 and any other factors that may arise in the future and you may lose all or part of your investments.

The Offer Price of ₹ [●] has been determined by our Company acting through the IPO Committee, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Our Company, as applicable, in consultation with the BRLMs, are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "***Risk Factors***", "***Our Business***" and "***Financial Information***" beginning on pages 30, 194 and 264, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

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STATEMENT OF SPECIAL DIRECT TAX BENEFITS

To,
The Board of Directors
Sula Vineyards Limited
(Formerly Sula Vineyards Private Limited)
901, Hubtown Solaris,
N S Phadke Marg,
Andheri (East),
Mumbai – 400 069.
Maharashtra, India.

Proposed issue of equity shares ("Offer") by Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) (the "Issuer"/ "Company").

1. This report is issued in accordance with the terms of our engagement letter dated 20 May 2022.

2. The accompanying Statement of Possible Special Direct Tax Benefits as available to the Company, its shareholders and its material subsidiary [(hereinafter referred to as "the Statement") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022, (hereinafter referred to as the "Indian Income Tax Regulations"), has been prepared by the management of the Company for inclusion in the Red Herring Prospectus and Prospectus, (collectively referred as the 'Offer Documents') in connection with the proposed Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Offer Documents is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 25 November2022 for the purpose set out in paragraph 11 below. The management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with the Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI').

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'SEBI ICDR Regulations') and the Companies Act, 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special direct tax benefits available as on 25 November 2022 to the Company, its shareholders and the material subsidiary of the Company under Indian Income Tax Regulations as at the date of our report.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

7. It is imperative to note that we have relied upon a representation of the Management of the Company and the information/ documents received from the material subsidiary with respect to the special direct tax benefits in their respective jurisdictions.

8. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the SEBI ICDR Regulations in connection with the Offering.

Inherent Limitations

9. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders or its material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive and do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. Given the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her tax consultant for the specific tax implications arising out of their participation in the proposed Offer.

   Further, we give no assurance that the revenue authorities/ courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations, and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special direct tax benefits available as on the date of signing of this report, to the Company, its shareholders and its material subsidiary, under the Indian Income Tax Regulations as at the date of our report.

    Considering the matter referred to in paragraph 9 above, we are unable to express any opinion or provide any assurance as to whether:

    (i) the Company or its shareholders or its material subsidiary will continue to obtain the benefits as per the Statement in future; or

    (ii) the conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

Restriction on Use

11. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

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

Huned Contractor
Partner
Membership No.: 41456

UDIN: 22041456BEDLBW5793

Place: Mumbai
Date: 25 November 2022

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO SULA VINEYARDS LIMITED, ITS MATERIAL SUBSIDIARY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

A. Direct Taxation

Benefits available to Sula Vineyards Limited ("the Company") including its Material Subsidiary – viz Artisan Spirits Private Limited; and the Shareholders of the Company under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022 (hereinafter referred to as "Indian Income Tax Regulations"):

1 <u>Special Tax Benefits available to the Company</u>

1.1) As per Section 115BAA of the Act, a company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. the Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years.

In such a case, the company will not be allowed to claim any of the following deductions/ exemptions under the Act:

(i) Deduction under Section 10AA of the Act (deduction for units in Special Economic Zone);
(ii) Deduction under clause (iia) of sub-section (1) of Section 32 of the Act (Additional depreciation);
(iii) Deduction under Section 32AD, Section 33AB, or Section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
(iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 of the Act (Expenditure on scientific research);
(v) Deduction under Section 35AD or Section 35CCC of the Act (Deduction for specified business, agricultural extension project);
(vi) Deduction under Section 35CCD of the Act (Expenditure on skill development);
(vii) Deduction under any provisions of Chapter VI-A other than of Section 80JJAA or Section 80M of the Act;
(viii) Deduction under Section 80LA of the Act other than deduction applicable to a unit in the International Financial Services Centre, as referred to in sub-section (1A) of Section 80LA of the Act;
(ix) No set off of any loss brought forward or unabsorbed depreciation from any earlier assessment year(s), if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above; and
(x) No set off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above.

Additionally, the provisions of Section 115JB of the Act i.e. MAT shall not apply to such a company on exercise of the option under Section 115BAA of the Act, as specified under sub-section (5A) of Section 115JB of the Act. It is also required to submit the prescribed form with the Income-tax authorities within the specified due date for filing Income-tax Return.

In this regard, from Assessment Year 2020-21 (relevant to Financial Year 2019-20) onwards the Company has opted to be covered under the provisions of Section 115BAA of the Act and has completed the prescribed filings. Thus, it would be eligible for a reduced tax rate of 22% (plus applicable surcharge and cess) subject to fulfilment of above conditions.

1.2) Under Section 80JJAA of the Act, the Company is entitled to a deduction of an amount equal to thirty per cent in respect of additional employee cost (relating to specified category of employees) incurred during the previous year. Such deduction is available for a period of three assessment years effective from the year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of Section 80JJAA of the Act. In addition, the Company is required to submit the prescribed form with the Income-tax authorities within the specified due date.

1.3) As per Section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company upto one month prior to the date of filing of its Income-tax return for the relevant year. Where the Company has investments in Indian subsidiaries and other companies, if any, it can avail of the above-mentioned benefit under Section 80M of the Act.

1.4) As per the provisions of Section 35D of the Act, the Company may be entitled to amortize preliminary expenditure, being specific expenditure incurred in connection with the issue for public subscription or being other expenditure as prescribed under this Section. This is subject to the specified limit under the Act i.e. maximum 5% of the cost of the project or 5% of the capital employed in the business of the company. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

2 Special Tax Benefits available to the Material Subsidiary of the Company

M/s. Artisan Spirits Private Limited ("ASPL")

2.1) As per Section 115BAA, a company has an option to opt for a reduced tax rate of 22% (plus applicable surcharge and cess) subject to fulfilment of the conditions as specified in point 1.1 above.

In this regard, from Assessment Year 2022-23 (relevant to Financial Year 2021-22) onwards ASPL has opted to be covered under the provisions of Section 115BAA of the Act and has completed the prescribed filings. Thus, it is eligible for a reduced tax rate of 22% (plus applicable surcharge and cess) subject to fulfilment of conditions mentioned in point 1.1 above.

2.2) Under Section 80JJAA of the Act, ASPL is entitled to a deduction of an amount equal to thirty per cent in respect of additional employee cost (relating to specified category of employees) incurred during the previous year. Such deduction is available for a period of three assessment years effective from the year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of Section 80JJAA of the Act. In addition, ASPL is required to submit the prescribed form with the Income-tax authorities within the specified due date.

2.3) As per the provisions of Section 80M of the Act, dividend received by ASPL from any other domestic companies or foreign companies shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by ASPL upto one month prior to due date of filing of its Income-tax return for the relevant year. Where ASPL has investments in Indian subsidiary and other companies, if any, it may avail the above-mentioned benefit under Section 80M of the Act.

3 Special Tax Benefits available to the Shareholders of the Company

3.1) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of a domestic corporate shareholder, benefit of deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed in 1.3 above).

In case of the shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, the surcharge would be restricted to 15%, irrespective of the amount of dividend.

Further, the shareholders would be entitled to take credit of the Tax Deducted at Source, if any, by the Company against the taxes payable by them.

3.2) As per Section 112A of the Act, long-term capital gains arising from the transfer of an equity share on which securities transaction tax ("STT") is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation) of such capital gains. This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,00,000/- in a year.

Further, the Finance Act 2022 restricts surcharge to 15% in respect of long-term capital gain arising from any capital asset.

3.3) As per Section 90(2) of the Act, non-resident shareholders will be eligible to take the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

Further, any income by way of capital gains or dividend accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These special tax benefits are dependent on the Company or its material subsidiary or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation. Hence, the ability of the Company or its shareholders or its material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its material subsidiary or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. Given the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her tax consultant for the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are proposed to be listed on a recognized stock exchange in India.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders or its material subsidiary will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time.

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

Chaitanya Rathi
Chief Operating Officer

Place: Mumbai
Date: 25 November 2022

Bittu Varghese
Chief Financial Officer

Place: Mumbai
Date: 25 November 2022

Statement of Possible Special Indirect Tax Benefits

To,
The Board of Directors
Sula Vineyards Limited
(Formerly Sula Vineyards Private Limited)
901, Hubtown Solaris,
N.S. Phadke Marg,
Andheri (East),
Mumbai – 400 069,
Maharashtra, India.

Proposed issue of equity shares ("Offer") by Sula Vineyards Limited (formerly Sula Vineyards Private Limited) (the "Issuer"/" Company").

1. This report is issued in accordance with the terms of our engagement letter dated 20 May 2022.

2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company, its Shareholders and material subsidiary (hereinafter referred to as "the Statement") under Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), Maharashtra Prohibition Act, 1949, Wine Industry Promotion Subsidy Scheme, 2009, Maharashtra Value Added Tax Act, 2002, Karnataka Value Added Tax Act, 2003, The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Excise duty, Custom duty, hereinafter referred to as the "Indian Indirect Tax Regulations" has been prepared by the management of the Company for inclusion in the Red Herring Prospectus and Prospectus, (collectively referred as the 'Offer Documents') in connection with the proposed Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Offer Documents is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 25 November 2022 for the purpose set out in paragraph 11 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI').

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'SEBI ICDR Regulations') and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special indirect tax benefits available as of 25 November 2022 to the Company, the shareholders and material subsidiary of the Company, in accordance with the Income Tax Regulations as at the date of our report.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

7. It is imperative to note that we have relied upon a representation of the Management of the Company and the information/ documents received from the material subsidiary with respect to the special indirect tax benefits in their respective jurisdictions.

8. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

9. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders or material subsidiary fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders or material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

   Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special indirect tax benefits available as on the date of signing of this report to the Company and it's shareholders and material subsidiary, in accordance with the Indian Indirect Tax Regulations as at the date of our report.

    Considering the matter referred to in paragraph 9 above, we are unable to express any opinion or provide any assurance as to whether:

    (i) The Company or its shareholders or material subsidiary will continue to obtain the benefits per the Statement in future; or

    (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

11. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents , prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

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

Huned Contractor
Partner
Membership No.: 41456

UDIN: 22041456BEDFUG8889

Place: Mumbai
Date: 25 November 2022

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO SULA VINEYARDS LIMITED (FORMERLY SULA VINEYARDS PRIVATE LIMITED), ITS MATERIAL SUBSIDIARY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Outlined below are the Possible Special Indirect Tax benefits available to Sula Vineyards Limited (the "Company"), its material subsidiary and its Shareholders under the applicable Indirect tax laws.

A. Special tax benefits available to the Company under the Indirect Tax Regulations

1. **Excise duty exemption under the Maharashtra Prohibition Act, 1949**

Manufacture of wine is leviable to excise duty by the respective State. Until 31 December 2021, the manufacture of wine without addition of alcohol or blending of imported wine was exempt from excise duty. With effect from 1 January 2022, the Government of Maharashtra has exempted excise duty in excess on INR 10 per litre.

The exemption is provided for a period of 5 years until 31 December 2026 to wine manufacturers holding licence in Form BRL granted under the Maharashtra Manufacture of Beer and Wine Rules, 1966.

2. **VAT subsidy under Wine Industry Promotion Subsidy Scheme, 2009 (WIPS)**

To encourage production of wine within the state, the Maharashtra State Government announced the Wine Industry Promotion Subsidy in August 2009. The subsidy is provided towards intra-state sale of wine made from grapes produced within the state without addition of alcohol and without blending of wine purchased from other vendors. The subsidy is provided by way of refund of 80 percent of VAT paid on the sale of wine within the state.

3. **VAT exemption under the Karnataka Value Added Tax Act, 2003**

Intra-state sale of wine is leviable to VAT by the respective State. The Government of Karnataka has exempted VAT on the sale of liquor including beer, fenny liqueur and wine. The exemption has been provided to intra-state sale of wine with effect from 1 April 2017.

4. **Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)**

Export Promotion Capital Goods (EPCG)

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhancing India's manufacturing competitiveness. EPCG Scheme facilitates import of capital goods for producing quality goods and services at zero customs duty.

Import under EPCG Scheme shall be subject to a specific export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of authorization.

EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

B. Special tax benefits available to the material subsidiary of the Company under the Indirect Tax Regulations

Below are the possible Special Indirect Tax benefits available to Artisan Spirits Private Limited, a material subsidiary of the Company.

1. **Excise duty exemption under the Maharashtra Prohibition Act, 1949**

Manufacture of wine is leviable to excise duty by the respective State. Until 31 December 2021, the manufacture of wine without addition of alcohol or blending of imported wine was exempt from excise duty. With effect from 1 January 2022, the Government of Maharashtra has exempted excise duty in excess on

INR 10 per litre.

The exemption is provided for a period of 5 years until 31 December 2026 to wine manufacturers holding licence in Form BRL granted under the Maharashtra Manufacture of Beer and Wine Rules, 1966.

2. **VAT subsidy under Wine Industry Promotion Subsidy Scheme, 2009 (WIPS)**

To encourage production of wine within the state, the Maharashtra State Government announced the Wine Industry Promotion Subsidy in August 2009. The subsidy is provided in relation to intra-state sale of wine made from grapes produced within the state without addition of alcohol and without blending of wine purchased from other vendors. The subsidy is provided by way of refund of 80 percent of VAT paid on the sale of wine within the state.

C. <u>Possible special indirect tax benefits for shareholders of Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)</u>

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the the Central Goods and Services Act 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications) and Special Economic Zones Act, 2005.

Notes:

6. These special indirect tax benefits are dependent on the Company, its material subsidiary or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company, its material subsidiary or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company, its material subsidiary or its shareholders may or may not choose to fulfil.

7. The special indirect tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

8. The Statement has been prepared on the basis that the shares of the Company are proposed to be listed on a recognized stock exchange in India.

9. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. The Company, its material subsidiary or its shareholders will continue to obtain these benefits in future;
   ii. The conditions prescribed for availing the benefits have been/ would be met with; and
   iii. The revenue authorities / courts will concur with the view expressed herein.

10. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

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

Chaitanya Rathi
Chief Operating Officer

Bittu Varghese
Chief Financial Officer

Place: Mumbai
Date: 25 November 2022

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is obtained or extracted from "Industry Report on Indian Wine Retail" dated November 23, 2022 ("**Technopak Report**") prepared and released by Technopak Advisors Private Limited ("**Technopak**") and exclusively commissioned by and paid for by us pursuant to an engagement letter dated October 22, 2021. A copy of the Technopak Report is available on the website of our Company at https://sulavineyards.com/pdf/Industry-Report-Sula.pdf. The data included herein includes excerpts from the Technopak Report and may have been re-classified by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue) that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on, this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See also, "**Risk Factors – Industry information included in this Red Herring Prospectus has been exclusively derived from an industry report commissioned and paid for by us in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**" on page 59. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

While preparing its report, Technopak has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Red Herring Prospectus.

Macroeconomic Overview of India

India's GDP and GDP Growth

India is the world's 6th largest economy and expected to be in the top 3 global economies by FY 2050

Currently, India ranks sixth in the world in terms of nominal gross domestic product ("**GDP**") and is the third largest economy in the world in terms of purchasing power parity ("**PPP**"). India is estimated to be among the top three global economies in terms of nominal GDP by FY 2050.

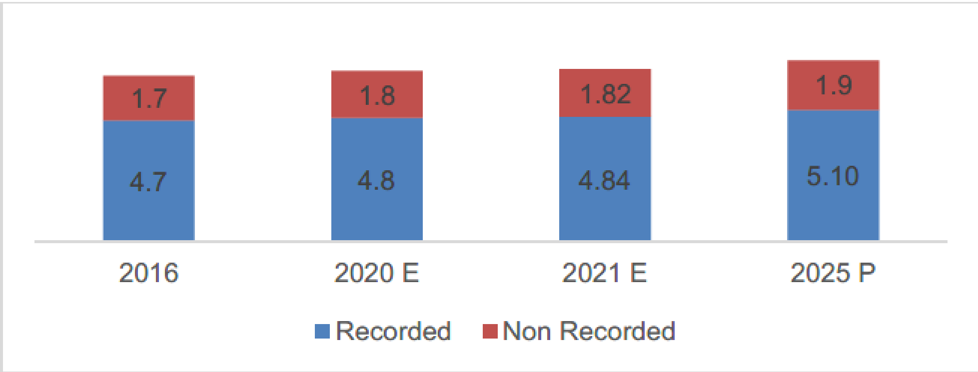
India expected to fare better than developed economies and recover to a high growth path in coming years

India's real GDP has sustained an average growth of approximately 7 per cent. since FY 2015, making it the fastest-growing G20 economy since FY 2015. India's economy grew at ~6 per cent. in FY 2019. The real growth rate declined to 4 per cent. in FY 2020 and witnessed a degrowth of 7.3 per cent. in FY 2021 due to the outbreak of the COVID-19 pandemic, which led to the imposition of lockdowns towards the last quarter of FY 2020 and a major part of the first quarter of FY 2021 causing a contraction in the economy.

Global Consumption Trends in Alco-beverages

Alcohol consumption is captured by WHO as total alcohol per capita consumption in litres of pure alcohol per person per year and alcohol consumption in grams of pure alcohol per person per day. Alcohol consumption is further divided into recorded data and unrecorded data. Recorded data is alcohol sales captured through excise department in most countries. World per capita alcohol consumption in CY 2021 is estimated at 6.6 liters of pure alcohol per year for the world population of 15 years above. The recorded alcohol per capita consumption for CY 2021 is estimated at 4.8 liters.

World Per capital Alcohol consumption in Pure alcohol form for CY (in liters)

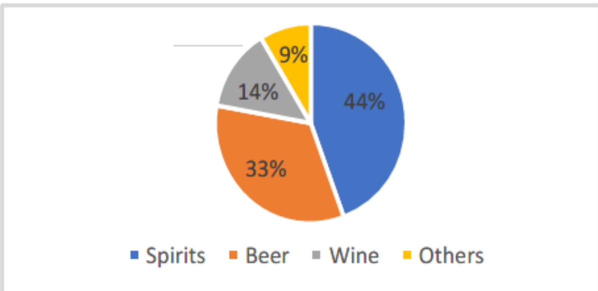


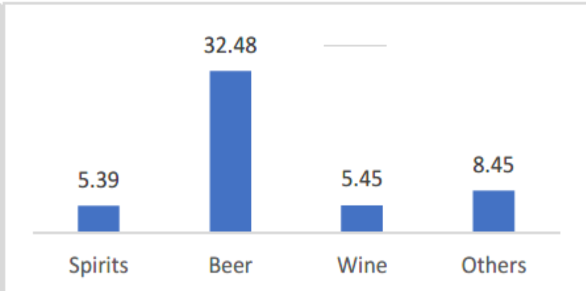
(Source: WHO: Global status report on alcohol and health 2018, Technopak Analysis)

Alcohol consumption is divided in three major product categories including spirits, beer and wine

Alcohol consumption is divided across three major categories of alcoholic beverages with varying trends across countries. The consumption of different alcoholic beverages has matured in developed economies, but it is still going through a transition in developing countries. Spirits as a category are more popular in developing countries, whereas contribution of beer and wine is higher in developed countries. An overall comparison shows that beer is the largest category in terms of actual volume consumed. Wine consumption is almost equivalent to spirits' consumption in actual litres of sales. As per WHO, contribution of wine in the consumption of alcoholic beverages has progressively risen from 8.6 per cent. in 2005 to 11.7 per cent. in 2016, and it is estimated to reach 13.5 per cent. in CY 2021 as per data on recorded 100 per cent. pure alcohol consumption.

World Per capita Recorded Alcohol consumption CY 2021 (in liters)





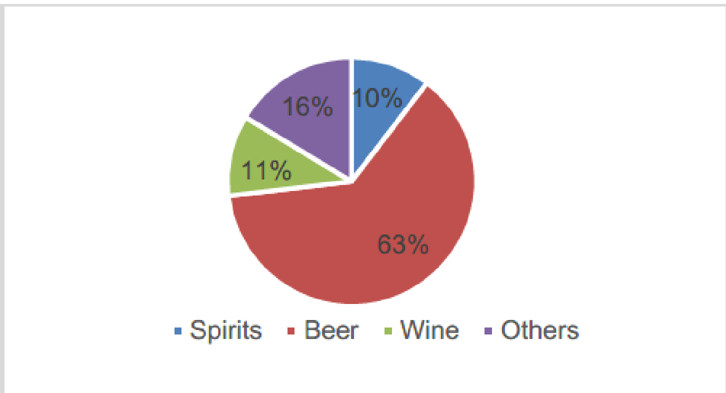
Contribution to Consumption in pure alcohol form	Per Capita consumption of alco-beverages

(Source: Technopak Analysis)

Note:

(1) Per capita consumption of alcohol as per actual alcohol content of each category.

Per Capita consumption of alcoholic beverages as per alcohol concentration CY 2021 (total 51.8 litres)



(Source: Technopak Analysis)

Note:

(1) Data converted from pure alcohol data to average concentration for each category.

India is one of the leading spirits markets, but other segments hold promise with growing income and evolving customer tastes. Low alcohol content drinks have a huge potential.

India is predominantly a spirits' market with more than 90 per cent. of alcohol consumed in the form of spirits. The per capita consumption of spirits in India is one of the highest among top economies of the world. A comparison with world averages shows that the share of low alcoholic beverages in overall consumption of alcohol is more than 50 per cent.. In case of developed countries, it is more than 75 per cent. of overall alcohol consumption. In China's case, the share of low alcoholic beverages is more than 30 per cent.. India, with its share of low alcoholic beverages at close to 8 per cent., is at a very low base and a prolonged period of correction in favor of wine and beer categories is bound to take place.

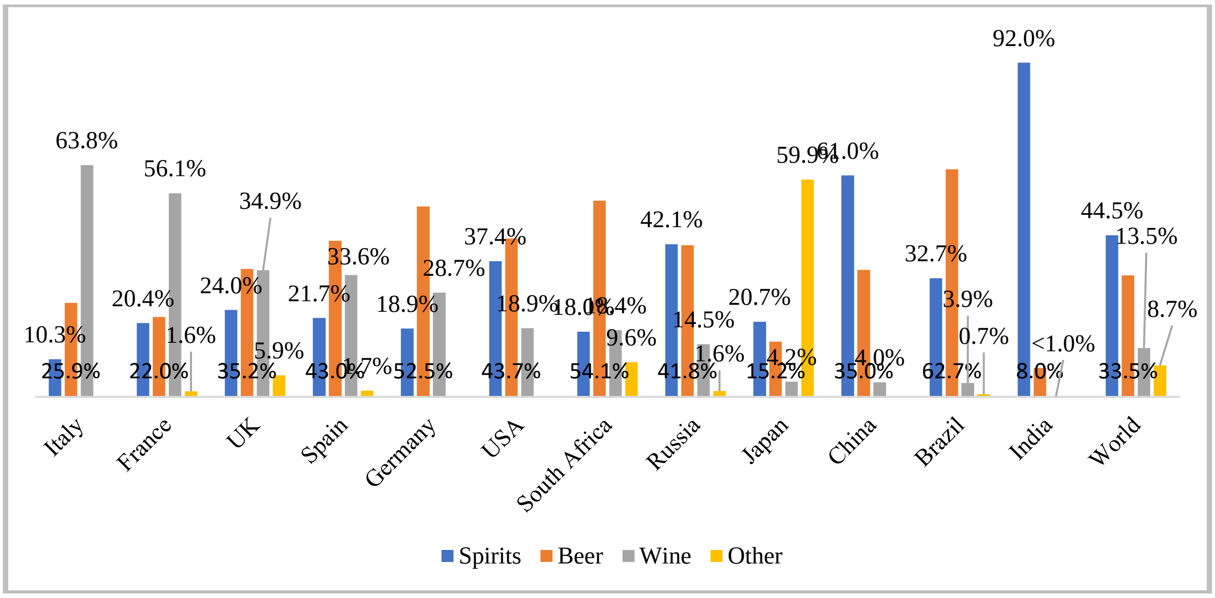
A growing economy and positive demographic factors along with globalization are set to redefine the alco-beverage market in India. The share of wine and beer is projected to increase both by expansion of the market and taking a share of the market from spirits. While earlier, family celebrations with alcohol were very infrequent and viewed as taboo, it is more acceptable now in all kinds of social settings, be it birthday parties, get-togethers, official meetings, etc. Beer and wine with low alcoholic content are the preferred choice of drinks in such celebrations and are big opportunities in the Indian alco-beverage industry.

Wine Consumption in India has the potential to grow multiple times

India's per capita consumption for wine is less than 100 ml. The contribution of wine to overall alcohol consumption in India is less than 1 per cent. against the world average of close to 13 per cent.. Consumption of wine is higher in developed countries which is as high as close to 30 per cent. in Europe.
A comparison between India and China shows that in China, even though the contribution of wine to overall alcohol consumption is close to only 3 per cent., China's per capita consumption of wine is more than 50 times that of India's. Growth of per capita consumption of wine in China has a strong co-relation with the economic growth of the country. In China, the per capita consumption of wine grew from 170 ml in 1980 to cross one litre in the year 2000 with an annual growth of more than 10 per cent., as per capita income grew from close to USD 195 to USD 960 in the same period.

India with the per capita income of close to USD 2100 in the calendar year 2019, has crossed the per capita income threshold as benchmarked to growth of wine consumption in China, which augurs well for growth in wine consumption in India. The current per capita consumption of wine in India at close to twenty-five milliliters is the lowest among top economies in the world but is one of the fastest growing countries in the world. A very low base underpinned by economic growth, positive demographic dividend and increasing acceptance of low alcohol content alco-beverages is set to drive Indian wine market to a prolonged period of strong growth. Indian wine market has the potential to grow in multiples leveraging growth opportunities.

Contribution of alcoholic beverages in 100 per cent. alcohol CY 2021 (volume in per cent.)



(Source: Technopak Analysis)

Per Capita alco-beverage consumption as per alcohol concentration CY 2021 (in Liters)

Location	Spirits	Beer	Wine	Other	All types
Germany	4.97	110.53	25.19	—	140.68
Japan	4.55	26.77	3.07	105.13	139.52
Spain	5.78	91.60	29.78	3.67	130.83
UK	5.94	69.94	28.88	11.75	116.51
France	5.75	49.64	52.79	3.52	111.70
South Africa	3.27	78.62	11.13	13.97	106.99
USA	8.39	78.45	14.18	—	101.02
Italy	2.00	39.96	41.08	—	83.03
Brazil	4.91	75.30	1.93	0.85	82.99
Russia	7.01	55.71	8.05	2.14	72.91
China	7.11	32.66	1.56	0.85	42.19
India	6.93	4.79	0.04	—	11.75
World	5.39	32.48	5.45	8.45	51.77

(Source: Technopak Analysis)

Note:

(1) Per capita consumption calculated from pure alcohol, taking into consideration alcohol concentration of respective categories as a factor

(2) Data projected basis WHO data up to 2019

Indian Alco-beverage Industry

Size and Growth of the Indian Alco-beverage Industry

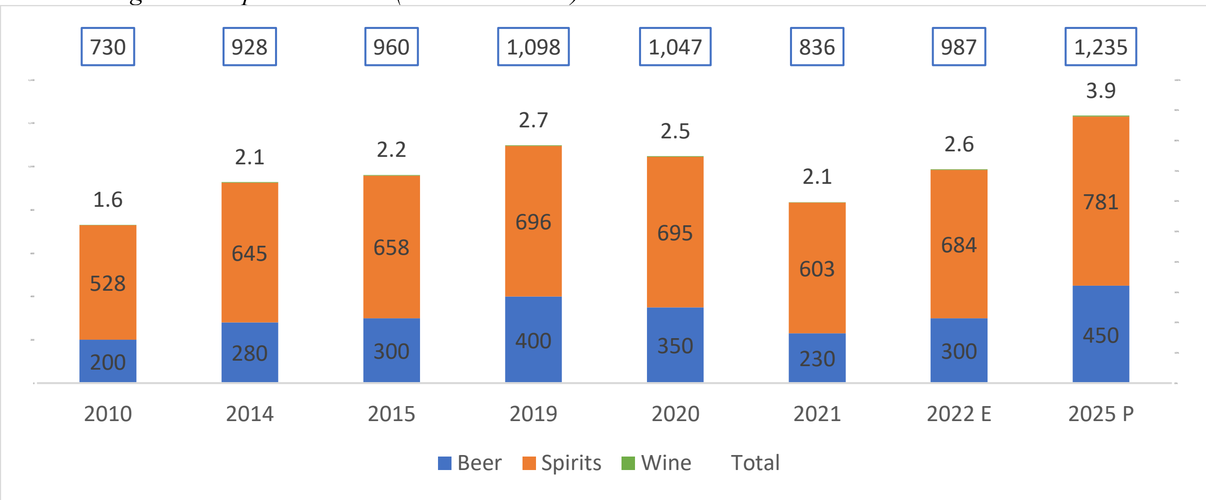
India is one of the fastest growing alcohol markets among the top economies in the world. The recorded per capita consumption of pure alcohol in India has moved from 0.9 liter in 2000 to 3 liter in 2015 at a CAGR of more than 8 per cent.. The percentage drinking population of world is close to 41.7 per cent. and projected to stabilize around 40 per cent. in 2025. India's percentage of drinking population is projected to be close to ~33 per cent. in FY 2021 and 39 per cent. in 2025.

Indian alcohol beverage market is more than a billion cases in size and highly dominated by spirits

The Indian alcohol industry size is estimated at more than one billion cases per annum in FY 2020. Recorded per capita consumption of pure alcohol has moved from 0.9 liters to 2.7 liters for the period between 2000 to 2010 with a CAGR of close to 12 per cent.. Recorded per capita consumption of pure alcohol has been rangebound around 3 liters from 2015.

High alcohol content spirits have dominated the Indian alcohol market. A volume-based analysis shows that alcohol beverage market in India is equally divided between country liquor, Indian-made foreign liquor ("**IMFL**") and beer with a small contribution from wines and imported spirits. Beer and wine are poised to drive both volume and value growth for the alco-beverage market. The industry is projected to cross 1200 million cases in volume by 2025.

Alco-beverage consumption in India (in million cases) and CAGR

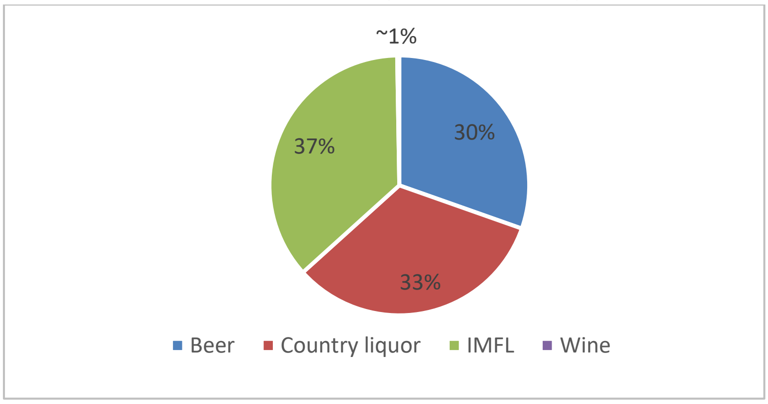


(Source: Technopak Analysis)
Note:
(1) Data projected basis Multiple State Excise Dept, Annual Reports WHO data.

CAGR	Wine	Spirits	Beer	Total
2010 – 2015	6.1%	4.5%	8.4%	5.6%
2014 – 2019	5.4%	1.5%	7.4%	3.4%
2022E – 2025P...	14.3%	4.5%	14.5%	7.7%

(Source: Technopak Analysis)

Alcohol Consumption in India in million cases FY 2022 (987 million cases)

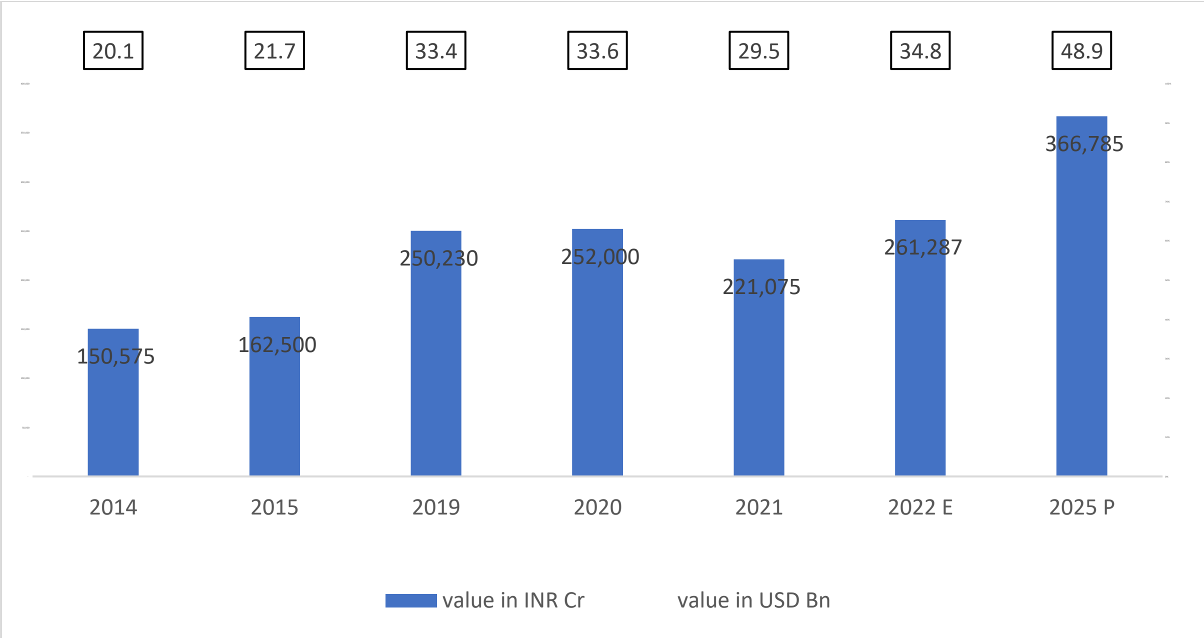


(Source: Technopak Analysis)
Note:
(1) Data projected basis Multiple State Excise Dept, Annual Reports WHO data.

Indian alco-beverage sector size is estimated at INR 2.6 lakh Crore in FY 2022, making it one of the biggest markets in the world.

Indian alco-beverage market is the third largest market in the world after China and USA by volume in terms of actual alcohol content of alco-beverages in CY 2020. It is also the largest western spirits market in the world. Indian alco-beverage is projected to grow by a CAGR of 8 per cent. in volume for the period between FY 2022 to FY 2025 against the projected world market growth of 1.5 per cent. in volume for the same period as per IWSR. Indian market is projected to grow at 12 per cent. per annum in value terms for the period between FY 2022 to 2025. Indian market is dominated by IMFL which contribute close to 67 per cent. in value to the overall market in FY 2022.

Indian Alco-beverage market in INR Crore and USD billion



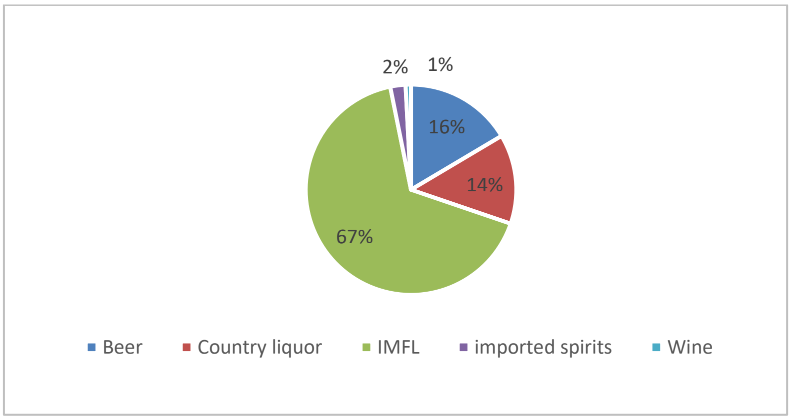
(Source: Technopak Analysis)

Notes:

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

(2) 1 U.S.$ = INR75

Indian Alco-beverage market in INR Crore FY 2022 (INR 2,61,287 Crore)(~34.8 U.S.$ billion)



(Source: Technopak Analysis)

Notes:

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

(2) 1 U.S.$ = INR75

Wines are getting popular as availability of wine improves with rising preference of premium food and drink experiences, and increasing perception of low alcoholic beverages being relatively healthier

Indian wines industry is growing at much quicker pace at 18.3 per cent. by value between FY 2014 to FY 2019 than the IMFL market growing at 12.3 per cent. by value for the same period. There is growing awareness towards perceived health benefits of wine which makes it more acceptable as compared to spirits. The supply of domestic wines that are reasonably priced and easily available as compared to the imported wines has also helped expand the market as leaders in domestic market have invested in the complete value chain of wines and wine making. Growth in income, increasing urbanisation, high share of young population as well as increasing preference for wines among women driving consumption of wines.

As of CY 2021, the share of wine as a form of alcohol consumption in India is very low at less than 1 per cent., whereas contribution of wines to alcohol consumption is close to 13.5 per cent. in the world in terms of 100 per cent. pure alcohol in CY 2021. Its contribution is as high as close to 50 per cent. in select European countries.

Though wine consumption is low in India, positive factors can lead to multi-fold growth of wine category in the country. Indian wine makers can take inspiration from a non-native market like China where contribution of wine at close to 4 per cent. to alcohol consumption is more than 50 times that of India. Economic trends common with China including growing income, rapid urbanization and growing international travel in the country will lead to growth of wine category in India. Wine category in India is estimated at 2.6 million cases in FY 2022 and projected to grow to 3.9 million cases by FY 2025 with a compounded annual growth rate of more than 14 per cent. in volume.

Contribution of alco-beverages in consumption as per alcohol concentration for CY 2021 (volume in per cent.)

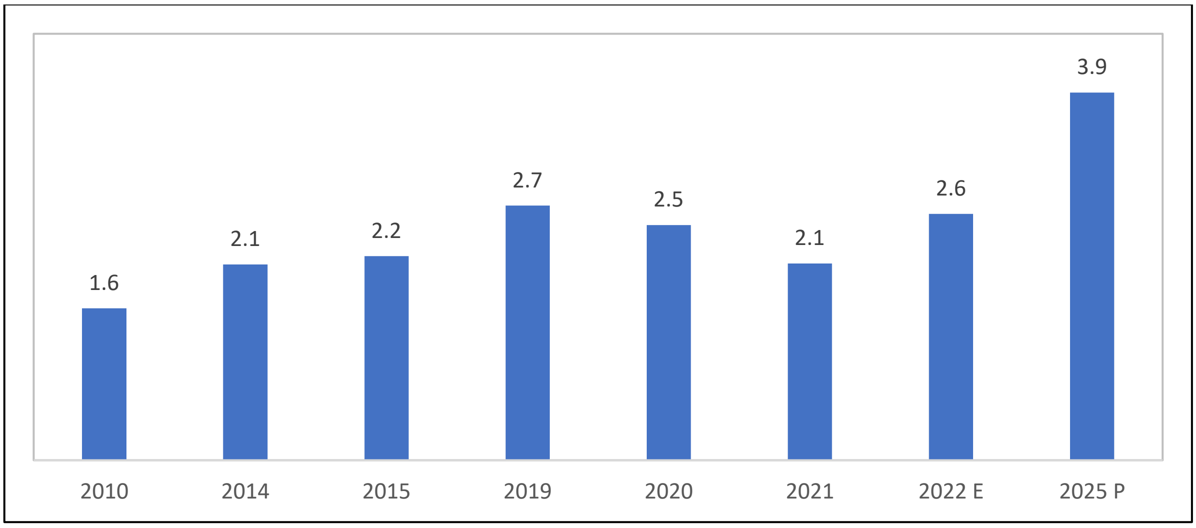
Country	Spirits	Beer	Wine	Other	All types
Germany	3.5%	78.6%	17.9%		100.0%
Japan	3.3%	19.2%	2.2%	75.4%	100.0%
Spain	4.4%	70.0%	22.8%	2.8%	100.0%
UK	5.1%	60.0%	24.8%	10.1%	100.0%
France	5.1%	44.4%	47.3%	3.1%	100.0%
South Africa	3.1%	73.5%	10.4%	13.1%	100.0%
USA	8.3%	77.7%	14.0%		100.0%
Italy	2.4%	48.1%	49.5%		100.0%
Brazil	5.9%	90.7%	2.3%	1.0%	100.0%
Russia	9.6%	76.4%	11.0%	2.9%	100.0%
China	16.9%	77.4%	3.7%	2.0%	100.0%
India	59.0%	41.0%	<1.0%		100.0%
World Average*	10.4%	62.7%	10.5%	16.3%	100.0%

(Source: Technopak Analysis)

Note:

(1) Data derived from per capita recorded alcohol consumption from WHO.

Indian wine market in million cases (Data for FY)



(Source: Technopak Analysis)

Note:

(1) Data projected basis reports from WHO, OIV, import data.

Key Players in Indian Alco-beverage Industry

Indian alcoholic beverage market has strong market leaders in all the segments controlling majority of the markets. Given the nature of industry and strict regulations, there are high entry barriers in the industry. Established players are well entrenched with manufacturing units across the country, collaboration for raw material and working relationship with state and central government officials.

The top two spirits companies of the world control the Indian spirits market. The top three players in the spirits market control close to 50 per cent. of the spirits market in India by volume in FY 2022. The top three players in beer market control close to 80 per cent. of the beer market by volume in FY 2022. In case of wines, top three players control close to 80 per cent. by value of the domestic 100 per cent. grape wine market. There is a long tail of players in each of the segments with regional strong players especially in the spirits' market.

Key Players in Indian Alco-beverage market

Alcohol	Company	Brands
Spirits	Diageo India	McDowell No. 1, Royal Challenge, Signature, VAT 69, Black Dog, Johnnie Walker
	Pernod Ricard	Imperial Blue, Royal Stag, Blenders Pride, 100 Pipers, Ballentine's, Chivas, Glenlivet
	Radico Khaitan	8 PM, Magic Moments
	Allied Blenders	Officer's Choice Blue, Officer's Choice Black, Sterling Reserve B7, Sterling Reserve B10
Beer	United Breweries	Kingfisher, Kalyani Black label, Sandpiper, Heineken
	Anheuser-Busch InBev NV	Haywards, Fosters, Budweiser, Corona
	Bira 91	Bira Light, Bira Strong, Bira Blonde, Bira White
	Carlsberg	Tuborg, Carlsberg
Wine	Sula Vineyards	Sula Shiraz cabernet, Sula chenin Blanc, Sula Zinfandel Rose, Madera Red, Dindori Reserve Shiraz, Satori, Samara Red, Rasa Cabernet Sauvignon, The Source Grenache Rose, Dindori Reserve Chardonnay, Sula Sparkling Shiraz
	Grover Zampa	LA Reserve, Vijay Amritraj White, Chene Grand Reserve
	Fratelli	Shiraz, Merlot, Sete

(Source: Industry reports, Technopak Analysis)

Key Trends in Alco-beverage Industry and Impact on Consumption

Indian alco-beverage industry is leveraging demographic dividend, growing income level and rapid urbanization to become one of the fastest growing markets in the world

Indian alco-beverage industry has been one of the fastest growing markets in the world and the outlook continues to remain positive due to favorable demographics, expanding middle class, rising disposable income levels, greater preference for premium food and drink experiences, and greater acceptance of alcoholic beverages in social circles. Increased consumption of liquor in rural areas will be another major reason for the growth in the market.

India is expected to add close to 10-12 million people to its workforce every year over the next two decades, with the working-age population projected to cross 1 billion mark by 2030. This provides tremendous opportunity to drive growth of alco-beverage industry on the back of its rising working-age population. Technology boom and increasing number of multinational companies in India have led to increased disposable income and prevalence of western culture of social drinking, which is boosting alcohol consumption. Growing prominence of 'pub and cocktail culture' in urban cities and emergence of novel food and beverage formats will further push demand for alcoholic beverages in the country.

Premiumization of alco-beverages in India

Premiumization is the most important theme in each of sub-segments of Indian alco-beverage sector as volume growth led by popular segment in first decade and half of the century transitioned to value led growth in more premium segments in the last decade. The trend of premiumization is prevalent across the value chain including launch of new products, branding of shelf space in retail outlets, and company outreach to its customers through multiple marketing initiatives.

Moreover, with the rise in disposable income, consumers would tend to upgrade their preferences, resulting in higher demand for prestige, premium and luxury segments. Rapid urbanization is also leading to spur in aspirational values of people, leading to higher consumption of premium alco-beverage brands. Indians traveling abroad is also leading to an upgrade towards premium segments in the alco-beverage market. The trend is further being amplified with the rising influence of social media on the millennials and rising aspirations.

Growth in spirits market in India in the last five years is led by the premium segment followed by prestige and luxury segments with growth in popular segment being less than 5 per cent. by volume. Another trend which is gaining traction is the growing popularity of grain-based liquor as against traditionally popular molasses-based liquor. Diageo India entered premium craft whiskies with the launch of Epitome Reserve, a limited first batch of 2,000 bottles which is made from rice. Bacardi launched Bacardi Reserva Ocho in India in 2019 and Radico Khaitan launched premium variants of its Magic Moments Vodka portfolio in 2021.

Growth in Indian beer sector is led by premium category growing at close to double the rate of popular category.

The Industry has evolved from manufacturing standard beers such as strong and lager beer to flavoured and variety beers in line with trends in developed countries. There are multiple launches in premium beer segment from the top three players.

The top three companies in the Indian wine market have been focusing on the premium segment with the growing prominence of premium wines like Dindori Reserve Shiraz, Rasa Shiraz, Riesling White Wine, Sparkling Wine, Chenin Blanc White Wine, Fratelli Sete, etc.

Premium alco-beverages in the wine and beer categories

Alco-beverage	Company	Alco-beverage Name	Price* (INR)
Beer	B9 Beverages Pvt. Ltd.	Bira 91 Indian Pale Ale Pomelo Beer	130
		Bira 91 Malabar Stout Beer	130
		Original Bira 91 Light Beer	110
		original Bira 91 Strong Beer	110
	United Breweries Group	Kingfisher Ultra MAX Premium Strong Beer	110
		Kingfisher Ultra Lager Beer	110
		Budweiser Magnum Beer	130
		Budweiser Premium King of Beers	130
	Anheuser Busch InBev	Corona Extra Premium Beer	190
		Hoegaarden Beer	280
	Carlsberg India Pvt. Ltd.	Carlsberg Smooth Premium Beer	110
		Witlinger Crafted Premium Lager	130
		Witlinger Crafted Wheat Ale	130
	Heineken	Heineken Lager Beer	130
	Sula Vineyards	Sula Rasa Zinfandel	1,540
		Sula Brut Tropicale	1,450
		Sula Chenin Blanc White Wine	625
		Sula Dindori Reserve Viognier White Wine	850
		Sula Riesling White Wine	895
		Sula Sauvignon Blanc	725
		Satori	725
		Sula Zinfandel Rose	750
Wine	Fratelli Wines	Fratelli Gran Cuvee Brut Sparkling	1,250
		Fratelli Sette	2,000
		Fratelli The Glass House	1,100
		Fratelli Cabernet Franc Shiraz	900
		Fratelli Cabernet Sauvignon	900
	Grover Zampa Vineyards	Grover Art Collection Cabernet Shiraz Red Wine	900
		Grover Art Collection Chenin Blanc White Wine	850
		Grover VA Reserve Collection Red Wine 750ML	1,525
		Grover Zampa Soiree Brut Rose Methode Traditionelle Wine	1,250
		Grover La Reserve Fume Blanc White Wine-	1,225

**Prices mentioned for Karnataka*

Note:

(1) Beer prices mentioned for 330 ml packaging, Wine prices mentioned for 750 ml packaging

COVID-19 induced Premiumization

COVID-19 has also increased the rate of premiumization in the alcoholic beverages industry. Due to restrictions in the food services sector and hesitancy of people to go out in crowded areas during the pandemic, drinking at home became more acceptable and common. Off-Trade sales picked up as On-Trade alcohol sales went down. Because of the lower prices available Off-Trade as compared to On-Trade, consumers opt for more expensive premium drinks when drinking at home. Drinking at home also became socially acceptable and availability of home delivery services further helped it. For example, wine sales witnessed an increase in value and only a slight decline in volume sales in FY 2021, with it benefiting from consumers starting up informal wine clubs with small groups of friends.

Prominence of new channel of sales

COVID-19 has ensured that new channels of sales get more prominence. Home delivery and limited e-commerce of alco-beverages became a reality during the pandemic. Convenience and better purchase experience with higher comfort level of women make home delivery a promising channel of sales. Home delivery can improve the penetration of alco-beverage industry as the number of outlets remain very limited. However, this may also be a temporary phenomenon as state governments allow home delivery to ensure that alcohol sales volume and related excise revenues is maintained. Home delivery of alcohol was started in some states during COVID-induced lockdown to cover losses in revenue as well as to control the crowd at liquor shops. However, there is a need for detailed regulations in this space as this channel has a lot of potential for growing the alco-beverage market, especially drinks with lower alcoholic content like wine.

Increase of in-home consumption

There has been a shift in consumer drinking habits post COVID-19, with drinking becoming more common at homes. Consumers can spend lesser amount of money and consume more premium alcoholic beverages while drinking at home as compared to drinking in restaurants. Alco-beverages have been a part of their social life for many consumers, which was majorly disrupted due to lockdown and restriction in the food services industry, hence, house parties and small social gatherings involving alcohol have become increasingly common post COVID-19. This has led to an increase in the sales of wine which is perceived as a drink that can be consumed in a family setting.

Power of brand recall for ordering home delivery from Off-Trade and increase in Off-Trade contributions

Brand recall is a key factor while ordering for home delivery since the consumers do not have various options in front of them. This has helped brands with larger market share that are more recognized and top of mind among consumers to increase their sales. While ordering alcohol for home delivery, certain brands depending on the category of alcohol are top of the mind recall for consumers. Sula as the category creator in wines and Kingfisher in beers are home grown brands with high consumer recall which have advantage over other brands.

Influence of On-Trade

On-Trade sale has been one of the key drivers of growth and premiumization in Indian alco-beverage industry. There has been a year-on-year increase in On-Trade sales in India. Increasing preference for premium food and drink experiences is driving consumption of alco-beverages in On-Trade channel. The emergence of novel food and beverage formats is further driving the On-Trade sales of alcoholic drinks as consumers with higher disposable income spend more on alcoholic beverages as a share of their overall bills. On-Trade alcohol sales shrunk during FY 2021 due to the first wave of COVID-19 and the resultant lockdowns and restrictions in the restaurant industry. Sales are expected to pick up as people will start going out and a new normal will be established, and On-Trade will continue to remain an important source of profits for companies. The On-Trade platforms like PBCLs and FDINR also serve as a medium of surrogate marketing. BTL marketing is done by brand promotion teams through tastings, complimentary drinks, etc.

On-Trade has a key role in introducing new tastes to consumers and as new products get prominence in On-Trade, the Off- Trade segment picks up, giving the product category a multifold growth. This is true for multiple products like pasta and pizza where seeding of product was done in the food services segment followed by multifold growth in retail channel. In case of wine, On-Trade has helped consumers appreciate wines. Retail category is going to leverage the prominence of wines in On-Trade to drive sales. Going forward, wine category will show higher growth in Off-Trade segments.

Off-Trade vs On-Trade share in alcoholic drinks (per cent. share by volume)

Off trade vs On trade	**FY 2015**		**FY 2020**	
	Share (%)		**Share (%)**	
Volume	**Off-Trade**	**On-Trade**	**Off-Trade**	**On–Trade**
Beer	86	14	83	17
Spirits...	87	13	84	16
Wine	79	21	78	22
Total...	87	13	84	16

(Source: Primary Research, Technopak Analysis)

Digital Media and Role of Influencers

Digital media has become very important in alco-beverage marketing as major spends are happening on digital media because mass media ATL advertising has been banned in India as per the Cable Television Network (Regulation) Amendment Bill, which came into effect on September 8, 2000. Digital marketing in India has helped brands in media targeting and knowing exactly who their audiences are. Influencer-led campaigns have become a very integral part of marketing mix. Influencers help build credibility and reinforce the brand message. Building a long-term relationship, co-curating multiple campaigns, and curating their brand message is extremely important. Alco-beverage companies work with lifestyle and alco-beverage influencers on a long-term basis who help them convert people from being just a brand advocate to become a brand loyalist.

Digital media including social platforms has helped wine brands in India get prominence not only offline but also online. Digital marketing has helped reach more consumers and made alcoholic beverages more accessible than before. A review of vineyards on Instagram shows that Sula Vineyards is among the top 10 most followed vineyards in the world. It has a large following on social media with ~118,000 followers on Instagram, ~123,000 likes on Facebook, and ~14,000 followers on Twitter. Other Indian wine brands including Fratelli Vineyards and Grover Zampa have ~40,000 and ~9,000 followers on Instagram, ~73,000 and 25,000 likes on Facebook, and ~2,600 and ~1,200 followers on Twitter, respectively. Exposure to wine on television shows (like Mirzapur, Cocktail and Four More Shots Please!) and movies has increased the awareness of frequent wine drinking in India.

Social media outreach of key brands in world Wine Market (value in '000)

Winery	Number of Instagram Followers	Number of Likes on Facebook Page	Number of Twitter Followers
LVMH Wines and Spirits	969.0	298.0	187.6
Catena Zapata	174.0	44.8	22.6
Champagne Taittinger	136.0	533.5	15.7
Marchesi Antinori	130.0	54.6	11.5
Sula Vineyards	118.0	123.4	13.7
Bodega Garzon	101.0	77.8	6.3
Zuccardi Wines	82.9	24.0	15.9
Vina VI	64.7	1.2	—
Victoria Bitter	41.1	166.1	1.9
Marques de Riscal	45.3	23.5	18.0
Bordeaux Wines	36.3	239	47.7
Fratelli Wines	39.6	72.3	2.6
E&J Gallo Winery	13.6	7.4	7.4
Grover Zampa	10.3	24.6	1.2
Changyu	8.7	3.5	1.3
Constellation Brands	2.5	2.2	37.4

(Source: Secondary Research)

Notes:

(1) This is not an exhaustive list, data as of 30 September, 2022.

(2) n.a. implies data Not Available; Data arranged in descending order of number of Instagram followers.

Reduction in social taboo around alcohol consumption and social drinking

Attitude towards alcohol has in the recent past been changing due to globalization, rising prosperity, and changing consumer demographics. A greater share of young population, and the rising influence of social media has led to acceptance of alcohol consumption across genders and age groups. It has become common for families to sit together and drink on occasions and certain festivals. Rapid urbanization has also led to increasing alcohol consumption within the metropolitan and Tier 1 cities. There has been a shifting trend from binge drinking to social drinking – among friends, professional settings as well as in families. As women participation in workforce has been rising and their disposable income increasing, women are increasingly participating in alcohol consumption. The social taboo around drinking has been reducing which will especially benefit low alcoholic beverages categories including wines.

Growth of Wines

The wine industry in India started in the late 1980s, however the industry gained momentum after the arrival of Sula Vineyards in 1998. The industry is nascent in terms of consumer with high scope for growth. With the 2001 Maharashtra Wine Policy, recognizing wine as a key agro-processing industry and reduction of excise duty was a step towards growth of wine. Other states like Karnataka came up with similar policies.

With the increase in disposable income, especially among women, urban earning women are driving the growth of wine segment in India. There is a shift in trend from binge drinking towards social drinking, which has also led to a widespread inclusion of wine in parties and gatherings. Wine is becoming a preferred drink for millennials who look to socialize after office hours and on weekends.

Looking at the growth trajectory of wine in other countries like China – where per capita consumption increased from 170 milliliter in 1980 to 1 liter in 2000 and other developed countries like Italy and France where consumption of wine and beer is almost equal, there is a potential for huge growth in India. Favorable wine policies in the future like in Maharashtra, which is aiming to impose a nominal excise duty and the availability of wine in regular retail stores will further boost the wine sales in the country, Top wine companies in India led Sula Vineyards and followed by Fratelli and Grover Zampa with leadership position in the Indian wine market, coupled with sufficient capacity to increase production have advantage to meet increased consumers' demand as the share of wine consumption increases in India.

Growing Interest in Wine Tourism

Wine tourism, also known as Eno tourism, is about visiting the vineyards, tasting wines, or even taking active part in the harvest leading to tasting, consumption and purchase of wine while taking active part in the process by grape stomping. In developed countries such as the USA, 2.7 Crore travelers engage in wine tourism and fifty lakh travelers engage in wine tourism in Italy, leading to generation of huge revenues.

In India, Sula Vineyards established the first Wine Tasting Room in 2005, marking the initiation of wine tourism in India. Consumers who visit the vineyards for a stay can also get an in-depth knowledge of the process of tasting wines, savouring them with food, and understanding the process of both wine making and tasting. Sula Vineyards is the most visited vineyard in India, with about 3,68,000 people visiting Sula Vineyards's vineyards in FY 2020. Sula Vineyards also pioneered in starting an annual musical festival "SulaFest" in 2008, involving a two-day celebration of wine, music and food in Nashik, Maharashtra. "SulaFest," widely recognized as the largest wine festival in India with more than 10,000 people in attendance in 2020 is also one of the largest wine music festivals in Asia. A lot of "first-time" wine tasting is done in Sula Vineyards's vineyards with people tasting their first glass of wine in India, thus establishing the importance of wine tourism. It also helps build a loyal consumer base given the quality of their wines.

Wine tourism is unique to the alco-beverage market in India as wineries are allowed to sell directly to the final consumer visiting wineries. This opportunity to sell directly to the customers make wine segment the only player in the D2C segment. Sula Vineyards, with its prominence in wine tourism in India, is the leading D2C alco-beverage brand in India. Sula Vineyards has been the pioneer of wine tourism in India and intends to continue this growth trajectory. The Nashik region in Maharashtra, which Sula Vineyards has been instrumental in developing with its wine tourism offerings, is often regarded as India's equivalent to Napa Valley.

Alcohol Abuse as a Social Issue

Abuse of alcohol is perceived as one of the leading risk factors worldwide and perceived to have a direct impact on many health-related targets of governments. Harm from a given amount of drinking are higher for poorer drinkers and their families than for richer drinkers. Public health policies, strategies and interventions also take in account the frequent association of alcohol consumption with the use of other psychoactive substances, particularly with opioids for prevention of overdose and for road safety.

Alco-beverage companies have come together and taken up promotion of responsible drinking including 'No Drink and Drive 'as part of their marketing and advertising plans. Alco-beverage companies also highlight their contribution to government exchequer and overall contribution to the economy to fight negative image of the sector.

Alco-beverages with low alcohol content are gaining acceptance as they are perceived as healthier and recreational against spirits with high alcohol content. This is driving consumption of both beer and wine. Governments in India are promoting low alcoholic beverages with favorable retailing policies. Uttar Pradesh has allowed for setting up premium outlets in malls and allowed for sampling activity. Government in Maharashtra also allows for exclusive wine and beer shops.

Regulatory Overview

Alco-beverage industry has been saddled with extra burden of regulations due to perceived effect and abuse of alcohol. Globally, countries have alcohol policies consisting of laws, rules, and regulations that aim to prevent and reduce alcohol-related health complications. Alcohol policies incorporate a multilevel, multicomponent approach, targeting multiple determinants of drinking such as availability, price, marketing, and drink–driving. Sale and production of alcohol is regulated in majority of countries in the world to guard against harmful use of alcohol. These policies include control from production, pricing, storage and movement, and final consumption of alcohol.

Snapshot of alcohol policies and status in India

Policies and Interventions	Status in India
Written national policy/national action plan..	Not Applicable
Excise tax on beer/wine /spirit..	Applicable
Legal minimum age for sale of alcoholic beverages..	Applicable
Restrictions for on-/off-premises sales of alcoholic beverages: Hours, days/places, density	Applicable
National maximum legal blood alcohol concentration (BAC) when driving a vehicle.........	Applicable
Legally binding regulations on alcohol advertising...	Applicable
Legally required health warning labels on alcohol advertisements/containers	Applicable
National government support for community action	Not Applicable
National monitoring system(s)	Applicable

(Source: Technopak analysis)

Note:

(1) Data derived from WHO report.

Alcohol policies in India

Alcohol policies in India can be grouped under three heads. State-specific legislations on these three kinds of regulatory policies are broadly similar and focus on penalizing producers rather than consumers. There are three types of alcohol policies in India:

Total prohibition on production and consumption of all kinds of alcohol

Indian states have tried complete prohibition of production and consumption of alcohol but with limited success. Prohibition has been one of the talking points in many elections in India. Most laws on alcohol regulation have prohibition as a key word in their names. In most cases it has led to a parallel distribution of smuggled liquor from other states or sale of spurious liquor. States have also used it as a political tool, but results have been counterproductive. Bihar is the latest state with complete prohibition since 2016.

Trends in Prohibition in states of India

State	Prohibition
Gujarat	1960 till date
Bihar	2016 till date
Nagaland	1989 till date
Mizoram	1997 to 2015, 2019 till date
Manipur	1991 to 2001
Lakshadweep	1989 till 2021
Haryana	1996 to 1998
Andhra Pradesh	1994 to 1997
Tamil Nadu	Multiple spells from 1937-2001

(Source: Technopak analysis)

Partial prohibition of some kinds of liquor

Some states in India have prohibited production and consumption of country liquor. All five states in south India have a ban on country liquor. This policy is attuned to ensure that consumption of alcohol is in safer forms of alcohol. Ban of country liquor has ensured that IMFL has much larger share of business in these states. There is also a policy of phase-wise prohibition with some states banning sale of alcohol sales in hotels and restaurants. States also try to control movement of alcohol by shutting down alcohol outlets or not opening new outlets.

Imposition of dry days

India has a unique system of prohibition under which alcohol is not sold on certain days that are designated as dry days. The states usually observe dry days on major religious festivals and occasions. While it is the prerogative of each state government to decide on its dry days, national holidays like Republic Day (January 26), Independence Day (August 15), and Gandhi Jayanti (October 2) are dry days throughout India.

Drinking age is used to Control Proliferation and Promote Responsible Drinking

Minimum legal drinking age is prescribed in majority of countries to promote responsible drinking. As per WHO, minimum age of 18-19 years is the most common minimum drinking age with 61 per cent. of countries subscribing to it. In India, the minimum drinking age of twenty-one is the most common rule. There are states which define 18 years as the minimum drinking age and some states define 25 years as minimum drinking age. There have been recent changes in minimum drinking age in Haryana and Delhi NCR, where drinking age has been reduced from 25 to 21 years. There is also a variation in minimum drinking age for purchase and consumption of alcoholic drinks. Enforcement of minimum drinking age specially on a higher side is always a challenge and violation is quite common.

Regulation on Distribution of Alcoholic Beverages

The distribution of alcoholic beverages is controlled by state through state-owned or state-controlled wholesale or retailing popularly known as corporations. Some states have set up corporations which control distribution of alcohol both at wholesaling and retailing whereas some control only the wholesale distribution and retail is private. In select states, distribution is completely private both at wholesale and retail stage. Some states have set up state-controlled retail outlets which get stocks directly from manufacturers. States also ensure that their revenue is guaranteed through auction of wholesale and retail licenses and ensure that they receive upfront payment.

Distribution models in alco-beverage industry

Distribution Channel	Sub-Type	Examples of States	Differentiating Details
Distributor Model Company -> Distributor -> Retail	Type 1	Maharashtra, Goa, Assam	• Retail Private • Distributor Private
Corporation Model Company -> Corporation(1)-> Retail	Type 1	Rajasthan, Karnataka	• Retail Private • Corporation buys from the company and sells it to retailer
	Type 2	Madhya Pradesh	• Retail Private • Corporation warehouses hold company stocks; Retailer lifts stocks from the corporation and then invoices are raised based on retail lifting
	Type 3	Tamil Nadu	• Retail also owned by the corporation
Wholesale Model Company -> Wholesale(2)-> Retail	Type 1	Haryana Delhi NCR	• Retail Private • Wholesale Private • Multiple competing businesses controlling chunks of wholesale and retail
	Type 2	Sikkim	• Retail Private • Wholesale Private • De facto monopoly of one group in wholesale

(Source: Primary Research, Technopak Analysis)

Notes:

(1) Corporation is a state government-owned entity with a monopoly of distribution rights to retailers.

(2) Wholesalers are privately dealing with multiple manufacturers. A large part of retail and wholesale has common ownership.

Extensive Regulations in the Indian alco-beverage industry

The alcohol industry is subject to extensive government regulations, as well as regulations by a variety of local bodies. Some regulations are listed below.

There are interstate duties levied on molasses, which is used in producing liquor in India. As molasses is produced mainly in Uttar Pradesh and Maharashtra, the liquor companies must pay duties when they import it into their state.

Both direct and indirect advertising of alcohol is prohibited, and it can be advertised only at point of sale (POS).

Launching a new alcohol brand/product is a difficult and time-consuming process. It can take months to years and the company needs to seek multiple permissions and approvals from the government for the same.

In some states companies can change/increase the price of their products only once a year when the state governments determine the prices, export duty is imposed by the state from which the alcohol is sourced, and an import duty is imposed by the state to which the alcohol is transported.

Registration with Canteen Store Departments, which account for approximately 15 per cent. of the overall liquor consumption, can take over nine months.

Key Features of Excise Policy

State Excise Policy	Features
Ban on sale and consumption of alcohol in public places	All the Indian states and UTs have implemented this ban, with penalties for violation varying from Rs. 200 to Rs. 50,000
Licensing of days and hours of sale	All states/UTs have provisions for closure of liquor shops on national holidays, election days, particular day(s) in week/month, and other occasions calling for special consideration – days of national solemnity, Public Order, homage to national figures, fairs, festivals, frenzied situations, or periods of tension
Minimum sale price	17 states and UTs have fixed minimum sale prices to ensure uniformity and quality, and to prevent illegal sale
Restriction of outlet density	No license if the premises are located near an educational institution, place of worship, main bus stand, crematorium, burial ground, socio-economically backward colony, labor colony, market-place, or established habitat
Quota for retail sale/personnel limit	Provisions for quotas vary based on the type of product – and from state to state
Minimum legal drinking age (MLDA)	Different states in India have different MLDA prescribed for purchase and consumption of alcohol, varying from 18-25 years
Health warnings on alcohol containers/bottles and security holograms for quality control	Mandatory as per FSSAI and State Excise
Ban on advertising, promotion and sponsorship (including POS advertising)	Applicable in the majority of states

(Source: Technopak Analysis)

Central nodal agencies for regulation of alco-beverage industry

Nodal Agencies at the Centre	Functions
Central Board of Indirect Taxes and Customs (CBIC)	Levy and collection of customs duties, taking preventive steps to curb smuggling of goods
Department for Promotion of Industry and Internal Trade (DPIIT)	Involved in the formulation of foreign direct investment (FDI) policies and promotion. Approval and facilitation of FDI flows
Legal Metrology, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution	The legal Metrology Act mandates certain declarations on the package of a product (location of the product, net quantity, standard weights, retail sale price, consumer care details, etc.)
Food and Standards Authority of India	The Food Safety and Standards Act, 2006 and the Food Safety and Standards (Alcoholic Beverages) Regulation, 2018, thereunder, regulate the product standards and labeling of alcoholic beverages
Bureau of Indian Standards (BIS)	BIS prescribes standards, requirements and methods of sampling and testing for alcoholic beverages
Ministry of Information Broadcasting	The Cable Television Network (Regulation) Act, 1955 and the Cable Television Network (Regulation) Amendment Act. 2011 restrict the advertising of alcoholic beverages

(Source: Technopak Analysis)

FSSAI and Alco-beverages

As per the FSSAI Act, alcoholic beverages come under the definition of food. FSSAI framed standards for alcoholic beverages in 2018 and notified the same in 2019. FSSAI defines "alcoholic beverage" as a beverage or a liquor or a brew containing more than 0.5 per cent. abv, where "alcohol by volume (abv)" means ethyl alcohol (ethanol) content in an alcoholic beverage expressed as a percentage of total volume. All alco-beverages need to adhere to regulations with regard to standards, labeling requirements, statutory warnings, and other requirements.

Regulations on alco-beverage industry are being re-evaluated to look at low alcohol content alco-beverages independently from high alcohol content spirits

Regulations on alcoholic beverages in India have long looked at different alco-beverages as similar in nature. However, growing awareness, acceptance in society, and input from industry are leading to regulations being recalibrated to look at low alcohol drinks as a separate entity from spirits. Policy initiatives are looking to wean away customers from hard liquor to low alcohol beverages, including beer and wine. Policy initiatives include friendlier policies towards the setting up of new units such as microbreweries, labeling and licensing, retailing including licenses limited to beer and wines, sampling opportunities and reduction in excise duties. Promotion of wines also helps a large section of farmers diversify into grape cultivation who can get more remuneration and assured prices for their produce. Maharashtra and Karnataka, the top two grape-producing states in India, have taken the lead in promotion of wines with friendly excise and related policies.

Maharashtra's grape processing industry policy 2001 was the first policy initiative to promote production and sale of wines produced in the state. The policy provided for recognition of the wine industry as a small-scale industry as well as a preferential area for granting of loans. The policy also took initiatives to make production and sale of wine much easier with reduced license fees and a single window for approvals. The policy has kept excise payable on wines in abeyance and put in place a reduced sales tax at 20 per cent. as against 35 per cent. and 40 per cent. for other alco-beverages in the market. Maharashtra's government also has a policy of limited licenses for beer and wine sales which are easier to procure, which helps in increasing retail penetration of wines.

Karnataka's wine policy 2007 is the second important wine policy in the country which recognized wine production as a horticulture and food processing industry, making it eligible for all the incentives available for the industry in the state. It also provides for additional subsidies for setting-up of wineries in the state. The policy ensured that licensing policy is simplified. It also provided for relief in excise duty for wines produced in the state and waiver of label registration fees in the state. The policy allowed for sale of wine at bars and restaurants at a minimal fee. The policy also seeks to promote wine tourism by allowing sales at premises of wineries.

Uttar Pradesh's excise policy 2021-22 has put in place incentives to set up wineries in the state with excise holiday for five years, permission to sell at wineries and permission for wine tasting. It also promotes sales of wine through a range of measures, including placement of product and sampling opportunities. Andhra Pradesh also has a policy of excise benefit for wine produced in the state.

Multiple states have put in policy initiatives which are lenient towards retailing of wines with permission to sell and sample at exclusive outlets or high retail outlets. States are also promoting premium categories of alco-beverages which are generally bought by affluent sections of society. Policy initiatives include lenient retailing licenses, attractive retailing units, sampling opportunities and similar incentives. This is also helping wine sales in different states.

Delhi's and Uttar Pradesh's excise policies have put in place policies to promote premium alco-beverages and wines. Odisha has also put in a policy for exclusive outlets for premium alco-beverages.

Policy Initiative on Promotion of Beer and Wines

State	**Policy Initiative**
Maharashtra	• Excise holiday on wines until 2021. Proposal of nominal excise of Rs. 10/- per liter • License fee of Rs. 5,000 on sale of wine and wine products • Single window system for issuance and clearance of licenses for wines
Karnataka	• License fee of Rs. 5,000 on sale of wine and wine products • Additional excise duty of Rs. 2 per liter on locally produced wine • Waiver of label registration fee
Uttar Pradesh	• Exemption of excise duty on locally produced wines • Vintners shall be allowed retail sale of wine • Wine Tavern shall also be allowed in wineries • Wine tasting facility and sale of drinking accessories shall be allowed at premium retail venues • Ease in setting up microbreweries • Reduction in excise duties on beer

West Bengal	• Reduction in beer price with change in tax regime based on MRP to EDP

(Source: Technopak Analysis)

Modern Excise Policies are redefining the Alco-beverage Industry in India

Many states in India are changing their excise/alcohol policy to transform the nature of the liquor trade in line with the changing nature of society. This is with the dual objective of improving the standard of customer experience and increasing the revenue of the excise department.

Key takeaways of the Uttar Pradesh Excise Policy 2021-22

- Wine made from locally produced fruits shall be exempted from excise duty for five years.
- Vintners shall be allowed to engage in retail sale of wine.
- Wine Tavern shall also be allowed in its premises.
- Wine tasting facility and sale of drinking accessories shall be allowed at premium retail vends.
- The sale of Low Alcoholic Beverages (LAB) shall be allowed in foreign liquor retail shops, model shops and premium retail vends in addition to beer shops.
- The excise duty on beer is reduced and the shelf life of beer will be 9 months.
- Brand registration, label approval, bar and micro-brewery licenses will have the option to be renewed up to 3 years instead of requiring approvals every year.
- To encourage exports from the state, brand, and label approval process for exports to other states and countries simplified.
- Keeping in view the complex process of trademark registration and the time taken, brand registration will be permissible on submission of proof of filing of application for trademark registration.
- The power for renewal of micro-brewery licenses shall be delegated from Excise Commissioner to District Collector.

Maharashtra draft wine policy 2022 is set to be a gamechanger for Indian wine industry

The All-India Wine Producers Association (AIWPA) is seeking multiple incentives for the wine industry in Maharashtra as part of the new policy with the objective of a five-fold increase in the size of the domestic wine industry. Maharashtra's government has approved the "shelf in shop" policy allowing sale of wines at supermarket and grocery shops of more than 1,000 feet in size. The size of the shelf allowed in the shops will be 2.25 cubic meters, while the annual license fees charged will be Rs. 5,000. This may lead to an immediate growth of 15 - 20 per cent. in sale of wines as per by industry experts.

Wines may also be allowed to be sold through e-commerce websites and apps. The new wine policy in Maharashtra has also included wine made from other fruits to reduce wastage of fruits. The new policy initiative may also allow sale of wines on dry days. The policy may also reduce the minimum drinking age for wines from the current age of 21 years.

Import Duties on Foreign Liquor

Foreign liquor imported into India is charged under customs duty as per the Customs Act 1962. Customs tariff is applicable on finished products like Scotch whisky bottled in the country of origin or bulk Scotch whisky imported for bottling in India, as well as intermediate products like undenatured ethyl alcohol of alcoholic strength by volume of 80 per cent. vol. or higher which is used for blending with production in India. Import of alcohol into India is dominated by whisky, contributing close to 60 per cent. in volume and close to 80 per cent. in value.

Alcoholic beverages bottled in origin are subject to excise and all other duties as per the excise rules of each state on the calculated EDP in most cases. States look at imported liquor as an opportunity to increase revenue or, in some cases, charge high excise duty to support local industry. High customs duty coupled with high excise and other state duties make the imported alcoholic beverages market challenging in India.

Import Duties on Alcoholic Beverages

HS Code	Commodities	Import Duties (%)			
		2019-20	2018-19	2017-18	2016-17
2203	Beer Made From Malt	100	100	100	100
2204 21	Port and other red wines, Sherry and	150	150	150	150

HS Code	Commodities	Import Duties (%)			
		2019-20	2018-19	2017-18	2016-17
	other white wines, and Others; In containers holding less than 2 liters				
2204 22	Port and other red wines, Sherry and other white wines, and Others; in containers holding more than 2 liters but not more than 10 litres	150	150	150	150
2204 29	Other: Port and other red wines, Sherry and other white wines, and Others, in containers holding more than 2 liters	150	150	150	150
2204 30	Other Grape Must	150	150	150	150
2205 10	Vermouth And Other Wine of Fresh Grapes Flavored With Plants Or Aromatic Substances; In Containers Holding 2 Liters Or Less	150	150	150	150
2206 00 00	Other Fermented Beverages (For L 150% – Example, Cider, Perry, Mead, Sake)	150	150	150	150
2207 10	Undenatured Ethyl Alcohol Of An Alcoholic Strength By Volume Of 80% Vol. Or Higher	150	150	150	150
2207 20	Ethyl alcohol and other spirits, denatured – any strength	30	5	5	30
2208 20	Spirits obtained by distilling grape wine or grape marc; In containers holding 2 liters or less	150	150	150	150
2208 30	Whiskies: In containers holding 2 liters or less	150	150	150	150
2208 40	Rum and other spirits obtained by distilling fermented sugarcane product; In containers holding 2 liters or less	150	150	150	150
2208 50	Gin and Geneva; In containers holding 2 liters or less	150	150	150	150
2208 60 00	Vodka	150	150	150	150

(Source: Technopak Analysis)

Note:

(1) Data derived from Central Board of Indirect Taxes and Customs.

Custom duty and effect of pricing, Delhi Excise

S. No	Price parameter (Per Unit)	Rate of Calculation	Example (INR)
1	Cost, Insurance, freight (CIF)	Determined	100
2	Customs Duty	1.5	150
3	Import fee (per quart)	50	200
4	Profit Margin	Determined by licensee	90
5	EDP (deemed)	(1+2+3+4)	540
6	Profit margin for L1	12% of 5	65
7	WSP	(5+6)	605
8	Excise Duty	85% of WSP up to 1,000+ 50% of amount by which MSP exceeds Rs. 1,000	514
9	VAT	Applicable rate X(7+8)	448
10	Price to retailer		1,567

(Source: Technopak Analysis)

Note:

(1) Data derived from Delhi Excise policy.

Free Trade Agreements can be a win-win for the alco-beverage sector in India

Free Trade Agreements (FTA) have the potential to bring down the prices of imported alco-beverage in India. Any FTA must successfully balance conflicting goals of opening trade and protecting domestic interests. A good trade deal has four cornerstones: (a) it offers equal opportunities to both sides, (b) tariff rates are designed to ensure a true level field, evening out disparities, (c) it is comprehensive, covering both tariff and non-tariff issues, and (d) it has mechanisms in place to prevent misuse.

The India-Australia Economic Cooperation and Trade Agreement (IAECTA) was signed in April 2022. It will improve India's market access to Australian wines. As per India-Australia FTA, import duty on Australian wines priced between $5-$15 per bottle is reduced from 150 per cent. to 100 per cent. immediately and then to 50 per cent. over a 10-year horizon. Similarly, import duty on Australian wines priced higher than $15 per bottle is reduced from 150 per cent. to 75 per cent. immediately and then to 25 per cent. over a 10-year horizon. However, import duty for Australian wines priced below $5 per bottle will remain unchanged at 150 per cent. to ensure against predatory pricing and dumping.

The United Kingdom-India FTA, which is currently under discussion, can bring down prices of Scotch and bulk whisky imported from the United Kingdom and expand the Indian alco-beverage market. In CY 2021, India was the second-largest export market for Scotch whisky by volume, with 136 million bottles shipped, an increase of 44.3 per cent. on the previous year, according to the Scotch Whisky Association (SWA). The rationalization of the 150 per cent. tariff could triple the market share of Scotch whisky and provide greater choice for Indian consumers.

Overview of Indian Wine Market

History of Indian Wine Market

Wine was introduced into India by the Portuguese and the French, initially in Goa in the early 16th century, but the establishment of the British Raj ensured that spirits took center stage in the Indian alcohol industry. Modern wine making in India was initiated in the 1970s with multiple initiatives, but wine as an industry in India is largely a post calendar year 2000 phenomenon. Prior to 2000, wine produced domestically was largely small scale and confined to pockets, or comprised imported products that were essentially sold in 5-star hotels.

Wine journey in India by volume

Metric	Segment	FY 2000	FY 2021
Consumption	Retail (Off-Trade)	~5%	~75%
	HoReCa (On-Trade)	~95%	~25%
	Total	**100%**	**100%**
Supply	Domestic	—	~84%
	Import	100%	~16%
	Total	**100%**	**100%**

(Source: Secondary Research, Technopak Analysis)

Installed agri base playing a critical role in wine becoming a mainstream drink from selective use to an urban consumer product in the last two decades

India is among the top three table grape growing countries in the world, with significant acreage under grape cultivation. This inherent advantage is a key driver for growth of production and consumption of wines. Grapes for wines are different than table grape varieties, but it requires minor tweaks for grape farmers to make this transition. This transition is far easier to undertake than preparing new acreage for grapes from scratch. The transition for farmers from table grapes to wine grapes is also more beneficial because of higher price realization to the farmers as well as the overall value chain of economic activity from grapes.

Grape Production Trend (volume in million tons) (for CY)

	Table Grapes(1)		**Wine Grapes**		**Total Grapes (Table Grapes + Wine Grapes)**	
Country	**2010**	**2020**	**2010**	**2020**	**2010**	**2020**
China	5.6	10.9	2.6	3.9	8.2	14.8
India	0.7	2.5	0.2	0.6	0.9	3.1
Turkey	2.2	2.2	2.1	2	4.3	4.2
USA	1.0	0.9	5.8	4.5	6.8	5.4
World	**21.0**	**37.5**	**45.7**	**40.5**	**66.7**	**78.0**

(Source: Technopak Analysis)

Notes:

(1) Table grapes used for consumption as fruit as well as raisin making.

(2) Data derived from FAO and OIV.

Progressive regulations in two major wine-producing states helps industry

Maharashtra and Karnataka are the two key major grape-producing regions in India, accounting for 95 per cent. of total table grapes and 97 per cent. of total wine grapes produced in the country. Both states recognized the need for a timely intervention to introduce progressive policies to enable the growth of wine to support the growth of wine grapes agriculture. This was for the obvious reasons of increasing farming income by producing more share of grape produced in favor of wine grapes. Both states modified their respective liquor state policy and bifurcated wine from other spirits. Maharashtra did so first, in 2001, and Karnataka took the cue from the success of this policy and implemented the same in 2007.

Grape production in India FY 2021 (3.1 million metric tonnes)

State	Total Grapes	Wine Grapes
Maharashtra	78%	90%
Karnataka	18%	7%
Others	4%	3%
Total	**100%**	**100%**

(Source: Agriculture Ministry, Technopak Analysis)

The regulatory changes were aimed at making consumption, retailing and storage of wine easier and enabling sales of wine produced from grapes grown within the state. Excise slabs were significantly relaxed for wine products from within the state that otherwise are much higher for other alco-beverage drinks. Similarly, retailing and serving of wines within both Maharashtra and Karnataka has been easier compared to other states viz. home deliveries in cities like Bengaluru and Mumbai. Maharashtra is expected to further liberalize wine sales in the state in its new wine policy applicable from January 2022. The existing wine policy in Maharashtra was valid till the end of 2021 and the proposed new progressive wine policy includes permission to allow wine sales in supermarkets and on dry days and through e-commerce platforms as well. However, the provision of sale of wine from supermarkets is still part of draft rules and the final decision of the state government is pending. Taking their cue from these two states, other states like Haryana and Uttar Pradesh have relaxed consumption-related rules related to wines.

Maharashtra's 2022 wine policy is poised to take the next set of important steps to drive growth of the domestic wine market. The new policy proposes to allow the sale of wine from regular outlets including supermarkets, shop in shops, daily needs shops, department stores, bakeries and similar outlets. Wines can also be sold through e-commerce websites and apps. The new policy initiative may also allow sale of wines on dry days. The policy may also reduce the minimum drinking age for wines from the current age of 21 years.

Regulatory Overview on wine industry

Grape Processing Industry Policy 2001, Maharashtra	**Karnataka Grape Processing and Wine Policy-2007**
Declaration as a Preferential Area for granting loans	Identification and declaration of suitable areas for the cultivation of wine varieties
Declaration as a Small-Scale Industry	Declaring Wineries as "Horticultural and Food Processing Industries"
Concession in Excise Duty – Limited to 25 per cent. of production cost for new units	Simplification of rules while issuing Licenses and Permits to the Wineries
Permission to sell wine by beer bars	Allowing the sale of wines on the premises of Wineries
Winery Product Units by giving them the status of Food Processing Units	Reduction in excise duty to INR 2/liter for wine produced in Karnataka. For wine brought from other state, duty is INR 8/liter
Permission for tourists to visit Wine Production Units for tasting the wine	
Simplification in process of license permission	

(Source: Secondary research, Technopak Analysis)

Emergence of category-focused players driving transition of grape growers from table grapes to wine grapes

The net realization of farmers to switch production from table to wine grapes and the progressive regulations for wines in Maharashtra and then Karnataka were an outcome of wine-focused start-ups like Chateau Indage and Sula Vineyards. These companies took a lead in initiating domestic wine production opportunities in India. The initiative of companies like Sula Vineyards in the early 2000s, signified by piloting wine production from wine grapes in Nashik, Maharashtra, initiated the creation of an ecosystem of domestic wine industry in the country. This ecosystem steadily created a business case for progressive regulations and for a pull from grape farmers to

switch from table grapes to wine grapes. Consequently, in the last two decades, companies like Sula Vineyards have been category creators in India, followed by companies like Grover Zampa and Fratelli. These companies have transitioned from start-ups to category creators of the wine industry in India. They have remained at the forefront of collaborating with farmers to facilitate the expansion of wine grape cultivation, to share knowledge of growing wine grapes and improving the quality of grapes, of refining the wine produced through product development initiatives and of brand building and category advocacy among Indian consumers.
Chateau Indage was the industry leader until 2009. Post the Chateau Indage era, Sula Vineyards has taken over the mantle of industry leader and category creator. Sula Vineyards, along with Fratelli Wines and Grover Zampa Vineyards, are the top three wine companies playing an important role in the development of the wine industry in India.

Domestic wine companies in India bringing prominence to wine industry

Over the last 20 years, Nashik in Maharashtra has come to be known as the wine capital of India and hub of wine tourism in India, with close to 29 wineries in operation like Sula Vineyards, York Winery, Grover Zampa, Vallone Vineyards, Chandon India Winery, etc. Sula Vineyards, founded in 1996 in Nashik, helped with the evolution of Nashik into the wine capital, setting benchmarks in development of varietals, relationship with farmers and wine tourism. It has created a more formalized structure in the wine industry across the value chain for other players in the industry to follow. Popular varietals grown in the region include Chenin Blanc, Sauvignon Blanc, Zinfandel, Cabernet Sauvignon, Shiraz, Chardonnay, Merlot, Riesling, Viognier, Tempranillo, Malbec, etc.

Sula Vineyards set up its first vineyard in 1996 and has taken a lead in industry development activities, making it the category creator for wines in India. Sula Vineyards was the first to introduce varietal wines in India in 2000 with the launch of Sauvignon Blanc, Chenin Blanc, Zinfandel, Riesling, Red Sparkling, and dessert wine offerings.

Sula Vineyards established India's first winery tasting room in 2005, which marked the birth of wine tourism in India. Sula Vineyards opened the country's first vineyard resort in 2008, which further established Sula Vineyards's leadership. Sula Vineyards started the "SulaFest," the pioneering vineyard music festival in 2008, which became one of the most sought-after food and music events in the country. It has also developed a pan-Indian wine tasting program, with regular wine tasting sessions held across cities for consumers, as well as for training the staff employed by hotels, restaurants and cafés that sell wines. Multiple initiatives have redefined the Indian wine market and have ensured that the Indian wine industry keeps up with the growth journey, and positions brand "Sula" as the category creator for wines in India. Sula Vineyards is recognized as the market leader across wine variants including red, white, and sparkling wines.

Grover Zampa vineyards has also played an important role in the Indian domestic wine industry. It set up its first vineyard in 1992 in Nandi Hills, Karnataka. The company, with the help of an expert enologist from France, started its process of wine production and in 1998 the first wine from Grover Zampa, "La Reserve," a batch of 5,000 bottles was launched. Currently with land and wineries in Nandi Hills as well as Nashik, Maharashtra, Grover Zampa is one of the oldest companies in the market.
Fratelli Wines is the youngest of the top three players in the Indian domestic wine industry. Fratelli has been developing wines since 2007 and the first wine was produced in 2010 under the guidance of a master winemaker from Tuscany. The portfolio of Fratelli comprises 20 distinct varieties of wine produced in its 240-acre vineyard in Akluj, Maharashtra.

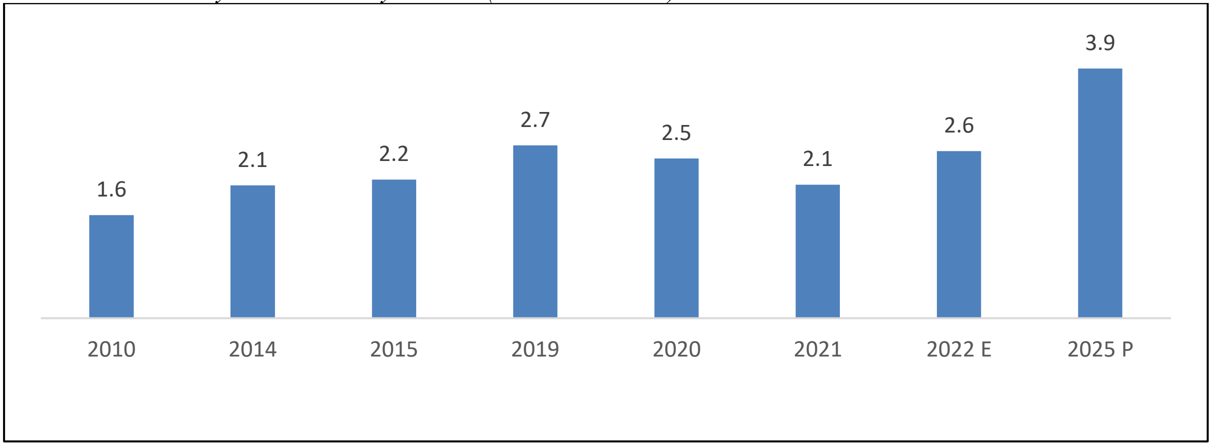
Wine Market in India

Wine Market Size in India

Indian Wine Market is expected to grow at a CAGR of 14 per cent. in terms of volume from FY 2022 to FY 2025 with domestic players dominating volumes

The Indian wine market crossed 2.5 million cases in FY 2020. However, the sluggish economy followed by the COVID-19 pandemic pulled the market down. The Indian wine market is projected to grow to 3.9 million cases by FY 2025. The Indian wine market today is dominated by domestic wines with the share of imported wines projected to come down from 19.2 per cent. in FY 2020 to 18 per cent. in FY 2025 in volume terms.

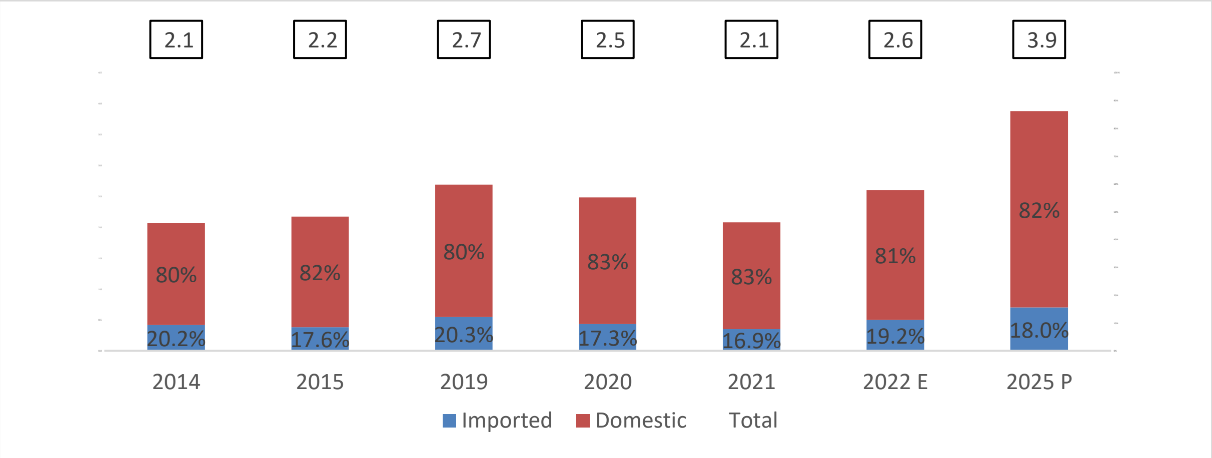
Indian Wine Industry Market Size by Volume (In million Cases)



Value	2014-19	2022-25
CAGR	5.4%	14.3%

(Source: Technopak Analysis)
Note:
(1) Data projected from OIV and USDA.

Indian Wine Industry Domestic vs Imported for FY (In million Cases)

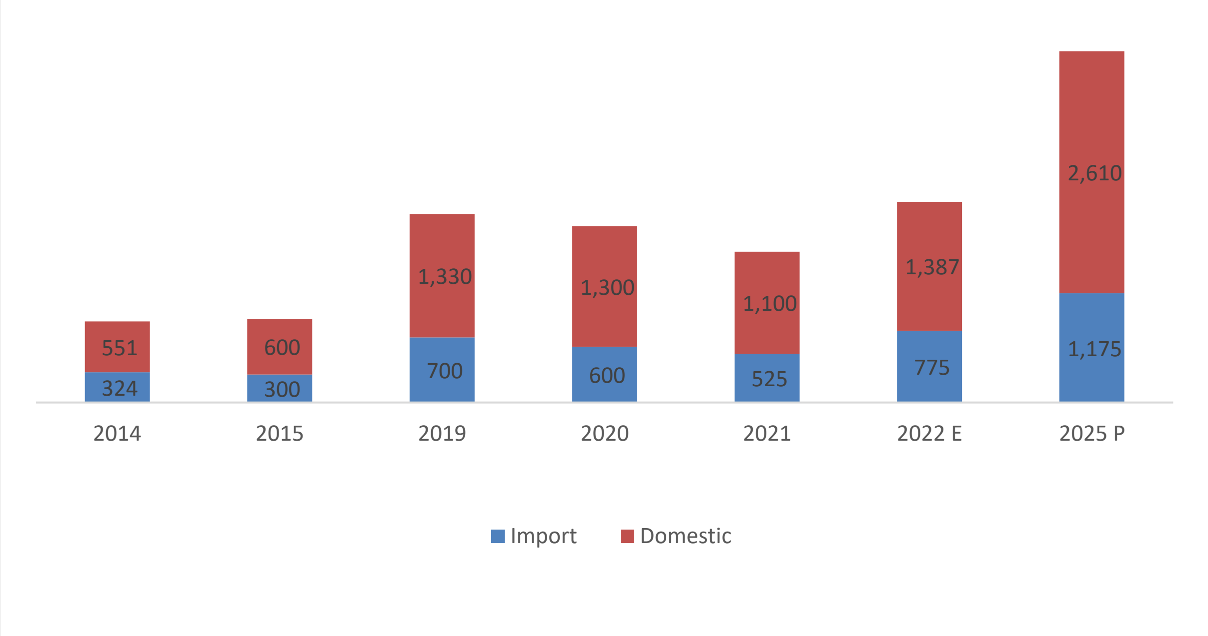


(Source: Technopak Analysis)
Note:
(1) Data projected from OIV, USDA, DGFT.

The Indian Wine Market is projected to reach INR 3,785 Crore by FY 2025 with a CAGR of 20 per cent. from FY 2022 to FY 2025

The Indian wine market by value reached ~INR 1,900 Crore in FY 2020 and then decreased to INR 1,625 Crore in FY 2021. This decline is attributed to the lockdowns and restrictions imposed due to COVID-19 on liquor shops and food services industry. The domestic 100 per cent. grape wine market specially the elite and premium segment has shown higher resilience as compared to the overall wine market in India. The elite and premium segment recorded lower de-growth at 13.5 per cent. by value. However, it is estimated to go above pre-pandemic levels by the end of FY 2022 and increase to INR 3,785 Crore in FY 2025 with a CAGR of 20 per cent. from FY 2022, surpassing the growth rate of the overall alco-beverage industry over the same period (CAGR of 12 per cent. from FY 2022 to FY 2025). The wine industry is leveraging positive factors, including premiumization of the alco-beverage industry, wider acceptance of wine as a social drink and the growing perception of wine as a healthy alternative to spirits.

Indian Wine Industry Market Size by values (In INR Crores)



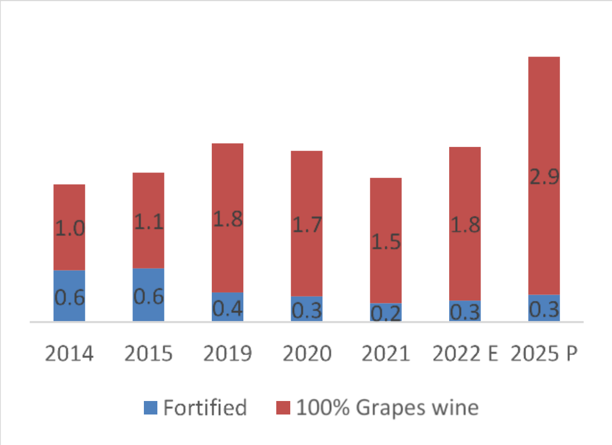
CAGR	2014-19	2022-25
Imported	16.7%	14.9%
Domestic	19.3%	23.4%
Overall	18.3%	20.5%

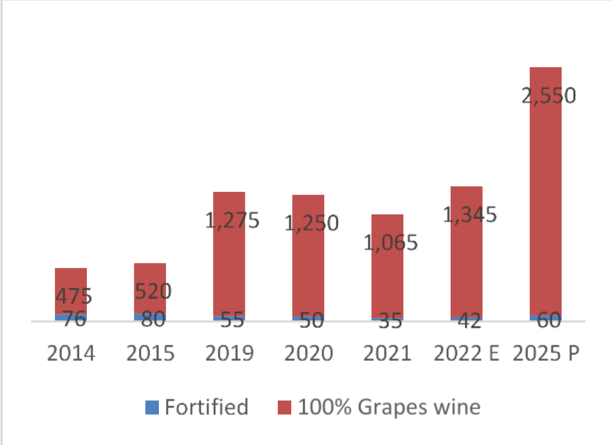
(Source: Technopak Analysis)

Indian Wine market is leveraging premium segment to drive growth as 100 per cent. grape wines gain prominence

The domestic wine industry has suffered with the prominence of fortified mixed wines, which contributed close to 36 per cent. to the market by volume in FY 2015. The low quality of fortified mixed wines made with the addition of molasses and sugar with a price below Rs. 200 for a 750 ml bottle contribute***s*** to the lower end of the popular segment in domestic wines. These beverages, passed as wines with high alcohol content of more than 20 per cent. in some cases, serve the lower end of the market. However, the share of low-quality fortified wines has been coming down in recent years, from 38 per cent. in FY 2014 to 12 per cent. in FY 2022. Segmentation of the wine market categorizes wine into 100 per cent. grape-based wines and fortified mixed wines. 100 per cent. grape wines fared much better than fortified mixed wines in FY 2021, with lower degrowth of 15 per cent. by value against 30 per cent. degrowth by value in mixed fortified wines.

Mixed fortified wines vs 100 per cent. grapes wine (Domestic wines market overview)



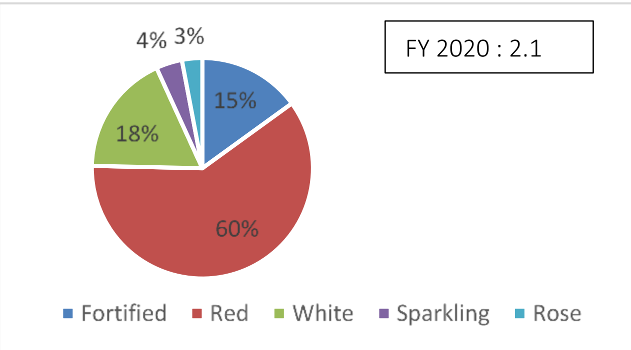


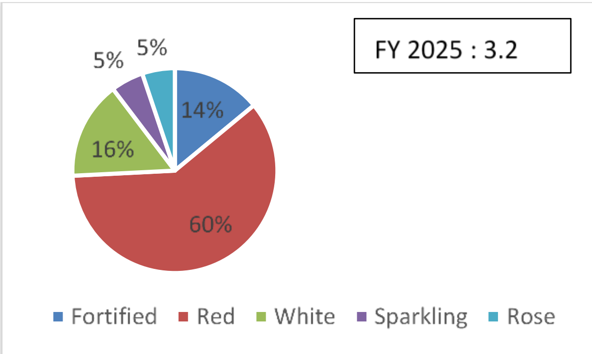
Value in Mn cases

Value in INR Cr

(Source: Technopak Analysis)

Types of Domestic Wine (per cent. share by volume in million cases)



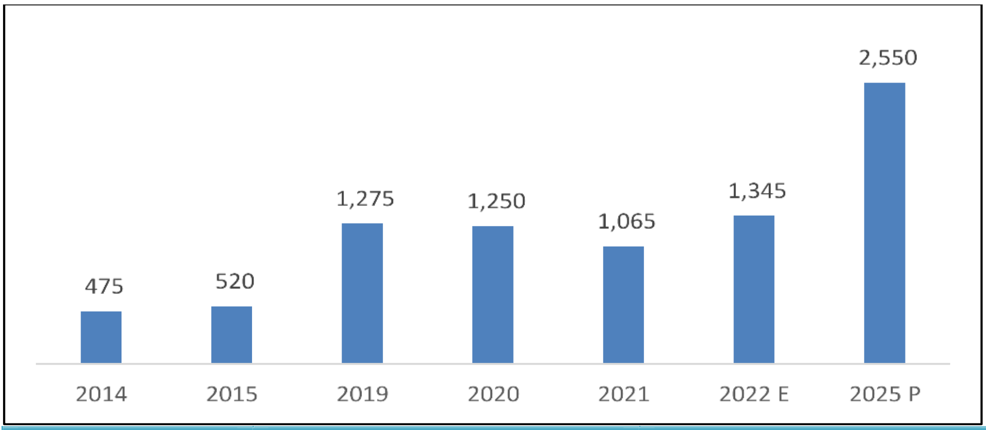


(Source: Technopak Analysis)
Notes:
(1) Rounded off to nearest decimal.
(2) Does not include imported wines.

The Indian domestic 100 per cent. grape wine market is set to grow by CAGR of 22 per cent. by value from FY 2022 to FY 2025

The Indian domestic 100 per cent. grape wine market is estimated at INR 1,345 Crore in FY 2022, dominated by the top three players contributing close to 80 per cent. of the market by value. This is unique to India, as even though it is a relatively young market, it is a consolidated market with Sula Vineyards being a clear market leader commanding a market share of close to 52 per cent. in FY 2022 by value.

Exhibit 80: Indian domestic 100 per cent. Grape Wine market (Value in INR Crores)



Value	2014-19	2022-25
CAGR	*21.8%*	23.7%

(Source: Technopak Analysis)

The Indian domestic 100 per cent. grape wine market is unique as top three players contribute 80 per cent. of the market in value terms

The domestic Indian 100 per cent. grape wine market is a "Still" wine market with contribution of more than 90 per cent. by volume to the market in FY 2020. Red wine contributes close to 70 per cent. by volume of the market. The share of white wine is going down, with sparkling and rosé wines growing faster than both red and white wines. Sula Vineyards, with its range across all the four wine categories, including red, white, rosé and sparkling wines, holds the leadership position in the four categories in FY 2020.

The Indian wine market can also be divided into four segments based on price, starting with the popular segment with price point up to INR 400. The premium and elite segments, with price points above INR 700, are driving growth in the market. These two segments are seeing new product launches by the top players. The premium and elite categories are estimated to contribute close to 61 per cent. by value and 40 per cent. by volume of the Indian domestic 100 per cent. grape wine market in FY 2022. The premium and elite categories are projected to grow at a CAGR of 19.7 per cent. by volume for the period between FY 2022 and FY 2025 as compared to overall category growth of close to 15.8 per cent. for the same period. Sula Vineyards is the market leader across all the four price segments, with higher share of close to 61 per cent. by value in the premium and elite categories in FY 2022.

Sula Vineyards is India's largest wine producer and seller as of March 31, 2022 and has consistently been the market leader in the Indian wine industry in terms of sales volume as well as value (on the basis of the total revenue from operations) from FY 2009 crossing 50 per cent. market share by value in domestic 100 per cent. grapes wine market in FY 2012. It has consistently gained market share (on the basis of total revenue from operations) from 33 per cent. in 2009 in 100 per cent. grapes wine category to 52 per cent. in value in FY 2022. Sula Vineyards distributes wines under a bouquet of popular brands. In addition to the flagship brand "Sula," popular brands include "RASA," "Dindori", "The source," "Satori", "Madera" & "Dia" with its flagship brand "Sula" being the "category creator" of wine in India. It has the largest range of wines in the Indian market and leadership in all the four price segments including Popular, Economy, Elite and premium segments of domestic 100 per cent. grape wine category for the last six years from FY 2017 to FY 2022. It is playing the key role of category creator in India. Sula Vineyards has higher share in elite and premium category. It crossed 60 per cent. market share by value in in FY 2019 and increased at 62 per cent. by value in FY 2022. As India's largest wine producer and seller as of March 31, 2022, Sula Vineyards can harness its market leader position for future growth opportunities in the Indian wine market with its wide range of offerings for consumers across various price points.

Sula Vineyard's wines are leading wines in each of their categories. Shiraz Cabernet, with estimated retail sales of INR 138 Crore in FY 2021, is India's largest selling wine by value. Shiraz Cabernet is the top selling wine in domestic 100 per cent. grape wine market from 2016. Sula Shiraz Cabernet, Sula Chenin Blanc, Sula Zinfandel Rosé and Sula Brut are India's best-selling red, white, rosé and sparkling wines, respectively, for FY 2021. Sula

Vineyards also has the competitive advantage of a strong distribution network, which has helped it launch seven labels under its brands The Source, RASA and Dindori, in the last five Financial Years, which have all been in the elite category and together were able to acquire a market share of 9 per cent. in the elite category by the end of FY 2021.

Fratelli wines is the second largest player in the Indian domestic wine market; it grew by an annual growth rate of 31 per cent. for the period between FY 2015 and FY 2020, which is almost double the industry growth rate. It has presence across all price segments and wine categories in the Indian wine market. It also has international awards for its range of Indian wines.

Grover Zampa vineyards is the oldest wine company out of the top three wine companies, with operations started in 1992 and the launch of its first wine in 1998. Grover Zampa has recently been quite active with collaboration with international wineries in Burgundy, France and launches of wines from the same winery. It has also bought over Four Seasons wine and Charosa wines to bolster its presence with access to captive production units and vineyards.

Segment-wise Presence of Key Wine Players in domestic 100 per cent. grapes wine market

		Count of labels[1]		
Wine Segments	**Price Range**	**Sula Vineyards**	**Grover Zampa**	**Fratelli**
Elite..	INR 950 +	21	12	8
Premium...	INR 700-950	13	13	11
Economy	INR 400-700	13	8	4
Popular...	< INR 400	9	2	3

(Source: Primary research, Technopak Analysis)

Note:

(1) Data as of December 2021.

Category-wise Presence of Key Wine Players in domestic 100 per cent. grapes wine market

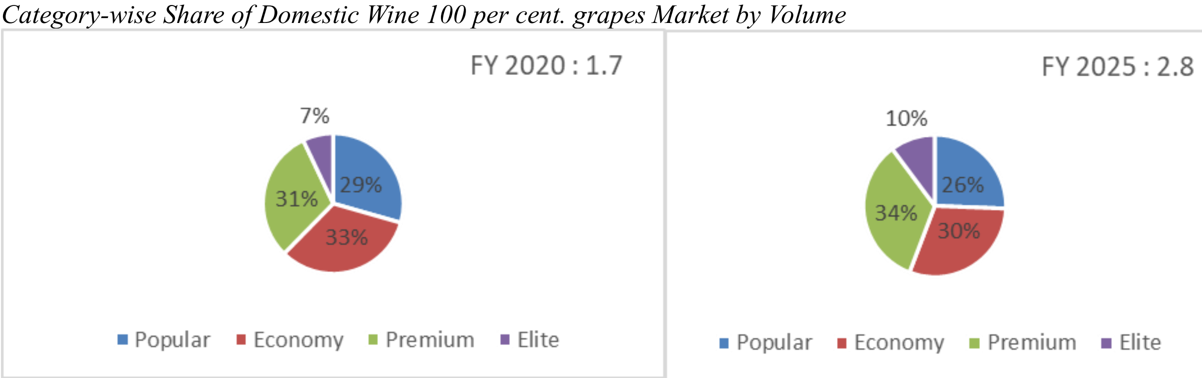
	Count of labels[1]		
Wine Segments	**Sula Vineyards**	**Grover Zampa**	**Fratelli**
Red	22	14	12
White	19	15	9
Sparkling	10	4	3
Rosé	5	2	2

(Source: Primary research, Technopak Analysis)

Note:

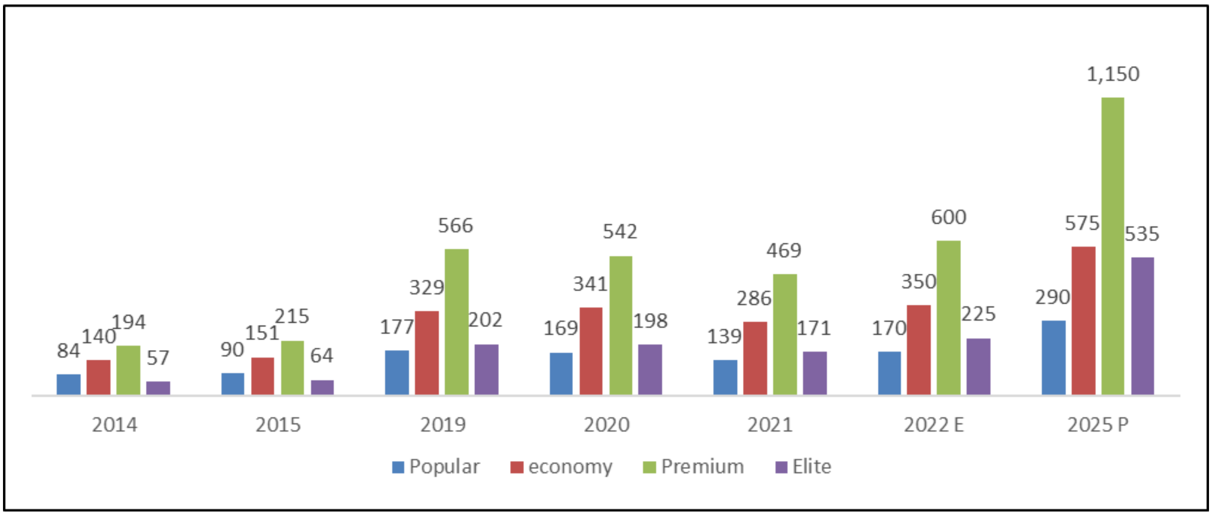
(1) Data as of December 2021.

Category-wise Share of Domestic Wine 100 per cent. grapes Market by Volume



(Source: Technopak Analysis)

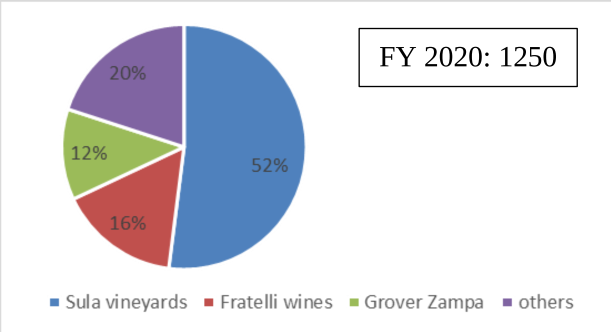
Category-wise Share of Domestic Wine 100 per cent. grapes Market by Value in INR Crore

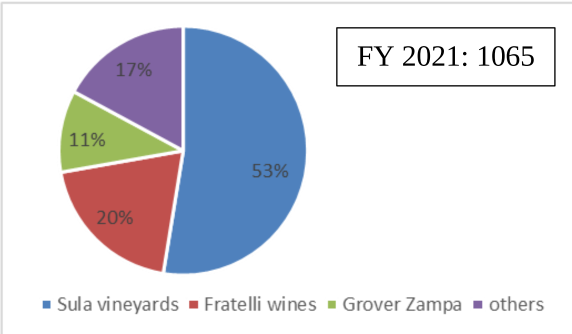


(Source: Secondary research, Technopak Analysis)

CAGR	2014-19	2022-25
Popular	16.1%	19.5%
Economy	18.7%	18.0%
Premium	23.9%	24.2%
Elite	28.8%	33.5%

Indian domestic 100 per cent. grapes wine Industry (Total market size INR Crore)





(Source: Annual reports, Technopak Analysis)

Key Players in Indian Wine Market

Key Players	Own Labels	No. of Labels
Sula Vineyards Pvt. Ltd.	Rasa, The Source, Dindori Reserve, Madera, Dia, Sula Classics, Satori	56
Fratelli Wines	J'Noon, JCB, Sette, MS, Fratelli	26
Grover Zampa Pvt. Ltd.	Insignia, Vendanges Tardvies, Chene, Soiree, Auriga, Vijay Amritraj	35

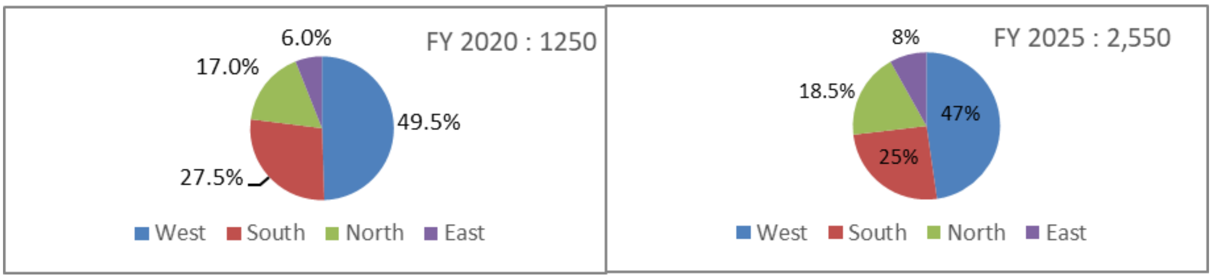
(Source: Primary Research, Technopak Analysis)

Indian wine market concentrated in top two wine-producing states and top three cities in the country and set to grow in new markets

The top wine-producing states, Maharashtra and Karnataka, are the top consuming states, contributing close to 57 per cent. of the overall market. The pecking order of different regions has remained unchanged with the share of West India being the highest through the years, followed by South and North. In the northern region, people drink wine mainly in Delhi and satellite towns of Delhi. East has the lowest penetration when compared to other regions, but it is showing a positive trend in the last five years.

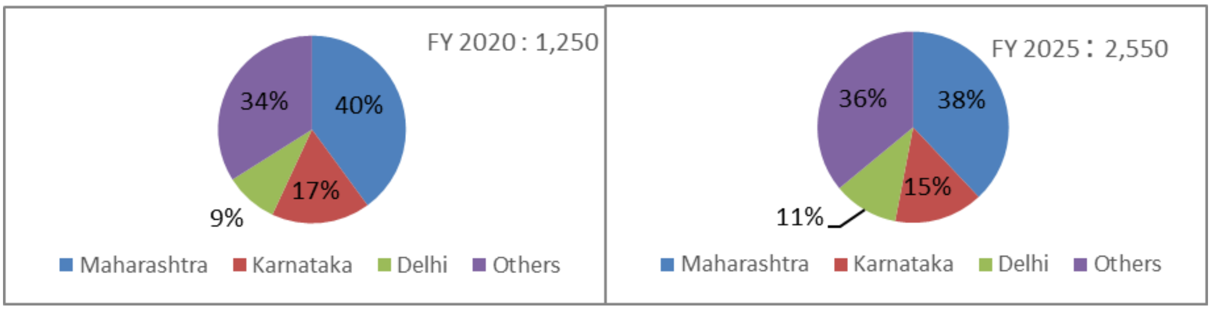
Wine consumption gets its majority of consumers from the top urban centers in the country, with Mumbai, Bengaluru, Delhi NCR, Pune and Hyderabad contributing more than 70 per cent. of the overall market. The low penetration of wines in India and concentrated nature of the market is a big opportunity to grow the market in new territories.

Region-wise Share of Domestic 100 per cent. grapes wines (value in INR Crore)



(Source: Technopak Analysis)

Region-wise Share of Domestic 100 per cent. grapes wines (value in INR Crore)



(Source: Technopak Analysis)

Wine market in India has the potential to grow from Metros to Tier 1 cities of the country

The opportunity for sale of wines in India has been concentrated in top cities thus far. It needs more exploration in tier 1 cities and penetration in metro cities, given the low penetration of wines in India**.** Metro cities will continue to be the top driver for wine sales in the country for the next five years. More opportunity will come up in tier 1 cities as awareness of wines increases and new customers are recruited to the category. Wine companies need to invest in their distribution and marketing to drive recruitment of new customers to the category.
The top three players in the domestic wine market dominate the major wine markets of India. Sula Vineyards, with a dominant share of 60 per cent. in Maharashtra, 45 per cent. in Karnataka and 40 per cent. in Delhi by value in FY 2020, has a strong presence in each of the key markets. Sula Vineyards is followed by Fratelli, which in a short span of 10 years has overtaken Grover Zampa to become the second largest player in each of the three markets highlighted above.

As demand for wines in urban and semi-urban areas of India is already on the rise, the top wine companies in India, led by Sula Vineyards with its extensive experience, tailored specific capabilities across product development, marketing, technology, supply chain, fulfillment, and consumer service, sought to create a differentiated ecosystem for consumers.

The Indian wine market has the potential of transitioning from non-native small market to a large consumption market

Wine making and wine consumption in the native markets (France, Italy, and Spain) are an integral part of the society, food, and cultural practices for centuries.

For the non-native markets, including China, India, the UK, and the USA which are non-native markets, wine consumption has not been an integral part of the culture and society on a wide scale. The U.S. and the UK were non-native markets and then changed to native markets with the prevalence of local wine regions and players as markets evolve faster when there is a domestic industry of players. The development of wine, therefore, needs support both for its production and adoption. For instance, for California, migration from Europe to America enabled the transition of culture, practices, and techniques for the growth and the development of the wine industry in the USA. Wines in these regions emerged as both niche and mass and so did the grape varieties and variations.

The Indian market needed similar support across the value chain and early wine production companies like

Chateau Indage, Sula Vineyards, and Grover Zampa took upon themselves this role of growing both wine consumption and wine production in a non-native market. These companies grew both in stature and size and emerged as dominant players in the domestic wine industry. However, Chateau Indage had to liquidate its assets and stop production in 2010.

This journey of two decades of the current top three players is signified by investment in brand, distribution structure and market reach on the one hand and in expanded acreage for wine grapes with deeper farmer connection through contract farming, wine production improvements and product innovation and refinement on the other.

Since the launch of its first wines in 2000, Sula Vineyards has redefined the production and distribution of wine in India, being instrumental in laying the bedrock for the growth of the local wine industry in India. There are significant entry barriers for new players in the wine market, which is reflected in the consolidated market structure of the wine market in India in favor of the top three brands. This is unique, signifying India's non-native market development attribute. Countries with a strong local wine industry, such as in the case of China, have seen a significant growth in the per capita consumption of wine, with per capita wine consumption increasing from 170 milliliters in CY 1980 to over 1 liter in CY 2000.

Wine Market comparison India vs China (by volume) CY 20

Country	Count of top Companies	Share in wine market
China	3 (Changyu/Great Wall Winery/Silver Heights)	~8%
India[1]	3 (Sula/Grover/Fratelli)	~80%

(Source: Technopak Analysis)

Note:

(1) Domestic 100% grape wine market.

Evolution of Chinese Wine Market provides Insights to Opportunity in Indian wine market

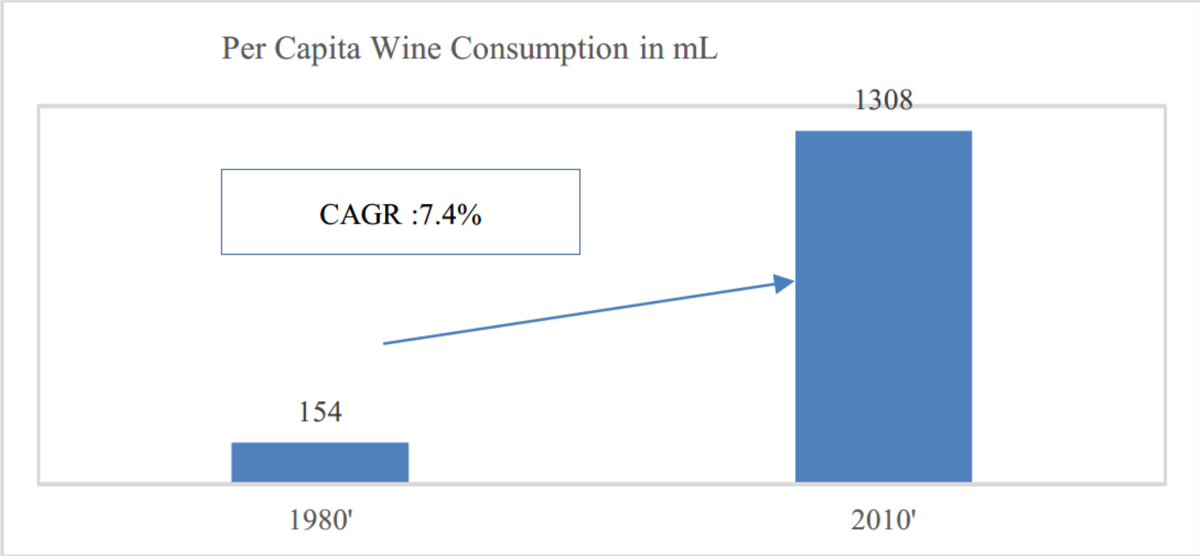
The Chinese wine market has evolved from a non-native market to one of the largest wine-consuming markets in the world. China consumes more red wine than France. Though China has been the largest table grape producer in the world, wine production and consumption was low until the 1980s. However, economic tailwinds, along with perceived health benefits of wine and a positive push from the government, have ensured that China is one of the largest producers, importers, and consumers of wine in the world.

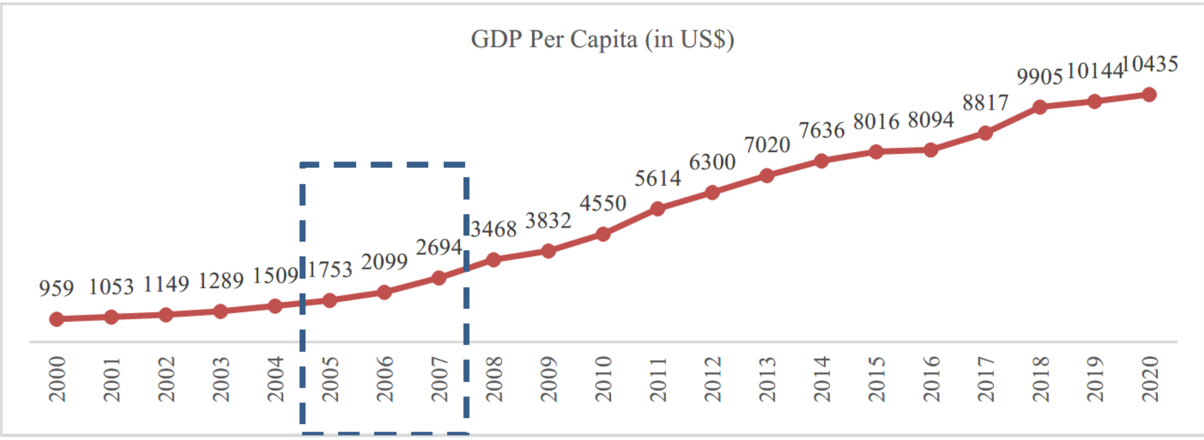
Growth in GDP is directly correlated to growth of wines

Consumption of wine in India is low as compared to the Chinese market. The Chinese wine market moved from a per capita consumption of 154 ml to 1,308 ml in a 30-year period from 1980 to 2010. As the economy grew at a CAGR of 12 per cent. to cross USD 6 trillion, Chinese per capita wine consumption exceeded more than 1 liter. Growth of economy led to growth of the hospitality sector, with the prominence of wine in gifting and banquets. Key influencers promoted perceived health benefits of wine, which led to a further increase in consumption of wine in the country.

India's wine market is at its inflection point, with similar GDP per capita to China between 2005 and 2007. China followed a high-growth path as per capita income surpassed USD 2,000. It is expected that a similar trend will be followed in India as GDP per capita crosses the USD 2,000 level between CY 2019 and CY 2024. The Indian wine market has the potential to take a similar trajectory, as the Indian economy is projected to a sustained growth period and other factors including increasing awareness of perceived health benefits of wines get popular.

Trending of Per capita wine consumption and Per capita GDP in China



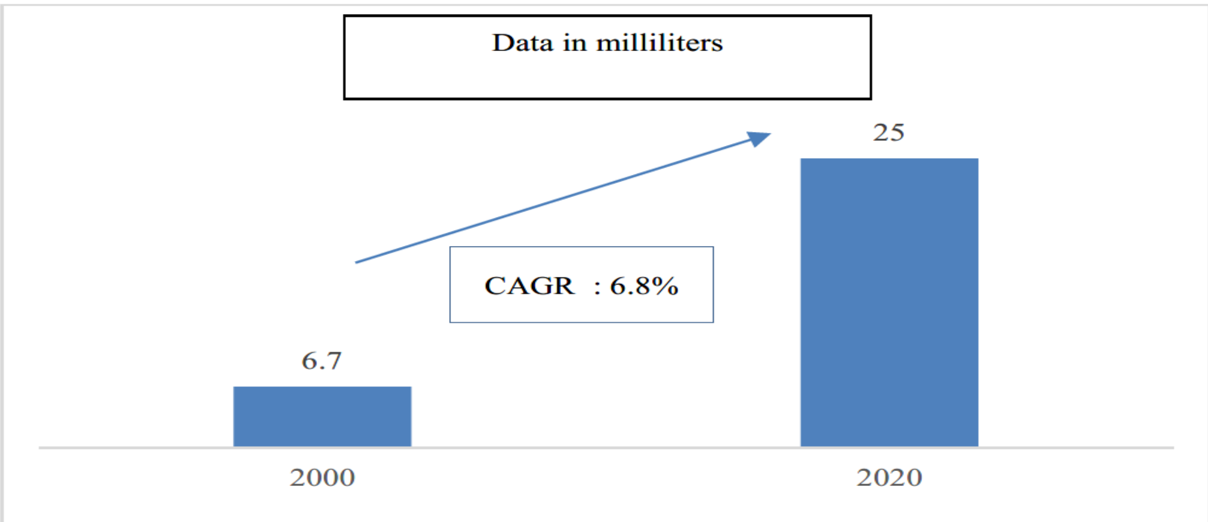


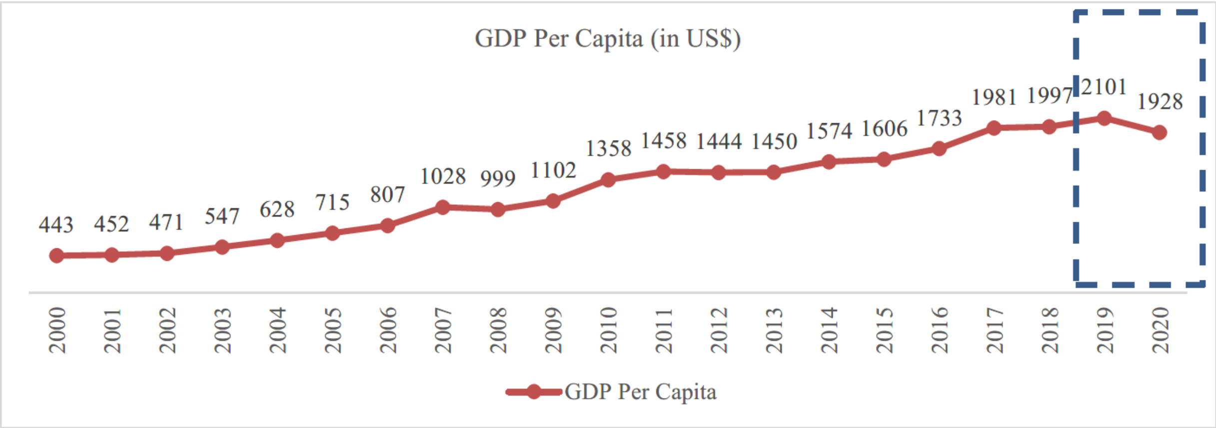
(Source: Technopak Analysis)

Note:

(1) Wine data projected from WHO, GDP from World Bank.

Trend of Per capita wine consumption and per capita GDP in India





(Source: Technopak Analysis)

Note:

(1) Wine data projected from WHO, GDP from World Bank.

High production of grapes in China is a critical factor in rise in consumption of wine

China is the world's largest producer of grapes and rising demand for wine led to progressive conversion of table grapes to wine grapes which is more than 20 per cent.. India is the second largest table grape producer, behind China. Wine grapes constitute close to 2 per cent. of total grape production in India, there is a ready base of grape production to serve the rising demand for wines.

Vineyard Area, Grape Production and Wine Production

Country	**2000**			**2019**		
	Vineyard (ha)	**Grape Production (Mn tons)**	**Wine Production ('000 hectoliters)**	**Vineyard (ha)**	**Grape Production (Mn tons)**	**Wine Production ('000 hectoliters)**
China	3,00,000	3.2	10,500	7,80,665	14.3	7,824
India	43,000	1.1	18	1,50,500	3.0`	180

(Source: Technopak Analysis)

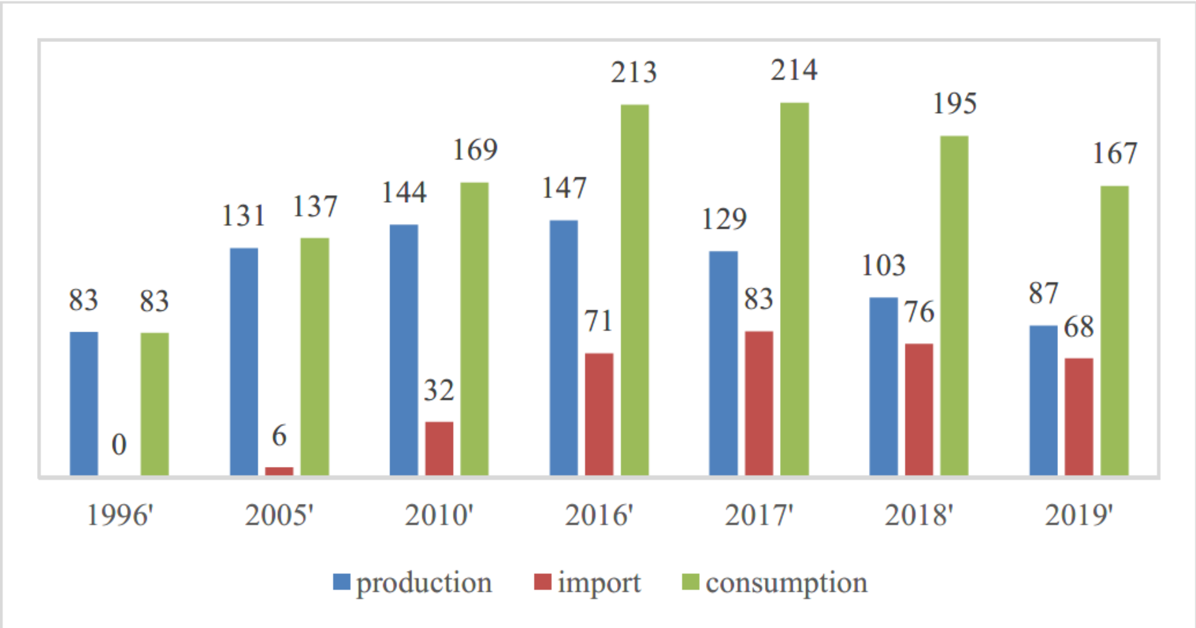
Note:

(1) Data projected from OIV country profile.

Leading Brands playing the role of Category Creators

The Chinese wine market has benefited from the presence of strong wine brands which helped grow the market with investment in trade and innovation across the value chain. Domestic wine players like Changyu, Great Wall Winery and Silver Heights played an important role in growing the market with investment both in local wines and imported wines. State-owned company ASC Fine Wines also invested in the importing of wines, which ensured that the increasing demand was met as well as the market expanded. The Indian wine market today is led by Sula Vineyards, followed by Grover Zampa and Fratelli Wines. Sula Vineyards in FY 2019 became the only winery in Asia other than China to sell more than a million cases of domestically produced wines. Domestic wine companies in India are investing in the value chain, including upstream and downstream operations, to ensure that wines get prominence in the alco-beverage market in India and economic growth and prosperity is leveraged to grow the market.

Key trends in wine market in China (value in million cases)



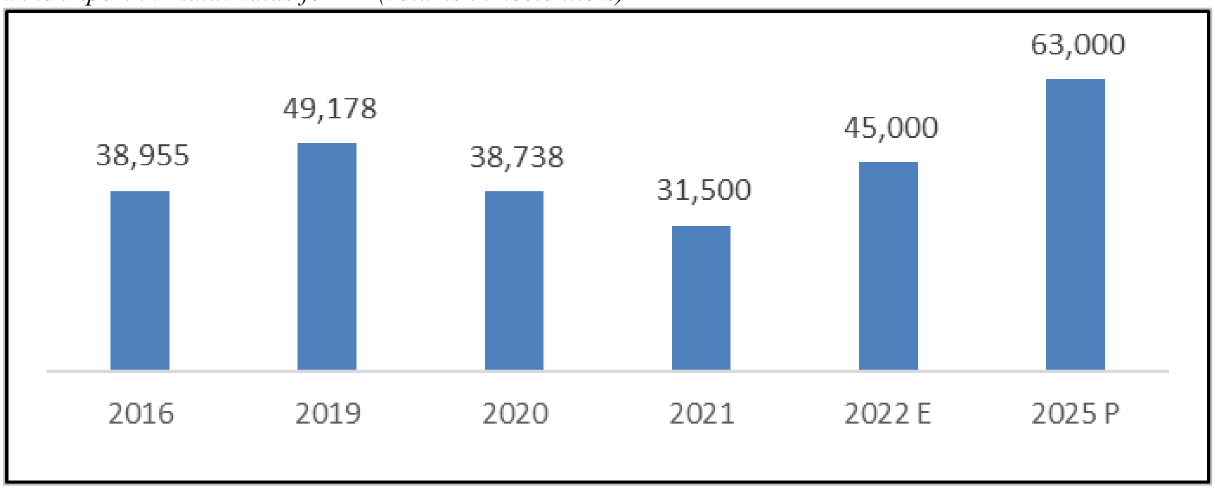
(Source: OIV, Secondary research, Technopak Analysis)

Imported Wines

Imported wines continue to play a critical role in the Indian wine market

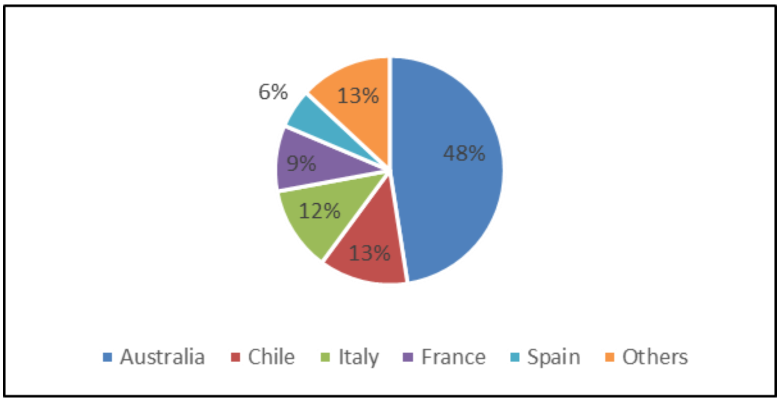
Imported wines continue to play an important role in the Indian wine market, with a share of close to 17.6 per cent. by volume in FY 2022 and projected at 18 per cent. in FY 2025. The Indian wine market in the period from 1996 to 2020 has transformed from 100 per cent. contribution of imported wines to close to 17.6 per cent. in FY 2022. Australia is the leading country of import for India in volume terms, with close to 40 per cent. of share. However, France is a close second to Australia in contribution to import by value. Imported wines face high import duties as well as freight and logistic barriers that render them much more expensive relative to locally produced wines.

Wine import in India: value for FY (volume in hecto liters)



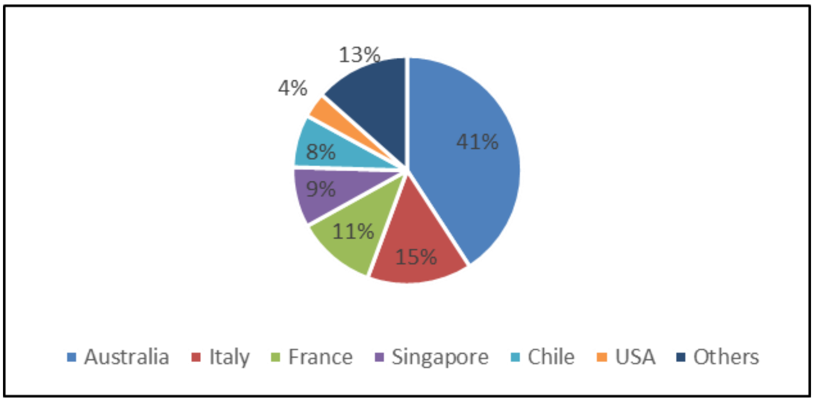
(Source: Technopak Analysis)

Wine Import by countries into India FY 2022 (Total volume: 45,000 hecto liters)



(Source: ITC trade map, OIV, Technopak Analysis)

Wine Import into India FY 2022 (Total value – 23.5 USD million)



(Source: ITC trade map, OIV, Technopak Analysis)

Note:

(1) Import value only for CIF value.

Key Factors Driving Growth of the Wine Market in India

Growing income levels and rapid urbanization leading to premiumization of alco-beverages

A rise in disposable income is leading to consumers upgrading their preferences. Rapid urbanization is also leading to a surge in aspirational values of people, leading to higher consumption of premium alco-beverages, especially wines.

Growing awareness about wines

The increase in the number of Indians traveling abroad is also leading to an upgrade towards Premium segments, especially wines in the alco-beverage market. The emergence of novel food and beverage formats is also increasing awareness of wines. The trend is further being amplified by the rising influence of social media on millennials and by rising aspirations.

Wider appeal across consumer demographics

Globally, the appeal of wine has been gender- and age-neutral. Similar positioning of wine has enabled the market development for wines in India, particularly among women, and has supported its growth since 2000. The popularity of wine has grown across age groups and gender types. This is different than hard spirits like whiskey that skew towards men.

Popularity of wine among women

Female consumers have equal say in the purchase of wines, whereas participation of women in the purchase of other alco-beverages is very low. The rising participation of women in the workforce is driving the growth of alco-beverages, led by wines.

From Binge to Discerning

Alcohol consumption in the popular imagination is centered around drinking for the purpose of getting a high and, for the significant market driven by hard liquor, that continues to be the case. However, the growth of wine also manifests the development of the consumer class that appreciates liquor as a discerning choice for taste.

Growing Perception of Health Benefits

A growing awareness of perceived health benefits from consuming wine is driving growth of the wine market in India. A segment of wine consumers has a disposition towards healthy living and these consumers therefore appreciate wine for its healthier connotations over other types of liquor.

On-the-go consumption of Digital Media

The growth of OTT (over the top) platforms has enabled digital media to proliferate content to the target consumer that showcases wine as a discerning choice. Product placement of wine in popular and vernacular shows (Mirzapur, Four More Shots Please!, The Good Wife, etc.) and in specialist shows on food, culinary and living (Masterchef, Discovery Channel, etc.) has created a pull for wine in India.

Increase in home consumption

Over the years, wine has become a regular category to stock and consume at home. This is witnessed through the growth of retailing options like direct to home delivery that is patronized by the consumer segments for purchase and delivery of wines at home (in applicable locations). Developing regulations allowing retailing through digital apps, websites and phone ordering will further help the market grow. Wine at home is consumed both on regular occasions like get-togethers with friends or family and celebrations like weddings or birthdays.

Growth of wine tourism

The growing popularity of wine tourism is driving new customer recruitment for wines. During a visit to a vineyard, customers are acquainted with the complete chain of activity leading to the making of wine. Active participation and first-hand experience lead to intimate long-term association with wines. Wine tourism has also led to emergence of a strong customer base through the D2C channel which is unique to wine category in India.

Favorable Regulations around wine processing and retailing

Favorable regulations treating wines as unique and separate from other alco-beverages is one of the key drivers of wines. Favorable regulations in Maharashtra and Karnataka have played a key role in the growth of the domestic wine industry in India. The new wine policy of Maharashtra, which proposes allowing the sale of wine through regular supermarkets, could be a game-changer for the Indian domestic wine industry. New excise policies in Delhi and Uttar Pradesh have taken initiatives to treat wines as a unique category of alco beverage industry.

Key Factors Inhibiting Growth of the Wine Market in India

Spirits remain the top choice, even for the affluent customer

Indian consumers' idea of deriving pleasure from an alcoholic drink is primarily about getting a high but, even for people who see it as an experience, wine has not caught on as the preferred drink. A large part of the affluent class may try wine, but wine loyalists are limited. They will have it only occasionally and stick with either whisky or rum or cocktails for regular consumption.

Limited understanding of wines

Education about wine is at an early stage and selecting wine is a key challenge for consumers in India. Many consumers with limited understanding of wines feel intimidated about buying wine and feel they should be knowledgeable enough to pick up a bottle at a retail outlet.

Pricing remains a challenge

Pricing of wine ensures that it remains a niche category as customers in India prefer to buy spirits for the same rate as premium wine.

Handling and storage of wines

Wines need to be stored in a controlled temperature environment as exposure to heat may lead to spoilage. The trade structures in India are still evolving to take care of this special requirement of wines vis-à-vis other alco-beverage categories.

Analysis of the value-chain and the ecosystem of the industry

India is the fastest growing country in grape production with the seventh highest production in CY 2020. It has more than 140,000 hectares of grape farms, which is the 12th largest in the world, ahead of key wine-producing countries including Australia and South Africa. However, less than 2 per cent. of grape farms are cultivating wine grapes and close to 1 per cent. of grape production comprises wine grapes. The Indian grape industry is primarily about table grapes, with 85 per cent. of grapes being consumed fresh and the remainder used in drying or crushed for juices. India's total grape production in FY 2020 was 3.1 million metric tons as per advanced estimated by agriculture ministry.

Role of vineyards in India and their evolution in the last decade

Vineyards help provide a regular source of income to the farmers through contracts with wineries. Smaller wineries and farmers supply wine and grapes to larger wineries through long-term (5-10 years) contracts, as it assures them payment at the end of every season in contrast to other horticultural crops. The sector has witnessed significant consolidation in the last few years where large wineries have acquired small ones in other states to overcome the differential taxation policy among states. Small wineries are also choosing to supply grapes to the more commercially viable wineries that can provide the support of marketing and branding of their products. The growth potential of smaller wineries is constrained by limited capital availability, tight liquidity, and the lack of national distribution. Planting a vineyard in India, on an average, requires a minimum commitment of 15 years by the grower. Given the long lead time to develop vineyards, it can be difficult for new entrants to venture into to the Indian wine industry and secure a consistent and steady supply source for wine grapes.

Sula Vineyards, which started its operation in 1998, occupies ~50 per cent. of total land under cultivation for wine grapes as of FY 2021, making it the biggest player in terms of acreage under cultivation. Sula Vineyards is followed by Grover Zampa Vineyards, located in Nandi Hills, Bangaluru.

Vineyard Details

Vineyard	Area under cultivation (in acres)	Year of Commencement	Region(s)
Sula Vineyards	2,521(1)	1998	Nashik, Maharashtra
Fratelli Wines	240	2007	Sholapur, Maharashtra
Grover Vineyards Limited	>410 acres	1988	Nashik, Maharashtra; Nandi Hills, Karnataka

(Source: Technopak Analysis)

Note:

(1) Updated as on June 30, 2022.

Barriers to Entry into the Indian Wine Market

Indian wine market is concentrated with top three players dominating the market. Wine market in India will remain concentrated with high barriers to entry due to the nature of the product in addition to the trade barriers prevalent in the alco beverage market. Wine making involves investment of capital and time in development of vineyard, investment in relationship with farmers and development of expertise in wine making. In addition to that an annual harvest unlike other alco beverages which are not dependent a harvest cycle elevates the demanding nature of the wine making and wine selling business.

The unique attributes of wine business on the supply side include an annual harvesting season, wine production, storage and ageing period leading to a high inventory business model as compared to other alco-beverages. Unlike other alco-beverages, wine industry has only one raw material production cycle in a year - usually from December to March in Nashik region, Maharashtra. Wine production starts with the harvesting season in December and continues till April. Wine storage and ageing happens throughout the year. Due to the perishable nature of the product, and having only one harvesting season in a year, Inventory for the full year is effectively build up in just four months (December to March) resulting in high year-end inventory. The inventory levels go down from April onwards as sales pick up and there is no new stock of grape coming in. The perishable nature of grapes and one harvest season effectively increases the capital expenditure of the wine makers and limits its opportunity to use its assets as in case of other alco-beverages like beer and spirits. A wine manufacturer can make only one liter of wine from one liter capacity in a season whereas in case of beer and spirits the production cycle can be repeated multiple times a month leading to higher capacity turnover.

In addition, the demand side factors including high seasonality skewed towards the festive season from October onwards which peaks in December and then drops at the start of January to remain close to flat till the end of financial year. Among all four quarters, the third quarter has the highest sales followed by the fourth quarter or the second quarter and then the first quarter. These factors increase the capex and working capital requirement for wines as compared to other alco-beverages. Any new brand may take time to be recognized and earn the trust of the consumers.

Long gestation period for maturing of vineyard

The wine value chain process is very long and may take a couple of years before the wine is ready to be bottled. The grape vines, once planted, will require a minimum of two years to mature and during this period the vines will require intense care. Post-harvest, it takes up to two years to manufacture authentic wine. The economic life cycle of a vineyard in India is typically 15 to 20 years with a relatively long gestation period (of approximately two years) associated with its setting up. The long gestation period from initiation to final product creates an entry barrier for new players.

Close association/tie-ups needed for cultivation

Grapes required for making wine require a lot of hard work on the part of farmers, who must spend many years waiting for first harvest. The entire process requires a number of steps, including grape site preparation, a long period of grape production, then wine production, logistics and marketing and distribution. The integration of value chain is required, which has been achieved by already established players, both in terms of scale and value. Long-term contracts are signed between wineries and the farmers with a typical term of 12 years to ensure remuneration for the farmers. It will be difficult for new players to achieve such scale and backward integration as accomplished by existing players such as Sula Vineyards, Fratelli and Grover Zampa.

Fragmented distribution chain

Each state is free to decide its own alcohol policy including procurement, pricing, distribution and restricted use of alcohol or complete ban. This creates a fragmented approach towards the alcohol market and fragments the distribution chain, and regional distribution comes into play. The On-Trade market also has different policies varying from state to state. The ever-changing alcohol policies within the country and different states and the heterogeneity make it difficult to set up standard operating procedures by brands. There is also a substantial exclusivity that is being enjoyed by existing brands, depicted by the concentration of the market among the top three players.

Winemaking expertise

Winemaking requires expertise in all forms – from identifying correct soil and the type of grapes to be grown on that area of land, the grape quality, quality of wine manufactured and expertise in marketing the product. This comes with experience as well as passion in the industry. Making wine also requires the help of an enologist who is an expert in the science and art of making wine. It therefore creates a barrier for new entrants to establish their presence due to the presence of experienced large players in the industry with large areas of land under cultivation and profitable wine tourism businesses.

Regulatory Barrier

There exist fragmented state-wide policies for alcohol across the country with differing freedoms and restrictions accorded by the state governments. This makes it difficult to constantly keep track of the pricing, labels, production method, excise, etc. Complex and differing regulations in each state applicable to the production and sale of alcoholic beverages require extensive compliance, gives an advantage to the for the bigger players and brands. Furthermore, both direct and indirect advertising of alcohol is prohibited, and it can be advertised only at point of sale (POS) and new brands may generally take time to be recognized and earn the trust of the consumers.

Emerging growth opportunities for Indian Wine brands

Growth in Wine Tourism

Wine tourism is increasingly becoming an important adjunct in terms of attracting new customers as well as a source of revenue generation. Wine tourism brings to the fore all activities in wine making from planting grapes to selling wine. This is becoming an established industry in the top wine-producing countries in the world.

In India, Sula Vineyards established the first wine tasting room in India in 2005, marking the initiation of wine tourism in India. The consumers who come to the vineyards for day-visits and/or for overnight stays can also get an in-depth knowledge of the process of tasting wines, savoring them with food and understanding the process of both winemaking and tasting. Sula Vineyards also pioneered in starting an annual music festival "SulaFest" in 2008, involving a two-day celebration of wine, music, and food in Nashik, Maharashtra. This festival is widely sought after, with more than 10,000 people in attendance in 2020. A lot of "first-time" wine tasting is done in vineyards, thus establishing the importance of wine tourism. It also helps build a loyal consumer base given the quality of their wines. "SulaFest" is the first and the largest wine music festival in India.

Direct to consumer ("**D2C**") channel also aids revenue generation for companies selling wine. Sula Vineyards, with its prominence in wine tourism, has a strong presence in this D2C segment with highest sales in the D2C segment through its wineries at Nashik, Maharashtra and Bengaluru, Karnataka.

Close to 3,68,000 people visited Sula Vineyards in FY 2020 which would make it one of most visited vineyards in the world. This gives it the advantage of introducing wines to a large set of new customers. Other prominent wineries including Fratelli, and Grover Zampa also have a dedicated wine tourism wing to promote wines. Both Karnataka and Maharashtra state governments have put in place incentives to drive wine tourism.

Wine tourism (visitors in top wine markets CY 2020)

Country	**Number of visitors[(1)] (In Mn)**
USA	22-23
France	10-12
Italy	5-7
Spain	2.5-3
Australia	5-7

(Source: Technopak Analysis)

Note:

(1) Estimates.

Wine tourism activities in different vineyards in India

Offering in Wine Tourism	**Sula Vineyards**	**Fratelli Wines**	**Grover Zampa Vineyards**	**Chandon India**
Start of Wine Tourism	2008	n.a.	n.a.	2016
Footfall in FY 2020	~3,68,000	n.a.	n.a.	n.a.
Tour	✓	✓	✓	✓
Tasting	✓	✓	✓	✓
Grape Stomping	✓	—	✓	—
Dining	✓	✓	✓	✓
Restaurant	✓	✓	✓	—
Bottle Shop	✓	✓	✓	✓
Music Festival	✓	—	✓	—
Hotel/Resort	✓	✓	—	—

(Source: Technopak Analysis)

Note:

(1) n.a. implies Not Available.

Innovation across value chain in wine making

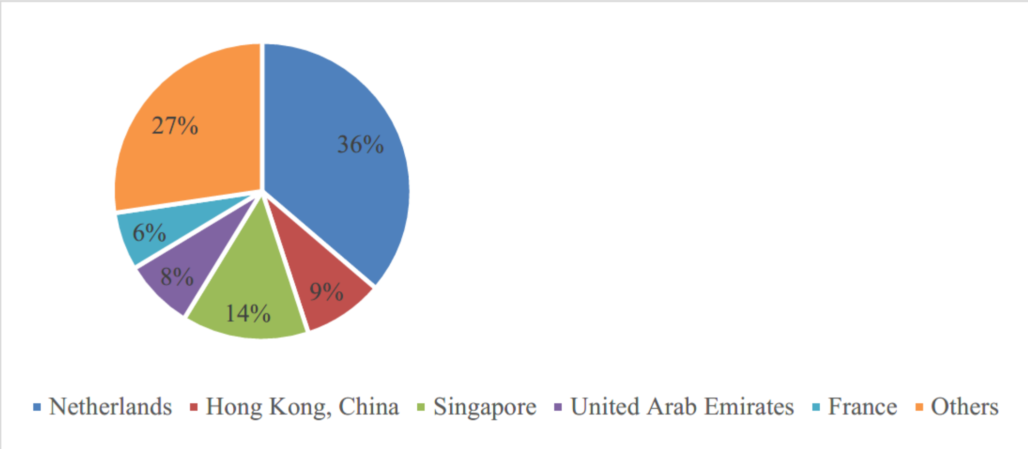
Indian wine makers need to be up to date with the technological and product innovations happening around the world. For example, Sula Vineyards and Good Drop Wine Cellars are the first to introduce the 'Charmat' method for producing sparkling wines in India, which enables a faster and more efficient production of wines. Sula Vineyards also introduced screwcap on wine bottles in 2006. Screw cap in place of cork ensures that wine is not spoilt due to leakage or cork taint. It has also helped retailers store higher quantity of wines. This is one of the important innovations which has helped the industry grow in India.

Sula Vineyards was the first to introduce a refrigerated stainless-steel winemaker which went on to revolutionize tropical winemaking. Sula Vineyards also introduced red-sparkling wine in the country and has also been the pioneer in introducing canned wine in 2020 under the brand Dia. Canned wine in India has the potential to build a new wine on-the-go segment. Aluminium cans, being lightweight, ensure that the wine cools down quickly using less energy, and it is easy to transport with larger volumes being transported in a single shipment, in turn reducing the carbon footprint. India's first bottled mulled wine was launched by Grover Zampa in December 2020 also blended with Indian kadha spices.

Exports

Exports of wine from India were estimated at INR 35.8 Cr in CY 2020 and accounted for less than 1 per cent. of exports from India. In CY 2019, India's share in the export of alcoholic beverages was 0.27 per cent. with a global rank of 32. A phased tariff reduction on intermediate products to manufacture alcohol will help boost the manufacture of alcohol and will help improve exports. However, with the right government policies, there is great potential for exports of wine from India.

Wine exports from India (FY 2020) (Total value – 7.6 USD million)



(Source: Technopak Analysis)

Industry Landscape Assessment of Wine Market in India

On-Trade and Off-Trade Channel

Prominence in On-Trade channel is going to drive sales in Off-Trade channel in wine category

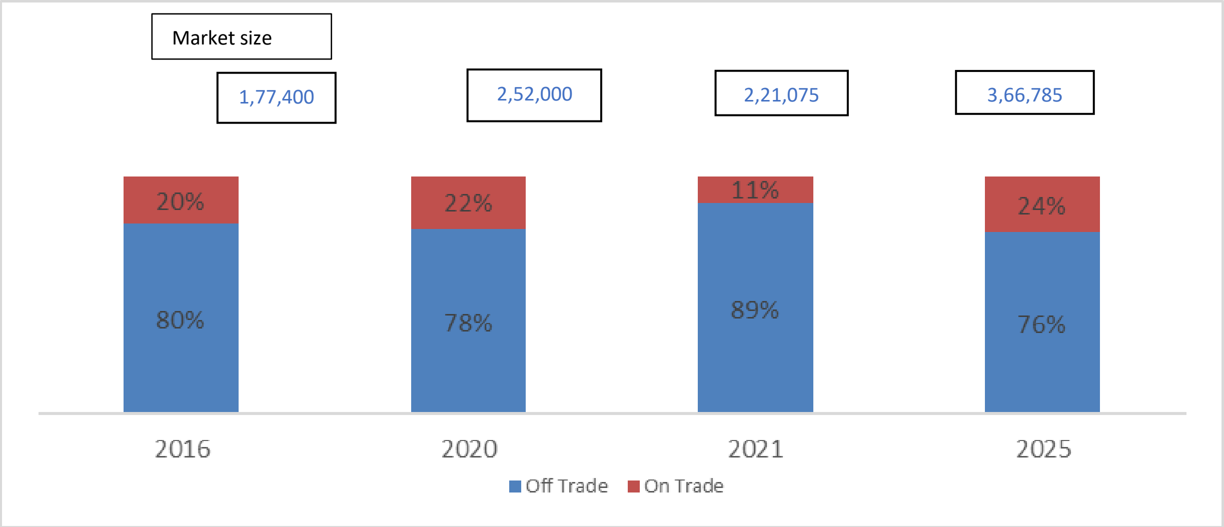
On-Trade sales for the alco-beverage industry refer to consumption at hotels, restaurants, and caterers ("**HoReCa**"). It is one of the key drivers of the alco-beverage industry in India as premiumization is one of the strongest themes in the industry. This is also in line with the transition of the industry towards experience rather than intoxication. On-Trade sales went down sharply in FY2021 as a majority of outlets were closed in the first half of the financial year. However, On-Trade sales are projected to contribute 25 per cent. of the total wine industry by FY 2025 as trends around premiumization and the food service sector in India continue to grow.
Alco-beverage segments have varying contributions from on-trade sales. It is highest in low concentration alco-beverages including beer and wines and lower in the spirits segment. This implies a correlation between premiumization and increasing share of On-Trade channel as spirits has the highest contribution to the value segment in the alco-beverage industry.

Prominence of On-Trade is more important for the wine segment as pairing of wine with food is one of the key drivers of wine sales. As penetration of wines is low in India, marketing activities through the On-Trade channel are key to the growth of the wine category. Prominence of On-Trade sales will continue to drive consumption of wines at home as consumers discover different types of wines and develop affinity towards them.

The wine industry in India is at a very nascent stage as compared to large markets like China or native markets like France and Italy. However, as wines get prominence in the On-Trade channel, more consumers experience this nascent category. This is the most important channel for the discovery of products as well as customer recruitment. Off-Trade sales are going to leverage the excitement created in the On-Trade channel and drive multifold growth in category size. Already Off-Trade sales are very high due to Covid-19 and this trend will be strengthened as people get used to drinking at home. Wine as a product category is becoming increasingly popular as a social drink for in-home consumption.

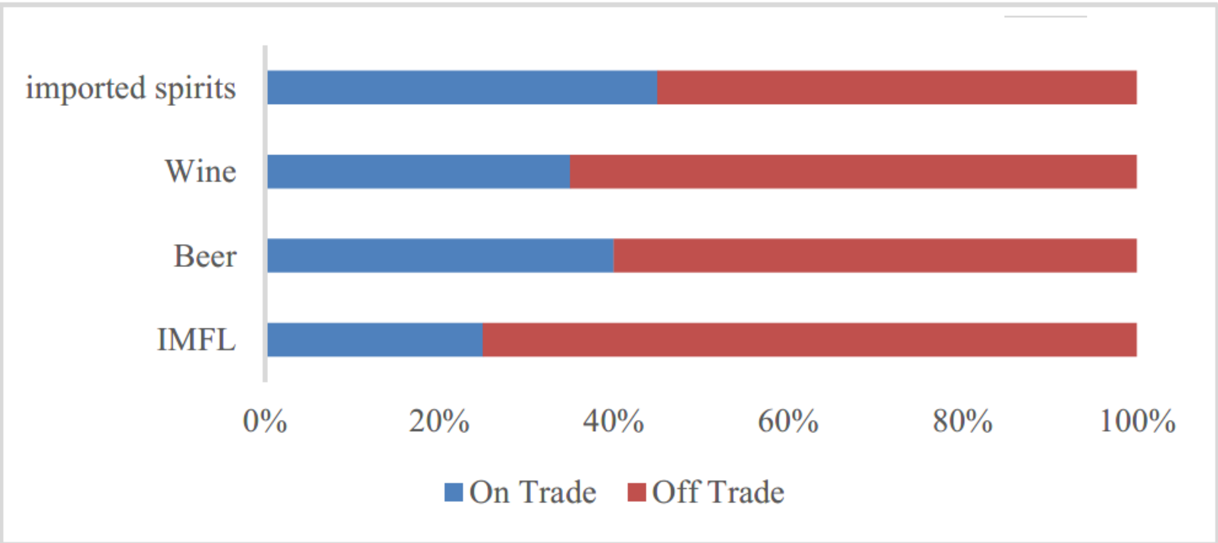
Sula Vineyards is the market leader in the On-Trade segment with more than 50 per cent. share in the On-Trade segment. Sula Vineyards was not only the leader in the on-trade channels, but also recorded the highest off-trade sales in the last three years with its off-trade sales contributing 74 per cent. of its total sales during Fiscal 2021 as compared to 60 per cent. in Fiscal 2020. Sula Vineyards services close to 8,000 hotels, restaurants and caterers (**HoReCa**) which also make it a leader among wine players in India.

On-Trade and Off-Trade sales of Indian Alco-beverage market (in INR Crore)



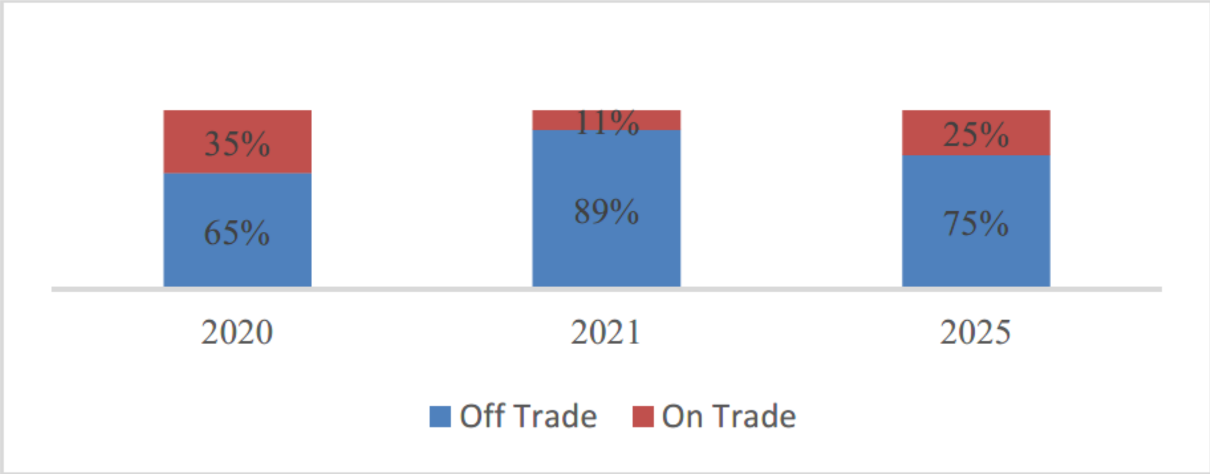
(Source: Primary Research, Technopak Analysis)

Segment wise trend: On-Trade vs Off-Trade sales (FY 2020)



(Source: Primary Research, Technopak Analysis)

On-Trade vs Off-Trade sales in wine category by Value



(Source: Primary Research, Technopak Analysis)

Key initiatives taken by players to boost the growth of wine market in India

Engaging with respective state governments on favorable wine policy

One of the key drivers of growth in wine is a regulatory policy which treats wine separately from other alcoholic beverages in the country. The keystone of such policy is the perceived health benefit of wines as against other alco-beverages and promotion of the domestic grapes industry and farmers associated with it. Key players in the industry have worked with respective state governments which has led to a favorable policy in the two major grape-producing and wine-consuming states in the country – Maharashtra and Karnataka. The industry has also been engaging with state governments for a lenient approach to distribution and taxation on wines including taxes on interstate movement.

Indian wines competing with international wines with growing range and improved quality of products

Wine players in India have a wide variety of wines ranging from still to sparkling. Wine players have put in extensive study and research in the area from selecting the appropriate land, to selecting what variety of seeds will be planted in which region. Indian wine companies have also collaborated with international wine developers to bring an authentic wine experience to India. The quality of Indian wine has also improved tremendously and is now comparable to international wines and international standards of wine making. Indian wines are now being exported to more than 30 countries. Companies like Sula Vineyards, followed by Fratelli, have also started selling wine in a can which makes for a more convenient experience.

Sula Vineyards was the first to introduce varietal wines in India starting in 2000, including Sauvignon Blanc, Chenin Blanc and others. It has taken the lead in developing the widest portfolio of wines in India. It has the widest portfolio of domestically produced 100 per cent. grape wines across red, white, rose, and sparkling wines in India. Sula Vineyards has been awarded multiple times by top international agencies for their high quality and innovative range of wines.

Indian wines winning international awards

Indian wine	Company	Award	Competition
Sula Brut Tropicale	Sula Vineyards	Gold	International Wine Challenge, 2022
RASA Cabernet Sauvignon	Sula Vineyards	Silver	The Global Cabernet Sauvignon Masters 2022
Late Harvest Chenin Blanc	Sula Vineyards	Silver	Decanter World Wine Awards, 2022
Dindori Reserve Viognier	Sula Vineyards	Silver	Decanter World Wine Awards, 2022
Sauvignon Blanc	Sula Vineyards	Silver	Decanter World Wine Awards, 2022
Tropicale Crémant de Nashik	Sula Vineyards	Silver	Decanter World Wine Awards,

Indian wine	Company	Award	Competition
Brut			2022
Chandon Brut	Moet Hennessy India	Silver	Decanter World Wine Awards, 2022
Shiraz-Cabernet	Sula Vineyards	Bronze	Decanter World Wine Awards, 2022
Rasa Syrah	Sula Vineyards	Bronze	Decanter World Wine Awards, 2022
Rasa Cabernet Sauvignon	Sula Vineyards	Bronze	Decanter World Wine Awards, 2022
Chandon Rosé	Moet Hennessy India	Bronze	Decanter World Wine Awards, 2022
Dindori Reserve Viognier	Sula Vineyards	Silver	Decanter World Wine Awards, 2020
Late Harvest Chenin Blanc	Sula Vineyards	Silver	Decanter World Wine Awards, 2020
Brut	Moet Hennessy India	Silver	Decanter World Wine Awards, 2020
Riesling	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
The Source Grenache Rosé	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
Dindori Reserve Chardonnay	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
Brut	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
Rāsā Syrah	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
Dindori Reserve Shiraz	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
Sauvignon Blanc	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
Rosé Brut	Moet Hennessy India	Bronze	Decanter World Wine Awards, 2020
The Source, Reserve Sauvignon Blanc	Sula Vineyards	Bronze	Decanter World Wine Awards, 2020
The Source Grenache Rosé 2019	Sula Vineyards	Diamond Best in Show	India Wine Awards, 2019
KRSMA Syrah 2017	KRSMA	Diamond Best in Show	India Wine Awards, 2019
Chêne Grand Réserve 2015	Grover Zampa	Diamond Best in Show	India Wine Awards, 2019
J'NOON Red 2017	Fratelli Wines	Diamond Best in Show	India Wine Awards, 2019
Reserva Syrah 2015	SDU Winery	Diamond Best in Show	India Wine Awards, 2019
MS White	Fratelli Wines	Gold	India Wine Awards, 2019
Soiree Brut	Grover Zampa	Gold	India Wine Awards, 2019
Rasa Zinfandel	Sula Vineyards	Gold	India Wine Awards, 2019
Chenin Blanc Reserve	Sula Vineyards	Gold	India Wine Awards, 2019
Sauvignon Blanc	Sula Vineyards	Gold	India Wine Awards, 2019
Rasa Cabernet Sauvignon	Sula Vineyards	Gold	India Wine Awards, 2019
M/S Rosé	Fratelli Wines	Gold	Sommelier wine Awards 2019, UK
Vijay Amritraj reserve collection Viognier	Grover Zampa	Gold	Decanter Asia Wine Awards (DAWA) 2019
Sauvignon Blanc	KRSMA	Silver	Decanter world wine awards,2015
Sauvignon Blanc	Sula Vineyards	Bronze	Decanter world wine awards,2014
Sauvignon Blanc	Sula Vineyards	Silver	Decanter world wine awards,2011

(Source: Technopak Analysis)

Note:

(1) The awards are not exhaustive.

Wine tourism is one of the key levers to customer recruitment

Wine tourism helps in boosting sales for the wineries. Consumers visit wineries for an all-round holistic experience and to witness and partake in the process of winemaking. Many people taste wine for the first time during their visit to the vineyards. Wine tourism provides direct engagement between the winemakers and consumers and helps the consumer create a connection with the brand. Sales are also largely dependent on building brand recognition by providing a unique experience. Consumers look for experiences in addition to eating and drinking, which led to a rise in winery restaurants and related activities in the vineyards like offering vineyard yoga, cycling among the vineyards, wine-and-food pairing sessions on location, classes about wine, etc. Sula Vineyards was the pioneer of wine tourism in the country and received a footfall of ~3,68,000 in FY 2020. All major wineries in India today offer facilities to visit their wineries. The services include a tasting room, stay and dine options and opportunities to buy wines directly from the winery.

Vineyard music festivals in India bringing attention to wines, with Sula Vineyards being the concept pioneer

Wine companies in the country are innovating to create more awareness about their brand as well as to increase footfall at their vineyards. One such concept pioneered by Sula Vineyards was the "SulaFest" which is a 2/3-day event that includes food, wines from Sula Vineyards as well as performances from various music artists and other events like fashion shows. The first SulaFest was held in the year 2008 and has since become one of the most sought-after events in the country. This also gives people an opportunity for wine tasting, visit tasting rooms and the wine cellar.

Grover Zampa started The Great Grover Wine festival. There is wine and food, performing artists, grape stomping, a wine appreciation workshop, flea market and art gallery visits in the itinerary. Such high level of consumer engagement creates wide brand awareness.

Wine and dine is going to drive penetration of wine category in India

Fine dining restaurants in India are the fertile grounds for recruiting consumers to wine consumption. Various wine companies collaborate with top restaurants in India to provide a complete guide on pairing food with wine. These include exclusive limited period events with leading chefs engaging with consumers. Chefs and managers carefully pick and complement wines with the dishes and interact with guests with a presentation for each course and to explain the flavors. This helps to increase awareness of pairing of different types of cuisines/food with different kinds of wines.

Sustainability a growing theme in vineyards

Sustainable wine making practices aim to have a process that protects the environment, supports social responsibility, minimizes wastage, and maintains economic feasibility. "Green Sula" is an initiative undertaken by Sula Vineyards to make their vineyards eco-friendlier as well as more cost-effective. Some of the initiatives include promotion of renewable energy with close to 60 per cent. of energy requirement fulfilled by solar, efficient water harvesting systems and recycling of packaging and solid waste management.

Key initiatives taken to boost grape acreage and manufacturing capacity

Farmers in India are moving from table grapes to wine grapes with the growing popularity of wines. Farmers are moving from Thomson Seedless and Bengaluru Blue variants to popular wine variants including Chenin Blanc and Cabernet Sauvignon. Wine grapes are more profitable to farmers as compared to table grapes as per quintal returns are higher. The returns are normally guaranteed by wineries through long-term contracts for 8 to 10 years which is not the case with table grapes which are mainly traded through APMC markets.

Wine acreage in India is growing with expansion being carried out by the market leaders as well as new wineries being set up. Sula Vineyards has access to close to 2600 acres of vineyards as of December 2021, which is significantly higher than the next two wine producers in India including Fratelli wines and Grover Zampa vineyards.

Top Indian players land acreage (in acres)

Company	Acreage						
	2006	2010	2015	2019	2020	2021	2022
Sula Vineyards	~1,500	~1,800	~2,000	~2,650	~2,800	~2,600	~2,521*
Fratelli Wines	80	240	240	240	240	240	240
Grover Zampa Vineyards	~410	~410	~410	~460	~460	~460	~460

(Source: Primary Research, Technopak Analysis)

**As at 30 June 2022*

Top wine players in the country have also invested in manufacturing facilities to cater to the growing demand. These players plan to invest in the capacity expansion through acquisition of new land to increase grape production as well as acquisition of other players which will increase wine-making capacity as well as distribution like the acquisition of York Wineries in Nashik, Maharashtra by Sula Vineyards, and that of Four Seasons by Grover Zampa. The players are also constantly upgrading their wine-making process by investments in new processes and viticulture technologies, as well as experimenting with newer grape varietals which may lead to increased production capabilities.

Top wine players installed capacity FY 2021 (volume in '000 liters)

Company	Installed Capacity
Sula Vineyards	13,983
Fratelli Wines	1,400
Grover Zampa Vineyards[(1)]	4,700

(Source: Primary Research, Technopak Analysis)

Note:

(1) Includes capacity of Four Seasons and Charosa wines.

Uniqueness of Indian Wine Landscape

India is a small market as compared to developed countries but with a lot of potential

The size of the Indian wine market is small as compared to the size of other developed and developing economies. The share of wine is approximately 1 per cent. in the overall alcohol industry which creates immense opportunity for growth. The drinking culture in India is transitioning from high alcoholic content beverages to lower concentration of alcohol in beverages, which has proved to be a growth factor for wine in the country. Wine has gender-neutral connotations and is being increasingly preferred by the urban young section of society and is growing rapidly. A growing economy with positive effects of demographic dividends coupled with growing urbanization is going to drive wine consumption in India.

Growing Wine-Drinking Culture

India does not have a strong wine-drinking culture unlike in European countries where it is paired with meals. Wine-drinking culture in India is an occasion-led event where people drink wines at parties, social gatherings and events. However, owing to the health benefits that wine offers when taken in moderation, the culture is slowly shifting towards frequent consumption of wine at home.

India is a concentrated market unlike developed markets which are fragmented

The Indian wine market is very young, with its domestic wine industry taking shape in the 1990s. However, unlike international markets, the Indian wine market is highly concentrated, with the top three players controlling close to 80 per cent. of the domestic 100 per cent. grape wine market by value in FY 2020 and the market leader Sula Vineyards controlling close to 52 per cent. of the market by value in FY 2020. Strong entry barriers including a high gestation period in the development of vineyards, diversity in regulatory environment and strong relationships in trade between incumbents will make it very difficult for new players to take a market share in India.

Country-wise market size (in million cases) and share of top players (CY 2020)

	Beer		Spirits		Wine	
Country	Market Size	Share: Top 3 players	Market Size	Share: Top 3 players	Market Size	Share: Top 3 players
China..	~3800	~65%	~1000	~10%	~170	<10%
USA	~2500	~ 70%	~270	~(30%-40%)	~360	~40%
France	~250	>50%	~35	~(35-45%)	~275	~20%
India	~300	~80%	~350	~(40%-45%)	~1.7	~80%

(Source: Secondary Research, Technopak Analysis, Estimates)

Note:

(1) India data in FY. Data for 100% domestic wine.

International Wine Players in India

Imported wines have played an important role in nurturing the category. However, the contribution of domestic wine is growing in the market. The contribution of imported wines is projected to slightly decrease from 19 per cent. in volume in FY 2020 to 18 per cent. by volume in FY 2025. International wine players have struggled to establish themselves in the Indian market. Global leaders in the wine category have not invested in Indian vineyards and have been operating through importers. However, integrated alco-beverage industry players have tried to penetrate the Indian wine market but with limited success. The primary reason for the failure being lack of focus given the small size of the business as compared to the lucrative spirits market in the country. Currently the top two players in the spirits market have a limited play in the wine category through imports. The growing size of the Indian wine market may see interests from large international players given the long-term prospects of the market.

Indian Wine Market has largely been dominated by the Domestic players (wine specialists) with more than 83 per cent. share by volume in FY 2020. Few international player forayed into the segment and met with limited/ no success

Diageo entered the Indian wine market in November 2007 with the launch of the wine "Nilaya" in Goa. Nilaya was launched in four flavors – Chenin Blanc, Sauvignon Blanc, Shiraz Rosé and Shiraz Cabernet. All these wines were priced between Rs. 395 and Rs. 500 in retail. Diageo sold 15,000 cases in 2008 but failed to grow the business. This wine business was shut down by Diageo in less than 20 months citing recession and reduction of the wine business after a change in management. Diageo also had invested in the wine business through Four Seasons Vineyards, which they exited in 2020 at a loss. The cause for Diageo's failure in the wine market can be attributed to a major focus on whiskey and wines being a non-core offering. A limited range as compared to the industry leaders and lack of an ecosystem to promote wine consumption led to the business becoming unsustainable.

Pernod Ricard launched Nine Hills in Mumbai through Seagram India. It had two varietals of red wine including Cabernet Sauvignon and Shiraz, and two varietals of white, Chenin Blanc and Sauvignon Blanc. The price range of Rs. 400 to Rs. 450 was in competition with the existing brands of Indage, Sula Vineyards and Grover, the top three wine companies in India. The company built a winery in 2005 and produced about 10,000 cases for their first harvest. The winery did not own any vineyard land and contracted with twenty-one grape farmers as well as hiring a master wine maker. However, volumes were always limited and never exceeded 30,000 cases and finally it was closed. The failure to scale up can be attributed to the lukewarm response from the market and lack of will to invest in the market.

Key Success Factors for Indian Wine Market

Raising awareness of wines as an alcoholic beverage with a difference

The Indian alco-beverage industry has traditionally been a spirits' market and the overwhelming purpose of drinking alcohol has been of getting high. However, continuous economic growth coupled with positive demographic indicators and growing urbanization provides an opportunity for the alco-beverage industry to move to alcohol consumption for a rich experience and celebration. The market is ready to adopt low alcoholic beverages with higher social acceptance in certain sections of society.

The wine industry players together must educate consumers on the experience of wines highlighting the perceived health benefits of wine. This can be done through highlighting the process of making wine including promotion of wine tourism, extension of tasting rooms and sampling avenues, and scale up influencer-based marketing programs. Prominence of wines in different forms in the media including cooking shows can lead to higher acceptance and demand generation. The wine industry needs to highlight the positive effect of wine to Indian farmers and the prominence of wines in developed countries.

Engage with states for a favorable policy towards wines

Regulation in the Indian alco-beverage industry across states has been same for all kinds of alco-beverage drinks but with few exceptions. The growth of the wine industry can be attributed to some extent to the preferential treatment given in Maharashtra and Karnataka. The industry needs to engage with the regulators to treat wines as different than other alcoholic drinks. The state must provide for leniency in terms of retailing channels allowed to sell wines with permission to modern format stores to sell or home delivery being permitted. The industry must also engage with the state for an independent excise regulation with incentive for consumers to buy wines which in turn helps farmers increase their income. The wine industry needs to share the best practices of Maharashtra and Karnataka to other states to bring a change in the regulatory environment.

Expansion of Distribution channel and prominence at retail outlets

The Indian wine industry needs to capitalize on its opportunity by expansion of the distribution reach. The industry needs to ensure that a large part of the Indian alcohol retailer universe sells wines. In addition, the availability of wines in restaurants and pubs has improved. Expansion of the distribution channel and improved visibility at retail outlets will help customer recruitment and lead to category expansion.

Leverage growth in food services for visibility and acceptance of wines

Wine pairing with food is an industry in developed countries with high consumption of wines. The Indian wine industry needs to collaborate with restaurants to educate customers on the experience of pairing the correct wine with their food. A collaborative approach with restaurants which helps educate the customers about wine and a communication program which highlights such exclusive events will increase awareness and acceptance of wines.

Critical role of category creators for growth of wines in India

The Indian wine market is at a critical juncture with multiple positive factors which can be leveraged to grow the market. India is also a concentrated market with Sula Vineyards controlling close to 52 per cent. of the domestic wine markets. It becomes important that category creators like Sula Vineyards play the role of category captain to ensure that wine as a beverage category gets its due attention and prominence. It needs to invest in the back end to ensure that growing demand is captured, and it also needs to share best practices in the industry which can help the overall industry to grow. The best practices in tasting rooms, wine tourism and other wine-led marketing events have already helped shaped the industry positively. It must take the lead in engaging with different state authorities to ensure that wine is treated differently from other alcoholic beverages. It also needs to engage with restaurants and other food services to increase awareness about wines.

Competitive Landscape

Financial Metrics

Revenue and Profitability Metrics

Gross Sales

Revenue for companies in the alco-beverage industry is analyzed both at gross sales, which includes excise duty collected by the respective state governments, and net sales, which is the actual revenue of the companies. Each of the three industries (spirits, beer, and wine) have clearly identified market leaders with top companies controlling more than 50 per cent. of the market. In the case of wines, Sula Vineyards's revenue is more than three times that of the second largest player. Sula Vineyards is one of the fastest growing alco-beverage companies in India as on March 31, 2022.

Gross Sales Growth (in INR Crore) for Private and Public listed Players

Industry	Brands	CAGR FY 2011-14	CAGR FY 2011-19	CAGR FY 2011-21	CAGR FY 2014-19	Growth FY 2020-21	Growth FY 2021-22
Spirits..............	Diageo*	17.3%	10.5%	7.8%	6.6%	(4.9%)	8.3%

Industry	Brands	CAGR FY 2011-14	CAGR FY 2011-19	CAGR FY 2011-21	CAGR FY 2014-19	Growth FY 2020-21	Growth FY 2021-22
	Pernod Ricard*	43.8%	27.3%	20.8%	18.4%	(9.3%)	N.A.
	Radico Khaitan*	21.6%	21.5%	19.9%	21.5%	10.1	19.9%
Beer..................	United Breweries*	16.4%	15.1%	8.3%	14.3%	(30.5%)	10.0%
Wine.................	Sula Vineyards*	28.1%	22.0%	13.7%	18.5%	(13.7%)	13.3%
	Fratelli Wines#	181.5%	81.9%	71.3%	40.0%	3.4	N.A.
	Grover Zampa#	19.7%	19.6%	12.4%	19.7%	(27.0%)	N.A.

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)

Notes:

(1) Indicates that the IND AS accounting principle has been considered.
(2) Indicates that the IGAP accounting principle has been considered.

Net Sales

The growth rate in net sales in leading companies of the industry is lower than gross sales which points to the fact that excise duties are growing at a much higher rate. The growing share of excise in the case of Sula Vineyards points to an increasing distribution reach as well higher sales contribution from markets other than Karnataka and Maharashtra which have favorable regulations. A comparison across top benchmarked companies in the alco-beverage industry in India shows that Sula Vineyards is the fastest growing for the period between FY 2011 to FY 2021.

Net Sales Growth (in INR Crore) for Private and Public Listed Players

Industry	Brands	CAGR FY 2011-14	CAGR FY 2011-19	CAGR FY 2011-21	CAGR FY 2014-19	Growth FY 2020-21	Growth FY 2021-22
Spirits...............	Diageo*	9.8%	4.4%	2.2%	1.3%	(13.2%)	3.6%
	Pernod Ricard*	n.a.	n.a.	n.a.	10.3%	(11.0%)	N.A.
	Radico Khaitan*	15.4%	10.5%	9.8%	7.6%	(0.4%)	10.6%
Beer..................	United Breweries*	11.4%	9.8%	3.3%	8.9%	(34.8%)	6.0%
Wine.................	Sula Vineyards*	27.8%	20.6%	12.8%	16.4%	(13.7%)	12.8%
	Fratelli Wines#	n.a.	n.a.	n.a.	37.8%	1.7%	N.A.
	Grover Zampa#	n.a.	n.a.	n.a.	19.1%	(27.2%)	N.A.

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)

Notes:

(1) n.a.-Not Available.
(2) Indicates that the IND AS accounting principle has been considered.
(3) Indicates that the IGAP accounting principle has been considered.

Margins

EBIDTA

Sula Vineyards has shown the highest EBITDA growth as compared to peers from the wine industry as well as top players in the overall alco-beverage industry.

EBITDA Growth (Value in INR Crore)

Industry	Brands	CAGR FY 2011-14	CAGR FY 2011-19	CAGR FY 2011-21	CAGR FY 2014-19	Growth FY 2020-21	Growth FY 2021-22
Spirits...............	Diageo*	n.a.(1)	3.7%	0.2%	n.a.(1)	(34.4%)	4.2%
	Pernod Ricard*	n.a.	n.a.	n.a.	11.2%	(24.7%)	N.A.
	Radico Khaitan*	8.5%	11.1%	10.5%	12.6%	10.0%	9.3%
Beer..................	United Breweries*	15.2%	14.3%	(0.3%)	13.8%	(56.6%)	5.4%
Wine.................	Sula Vineyards*	19.0%	17.7%	12.4%	17.3%	23.9%	17.1%
	Fratelli Wines#	n.a.	n.a.	n.a.(1)	n.a.(1)	n.a.(1)	N.A.
	Grovers Zampa#	n.a.(1)	n.a.(1)	n.a.(1)	n.a.(1)	n.a.(1)	N.A.

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)

Notes:

(1) n.a.-Not Available; EBITDA Margin = EBITDA/Net Sales; n.a. (1) – not applicable due to negative denominator or numerator or both.

(2) Indicates that the IND AS accounting principle has been considered.
(3) Indicates that the IGAP accounting principle has been considered.

PAT Margin

PAT margin is under pressure across all wine players. Sula Vineyards has been showing positive PAT margins, FY 2020 being an exception. However, Sula Vineyards, despite seeing its topline affected by COVID, its strong focus on operational efficiencies helped avoid loss in FY 2021 and high growth in FY 2022.

PAT Margins (Value in per cent.)

		PAT Margin			
Industry	**Brands**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**
Spirits..............	Diageo(1)	7.3%	7.8%	3.9%	8.2%
	Pernod Ricard(1)	15.2%	17.8%	13.3%	N.A.
	Radico Khaitan(1)	9.0%	9.4%	11.2%	8.8%
Beer.................	United Breweries(1)	8.7%	6.6%	2.7%	6.3%
Wine................	Sula Vineyards(1)	2.0%	(3.3%)	0.6%	12.5%
	Fratelli Wines(2)	0.3%	(4.8%)	(4.6%)	N.A.
	Grovers Zampa(2)	(23.0%)	(4.3%)	(13.9%)	N.A.

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)
Notes:
(1) *Indicates that the IND AS accounting principle has been considered.*
(2) *Indicates that the IGAP accounting principle has been considered.*
(3) *PAT Margin = PAT/Revenue.*

Key Financial Ratios

Return on Equity

Return on equity is a function of profit after tax and shareholders' equity. Wine is a nascent industry in India with high growth potential. As the industry grows, improvements in revenue and profitability will drive return on equity in the wine industry. Sula Vineyards, which has delivered positive ROE prior to the economic slowdown and COVID-19 pandemic, is set to benefit from high industry growth in the long run.

Return on Equity

	Return on Equity			
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**
Brands				
Sula Vineyards(1)..	2.9%	(4.3%)	0.7%	11.6%
Fratelli Wines(2)...	0.4%	(7.1%)	(7.4%)	N.A.
Grovers Zampa(2)	(29.8%)	(3.4%)	(7.8%)	N.A.

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)
Notes:
(1) *Indicates that the IND AS accounting principle has been considered.*
(2) *Indicates that the IGAP accounting principle has been considered.*
(3) *ROE = PAT/Shareholders' Equity; n.a. (1) – not applicable due to negative Equity.*

Return on Capital Employed

ROCE

(Return on capital employed) indicates the company's efficiency because it measures the company's profitability after factoring in the capital that has been used to achieve that profitability. Sula Vineyards has the highest revenue as well as ROCE amongst all the wine players. ROCE is a better gauge for the performance or profitability of the company over long periods.

Return on capital employed

	Return on Capital Employed			
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**
Brands				
Sula Vineyards(1)	12.6%	3.5%	9.3%	18.3%
Fratelli Wines(2)...	1.3%	(7.1%)	(7.7%)	NA

	Return on Capital Employed			
	FY 2019	FY 2020	FY 2021	FY 2022
Grovers Zampa[2]	(2.2%)	(6.0%)	(6.9%)	NA

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)

Notes:

(1) Indicates that the IND AS accounting principle has been considered.
(2) Indicates that the IGAP accounting principle has been considered.
(3) ROCE = EBIT/(Total Assets – Current Liabilities).

Inventory days

Inventory Days indicates the average time (days) that a company takes to turn the inventory, which also includes the goods which are a work in progress for sales. Owing to the nature of the product with only one cycle of production of raw material in a year in wines, unlike other alco-beverage categories including spirits and beer, comparing wine with other alco-beverage categories may not be correct. Wine category has higher inventory days vis-à-vis spirits and beers. March is also the peak inventory month, which leads to highest inventory levels in the wine industry. The average inventory goes down as sales pick up and its lowest at the end of quarter 3.

Inventory Days

	Inventory Days			
	FY 2019	FY 2020	FY 2021	FY 2022
Brands				
Sula Vineyards[1]	285	381	465	524
Fratelli Wines[2]	507	765	595	-
Grovers Zampa[2]	479	592	878	-

(Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports)

Notes:

(1) Indicates that the IND AS accounting principle has been considered.
(2) Indicates that the IGAP accounting principle has been considered.
*(3) Inventory Days = (Average Inventory/COGS) *365.*

Wine labels in Different Price Segments

Sula Vineyards is the market leader in terms of range of labels across price segments with more than 50 wine labels. Sula Vineyards has taken up the category creator role in wines with its extensive range of products which are well positioned to capture varied customer tastes. Alternatively, an established market leader in the alco-beverage industry, Pernod Ricard has a much sharper range with limited wine labels under the brand Jacob's Creek.

Key Players: Wine labels across Price Segments (price in INR)

	Elite (INR 950+)	Premium (INR 700 – INR 950)	Economy (INR 400 – INR 700)	Popular (<INR 400)	Total	Illustrative Brands
Brands						
Sula Vineyards	21	13	13	9	56	RASA, The Source, Dindori, Sula Classics, Sula International Brands
Fratelli Wines	8	11	4	3	26	J'NOON, JCB, MS, NOI, TILT
Grover Zampa	12	13	8	2	35	Insignia, Vendanges Tardives, Chêne, Auriga, Vijay Amritraj, Soirée, La Réserve, Art Collection, One Tree Hill, Santé
Pernod Ricard	8	0	0	0	8	Jacob's Creek

(Source: Primary Research, company website, Technopak Analysis; As of November 25, 2021)

Market outreach

Distribution of alco-beverage products is highly controlled by state government with uniform regulations for all alco-beverage products. The universe of retail outlets for the alco-beverage industry in 2021 is estimated at close to one lakh outlets. The entry of new players in the distribution is prohibitive due to high regulation across states and strong relations between the current players and the retail outlets which may include exclusive arrangements.

Sula Vineyards has built a strong network of retail outlets across key markets which gives it a competitive advantage over other wine players. It has presence in 25 states and 6 union territories with the largest distribution network amongst wine companies in India with close to 13,000 retail touchpoints in 2021. It has a strong network in the key markets of Karnataka and Maharashtra contributing more than 57 per cent. of all retail outlets serviced in the country. Sula Vineyards also entered the overseas markets in Fiscal 2003, and currently offers its wines in over 20 countries, including Spain, France, Japan, the United Kingdom and the United States. In addition to retail outlets, Sula Vineyards also services more than 8,000 on premise outlets including hotels, restaurants, and caterers ("**HoReCa**"). The new wine policy may allow sales of wine through departmental stores, modern format stores and e-commerce applications. This will increase the market size of wines manifold and serve as a benchmark for other states.

Geographic Presence

Industry	**Brands**	**Reach – States and Union Territories**
Spirits	Diageo	30-32
	Pernod Ricard	30-32
	Radico Khaitan	30-32
Beer	United Breweries	30-32
Wine	Sula Vineyards	30-32
	Fratelli Wines	21-23
	Grover Zampa	15-18

(Source: Annual Reports, Technopak Analysis; As of November 25, 2021)

Key Brands: Retail Coverage

Brands	**Retail Outlets**	**HoReCA outlets**
Diageo	70,000+ outlets	N.A.
Pernod Ricard	50,000+ outlets	N.A.
Radico Khaitan	75,000+ outlets	8,000+ outlets
United Breweries	90,000+ outlets	N.A.
Sula Vineyards	13,000+ outlets	8,000+ outlets
Fratelli Wines	9,000+ outlets	5,000+ outlets
Grover Zampa	3,000+ outlets	N.A.

(Source: Annual Reports, Technopak Analysis; As of November 25, 2021)

OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward Looking Statements**" on page 19 for a discussion of the risks and uncertainties related to those statements and the section "**Risk Factors**" beginning on page 30 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.*

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and its Subsidiaries on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to Sula Vineyards Limited on a standalone basis. Unless otherwise stated, or unless the context otherwise requires, the financial information of our Company used in this section has been derived from our Restated Financial Information included in this Red Herring Prospectus on page 264. We have included various operational and financial performance indicators in this Red Herring Prospectus, some of which may not be derived from our Financial Information or otherwise subjected to an examination, audit or review or any other services by our Statutory Auditor or any other expert. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Some of the information in this section is derived from the industry report titled "Industry Report on Indian Wine Retail" dated November 23, 2022 prepared by Technopak Advisors Private Limited (the "**Technopak Report**"). We commissioned and paid for the Technopak Report pursuant to an engagement letter dated October 22, 2021, for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the Technopak Report. A copy of the Technopak Report is available on the website of our Company at https://sulavineyards.com/pdf/Industry-Report-Sula.pdf.*

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in "**Risk Factors**", "**Industry Overview**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 30, 145, 164 and 350, respectively, as well as financial and other information contained in this Red Herring Prospectus as a whole.*

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the twelve-month period ended March 31 of that year.

Unless otherwise stated, all prices (including price ranges) of our wines stated in this section refer to the MRP as of September 30, 2022 in the state of Maharashtra only.

Overview

We are India's largest wine producer and seller as of March 31, 2022 (*Source: Technopak Report*). We have been a consistent market leader in the Indian wine industry in terms of sales volume and value (on the basis of the total revenue from operations) since Fiscal 2009 crossing 50 per cent. market share by value in the domestic 100 per cent. grapes wine market in Fiscal 2012 (*Source: Technopak Report*). We have consistently gained market share (on the basis of our total revenue from operations) from 33 per cent. in Fiscal 2009 in 100 per cent. grapes wine category to 52 per cent. in value in Fiscal 2022 (*Source: Technopak Report*). Furthermore, we are the market leader across all four price segments, being 'Elite' (INR 950+), 'Premium' (INR 700-950), 'Economy' (INR 400-700) and 'Popular' (<INR 400), with a higher share of approximately 61 per cent. by value in the 'Elite' and 'Premium' categories in Fiscal 2022, as compared to our overall market share of 52 per cent. in the Indian wine industry. Furthermore, we are also recognized as the market leader across wine variants, including red, white and sparkling wines (*Source: Technopak Report*). Sula Shiraz Cabernet is India's largest selling wine by value in Fiscal 2021 (*Source:* Technopak Report). Our gross billings of Sula Shiraz Cabernet amounted to ₹918.26 million, ₹475.64 million and ₹319.73 million in Fiscal 2022 and for the six months period ended September 30, 2021 and September 30, 2022, respectively.

Our business can be broadly classified under two categories (i) the production of wine, the import of wines and spirits, and the distribution of wines and spirits (the "**Wine Business**"); and (ii) the sale of services from ownership and operation of wine tourism venues, including vineyard resorts and tasting rooms (the "**Wine Tourism**

Business"). However, since the Wine Tourism Business is incidental and complements the overall Wine Business, the Company's chief operating decision makers (which includes our CEO, CFO, COO and members of the board) monitor and review the operating result of the Group as a single operating segment of manufacture, purchase and sale of alcoholic wines and spirits.

We distribute wines under a bouquet of popular brands. In addition to the flagship brand "Sula," popular brands include "RASA," "Dindori", "The source," "Satori", "Madera" & "Dia" with its flagship brand "Sula" being the "category creator" of wine in India (*Source: Technopak Report*). Currently, we produce 56 different labels of wine at four owned and two leased production facilities located in the Indian states of Maharashtra and Karnataka. Furthermore, we are among the top ten most followed vineyards in the world, with a large following on social media of approximately 118,000 followers on Instagram, approximately 123,000 likes on Facebook and approximately 14,000 followers on Twitter as on September 30, 2022 (*Source: Technopak Report*).

India is one of the fastest growing alcoholic beverage markets in the world, growing from a small base of 1.3 litres per capita of recorded consumption in 2005 to 2.7 litres in 2010 (*Source: Technopak Report*). However, the per capita consumption of wine in India is less than 100 ml, with the contribution of wine to overall alcohol consumption being less than 1 per cent., compared to the world average of close to 13 per cent. In addition to the growth in per capita alcohol consumption, positive demographic factors, including the addition of more than ten million people each year to the population of eligible alcohol consumers, makes India one of the most attractive markets for alcoholic beverages. As India's largest wine producer, we aim to harness our market leadership position for future growth opportunities in the Indian wine market with our wide range of offerings for consumers across various price points *(Source: Technopak Report)*. Our consumer proposition focuses on offering our consumers extensive varieties of wine at varying price points, with 56 labels to choose from a portfolio of 13 distinct brands as of September 30, 2022. Furthermore, our wines are available at various price points between ₹250 to ₹1,895 per 750 ml bottle in Maharashtra, making them accessible for consumers with different budgets appealing to mass markets as well as having a premium product strategy. In particular, our wines are classified under four broad categories, namely the 'Elite' category with 21 labels, followed by the 'Premium' category with 13 labels, and the 'Economy' category with 13 labels, and the 'Popular' category offering 9 labels. Our wines have been segment leaders under each of these four categories in the last six years from Fiscal 2017 to Fiscal 2022 (*Source: Technopak Report*). We also regularly introduce new products, with seven labels launched in the last five Fiscals.

We serviced close to 8,000 hotels, restaurants and caterers, which makes us the leader in terms of footprint among wine players in India *(Source: Technopak Report)*, and experienced a significant rise in our Off-trade sales in the last 3 years with our Off-trade sales contributing 72.25 per cent. of our secondary sales during Fiscal 2022, compared to 61.33 per cent. in Fiscal 2020. During the six months period ended September 30, 2022 and September 30, 2021, the contribution from our Off-trade sales was 70.75 per cent. and 72.95 per cent. of our secondary sales, respectively. We have tie-ups with distributors in Maharashtra, Haryana, Delhi, Goa and Punjab. To that end, we have managed to build the largest distribution network among wine companies in India, with close to 13,000 retail touchpoints across the country in 2021 *(Source: Technopak Report).* We also have a strong direct to consumer ("**D2C**") selling channel primarily through our Wine Tourism Business facilities in Nashik (Maharashtra) and Bengaluru (Karnataka), with the highest number of D2C sales in the Indian wine industry in Fiscal 2021 (*Source: Technopak Report*). Our D2C sales were ₹157.53 million, ₹72.81 million and ₹242.01 million during the six months period ended September 30, 2022 and September 30, 2021, and the Financial Year ended March 31, 2022, respectively. Our products are available over various e-commerce platforms, which is helping us further increase our D2C footprint.

Wine market in India will remain concentrated with high barriers to entry due to the nature of the product in addition to the trade barriers prevalent in the alcoholic beverage market (*Source: Technopak Report*). We had entered into long-term supply arrangements (of up to 12 years) with grape growers for approximately 2,290 acres as of September 30, 2022.

We are the pioneers of wine tourism in India with many firsts to our credit, such as the first wine tasting room in India, the first vineyard resort, the first wine music festival and the first winery tours at our facility in Nashik, Maharashtra (*Source: Technopak Report*). As part of our Wine Tourism Business, we own and operate two vineyard resorts located at and adjacent to our winery in Nashik, Maharashtra, under "*The Source at Sula*" and "*Beyond by Sula*" brand names, having room capacities of 57 and 10 rooms as of September 30, 2022, respectively. We launched the first wine tasting room in India in Fiscal 2005 at our winery in Nashik, Maharashtra *(Source: Technopak Report)* followed by a wine tasting room at our "Domaine Sula" facility in Karnataka in Fiscal 2017. Our Wine Tourism Business has been successful with our resorts, recording an approximate revenue per room of

₹9,044, ₹10,367, ₹10,225 and ₹10,195 and an occupancy rate of 43.66 per cent., 70.97 per cent., 55.69 per cent. and 77.37 per cent. for the Financial Years ended March 31, 2021, 2022, and the six months period ended September 30, 2021 and September 30, 2022, respectively.

We are the most visited vineyard in India, with approximately 368,000 people visiting our vineyards in Fiscal 2020 (Source: Technopak Report). We launched the first wine-themed music festival in India, "SulaFest", at our Nashik facility in 2008. "SulaFest" has been widely recognized as the largest wine music festival in India and one of the largest wine music festivals in Asia, based on attendance (Source: Technopak Report).

We are committed to growing sustainably and having a positive impact on the environment and communities of the regions in which we operate, and we believe that our environmental, social and governance initiatives have led to a reduction of our carbon footprint. For example, with more than 2MW of installed solar PV capacity, we generated more than 3 million kWH from solar energy at our owned and leased facilities in Fiscal 2022. Furthermore, we have rainwater harvesting reservoirs at all our facilities, with a combined storage capacity of 36.83 million liters, and we have also reduced our water usage per case produced by more than 11 per cent. in the last three fiscals. We have also been certified as a "Great Place to Work" by Great Place to Work Institute, India in 2021. For further details on our environmental, social and governance initiatives, *see "**– Environmental, Social And Governance Initiatives**"* on page 224.

We have also been awarded a number of industry awards, including five silvers and four bronze at the 'Decanter World Wine Awards, 2022', and three silvers and eight bronze at the 'Decanter World Wine Awards 2020'. We also received four golds and six silvers at the 'India Wine Awards 2019', with our The Source Grenache Rosé receiving the 'Best in Show' wine award. Furthermore, our wine, Sula Sparkling Brut Tropicale recently won a gold medal at the 'International Wine Challenge 2022' and our Rasa Cabernet Sauvignon won a silver at 'The Global Cabernet Sauvignon Masters 2022' (*Source: Technopak Report*).

We were one of the fastest growing alcoholic beverage companies in India as of March 31, 2021, with a CAGR of 13.3 per cent. between Fiscals 2011 and 2022 (*Source: Technopak Report*). We have emerged stronger in the aftermath of the COVID-19 pandemic, gaining additional market share and accelerating our profitability. In Fiscal 2022, our revenue from operations was ₹4,539.16 million with a net sales margin[1] of 69.83 per cent., and profit after tax of ₹521.39 million in the same period. For the six months period ended September 30, 2022 and September 30, 2021, our revenue from operations was ₹2,240.68 million and ₹1,591.50 million, with a net sales margin[1] of 74.32 per cent. and 70.39 per cent., and profit/(loss) after tax of ₹305.06 million and ₹45.31 million in the same periods, respectively. Our consolidated EBITDAE increased from ₹645.12 million in Fiscal 2021 to ₹1,160.71 million in Fiscal 2022 and was ₹643.06 million during the six months ended September 30, 2022 as compared to ₹300.55 million during the six months ended September 30, 2021. Our EBITDAE margin[2] has improved year-on-year from 9.68 per cent. in Fiscal 2020 to 15.44 per cent. in Fiscal 2021, 25.57 per cent. in Fiscal 2022 and 28.70 per cent. for the six months ended September 30, 2022 as compared to 18.88 per cent. for the six months ended September 30, 2021.

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. Notwithstanding COVID-19, we faced limited disruptions in our production operations and despatches. While our sales to on-premise consumption venues, such as hotels, bars, restaurants and caterers ("**On-trade**"), were impacted by the COVID-19 pandemic, our retail sales for off-premise consumption via supermarkets and licenced wine shops ("**Off-trade**") grew significantly due to higher consumption in India. Our dedicated efforts to improve operational efficiencies resulted in a 27.76 per cent. increase in our consolidated EBITDAE from ₹504.93 million in Fiscal 2020 to ₹645.12 million in Fiscal 2021.

Strengths

High barriers of entry

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1 *Net sales margin is calculated basis revenue from operation less (a) excise duty, (b) cost of materials consumed; (c) purchase of stock-in-trade; (d) changes in inventories of finished goods, work-in-progress and stock-in-trade; (e) restaurant expenses; and (e) resort maintenance expenses, divided by revenue from operations less excise duty.*

2 *EBITDAE Margin % is calculated as EBITDAE Margin divided by revenue from operations.*

The wine market in India will remain concentrated, with high barriers to entry due to the nature of the product, as well as trade barriers prevalent in the alcoholic beverage market. (*Source: Technopak Report*) Some of the key factors are set out below:

- Wine making involves the investment of capital and time for the development of vineyards, an investment in relationships with farmers to ensure supply, as well as expertise in the making of wine.

- The wine business has a high inventory business model compared to other alcoholic beverages, and one of the unique attributes on the supply side is the annual harvesting season, which increases the demanding nature of the wine making business. Unlike other alcoholic beverages, the wine industry has only one raw material production cycle in a year, which is usually from December to March. Wine production starts with the harvesting season in December and continues until April. Wine storage and ageing happens throughout the year. Due to only one harvesting season per year, inventory for the full year is effectively built up in these four months, resulting in high year-end inventory. In addition, demand side factors, including high seasonality skewed towards the festive season from October onwards, increases capital expenditure and working capital requirements for wines companies compared to other alcoholic beverage companies.

- The wine value chain process is long, and wine may require a few years before it is ready to be bottled. Once planted, grape seeds require a minimum of two years to mature, and during this period the vines require intense care. Post-harvest, it takes up to two years to manufacture wine. The economic life cycle of a vineyard in India is typically 15 to 20 years, with a relatively long gestation period (of approximately two years) associated with its establishment. The long gestation period from initiation to final product creates an entry barrier for new players.

- Wine grapes require significant work by farmers, who spend many years waiting for the first harvest. The entire process requires a number of steps, including grape site preparation and a long period of grape harvest, followed by wine production, logistics, marketing and distribution. An integration of the value chain is necessary, which the established players, both in terms of scale and value, have been able to achieve. Wineries generally enter into long-term contracts with the farmers, with a typical term of up to 12 years to ensure remuneration for farmers. New players generally find it difficult to achieve such scale and backward integration.

- Each state in India establishes its respective alcohol policy, including with respect to procurement, pricing, distribution and any restrictions on its use. This creates a fragmented approach, with distribution strategies differing from region to region. The changing policy environment in relation to alcoholic beverages in the country makes it difficult for alcoholic beverage companies in India to establish standard operating procedures for sale and distribution.

- Winemaking requires expertise, from identifying the right type of soil and grapes, the quality of grapes, to expertise in manufacturing and marketing the product. This comes with experience as well as passion in the industry.

- Branding – both direct and indirect advertising of alcohol is prohibited in India, and it can be advertised only at point of sale. New brands may generally take time to be recognised and earn the trust of the consumers.

- High import duties, freight and logistics costs – imported wines face high import duties as well as freight and logistic barriers that render them much more expensive relative to locally produced wines;

- Climatic conditions – grapes are a temperate crop, and the tropical climatic conditions in India require extensive research and development to produce good quality wines;

- Vineyard plantation – the plantation of vineyards requires a long track record, trust and reputation among farmers, which we have with our proven track record successfully built over the last two decades. Planting a vineyard in India, on an average, requires a minimum commitment of 12 years by the grower. Given the long lead time and high capital expenditure required to develop and set up vineyards, it is difficult for new entrants to venture into to the Indian wine industry and secure a consistent and steady supply source for high quality wine grapes; and

- Availability of skilled personnel – with no national training institute for winemaking in the country, the number of skilled winemakers is very limited in India.

Our following competitive strengths have helped us successfully overcome the above factors as well provide us with an advantage over others in the Indian wine Industry:

Established market leader in the Indian wine industry with the leading brand "Sula"

Since our incorporation in 2003, we have built a strong network across key markets, which gives us a competitive advantage over other wine players (*Source: Technopak Report*). The "Sula" brand is recognized as the market leader across wine variants, including red, white and sparkling wines. "Sula" is also recognized as the "category creator" for wines in India (*Source: Technopak Report*). In addition to "Sula", we own the "RASA", "The Source", "Dindori", "York", "Satori", "Mosiac", "Madera", "Samara" and "Dia" brand names, among others, which are strong individual brands with distinct identities. We classify the brands manufactured, bottled and sold by our Company as our "**Own Brands**" (as of the date of this Red Herring Prospectus our Own Brands include "Sula", "RASA", "The Source", "Dindori", "York", "Satori", "Mosiac", "Madera", "Samara", "Heritage", "Port Gold" and "Dia"). We have consistently gained market share (on the basis of our total revenue from operations) from 33 per cent. in Fiscal 2009 in 100 per cent. grapes wine category to 52 per cent. in value in Fiscal 2022 (*Source: Technopak Report*).

We are among the top 10 most followed vineyards in the world, having a large following on social media of approximately 118,000 followers on Instagram, approximately 123,000 likes on Facebook and approximately 14,000 followers on Twitter as on September 30, 2022 *(Source: Technopak Report)*. We have leveraged our digital and social media presence as an effective tool of communication with our consumers by engaging with social media influencers. We have seen this engagement increase our brand reach to a much wider and newer audience, especially resonating with younger demographics. This has also resulted in us receiving valuable feedback from our consumers directly, which has helped us further enhance our products, service and availability.

Our marketing activities are innovative, and in 2008, we pioneered an annual musical festival "SulaFest", which involves a two-day celebration of wine, music and food, in Nashik, Maharashtra. "SulaFest" is widely recognized as the largest wine festival in India, with more than 10,000 people in attendance in 2020, making it one of the largest wine music festivals in Asia as well *(Source: Technopack Report)*. However, due to the ongoing COVID-19 pandemic we have suspended the "SulaFest" since Fiscal 2020. We have dedicated significant resources for the development of our marketing plans, which are specifically tailored for each of our markets, based on the requirements and feedback gathered through our distribution platform. We aim to reach our consumers with the right mix of brands for every segment in the market. We also engage with our distributors to gather local market knowledge on consumer preferences which helps us in launching hyper-local marketing campaigns.

Largest wine producer in India with the widest and innovative product offering supported by an efficient production mechanism

We are the clear market leader in the Indian domestic wine industry, with our market share by value being 52 per cent. in Fiscal 2022 (*Source: Technopak Report*). We have been a consistent market leader in the Indian wine industry in terms of sales volume as well as value (on the basis of total revenue from operations) since Fiscal 2009 crossing 50 per cent. market share by value in the domestic 100 per cent. grapes wine market in Fiscal 2012 (*Source: Technopak Report*). The 'Premium' and 'Elite' wine categories contributed approximately 61 per cent. by value and 40 per cent. by volume of the Indian domestic 100 per cent. grape wine market in Fiscal 2020 and are projected to grow at a CAGR of 19.7 per cent. by volume in the period between Fiscal 2022 to Fiscal 2025 as compared to overall category growth of approximately 15.8 per cent. during the same period (*Source: Technopak Report*). Since the launch of our first wines in the year 2000, we have redefined the production and distribution of wine in India being instrumental in laying the bedrock for the growth of the local wine industry in India. Countries which have non-native wine drinkers but have created a strong local wine industry, such as China, have seen a significant growth in the per capita consumption of wine from 170 millilitres in 1980 to cross one litre in the year 2000 *(Source: Technopak Report)*. We aim to tap the potential of the under penetrated wine industry in India with our offering of the widest product range in the Indian wine market.

The Indian wine market crossed 2.5 million cases in Fiscal 2020 and is expected to grow at a CAGR of 14.3 per cent. in terms of volume from Fiscal 2022 to Fiscal 2025 with domestic players dominating volumes (*Source: Technopak Report*). The share of wine as a form of alcohol consumption in India in the calendar year 2021 was less than 1 per cent., whereas globally, the contribution of wines to alcohol consumption was close to 13.5 per cent. (in terms of 100 per cent. pure alcohol in calendar year 2021) during the same period, (*Source: Technopak Report*) suggesting significant room for growth. The demand for wines in urban and semi-urban areas of India is on the rise, and we have with our extensive experience, tailored specific capabilities across product development, marketing, technology, supply chain, fulfilment, and consumer service, sought to create a differentiated ecosystem for our consumers (*Source: Technopak Report*). We launched a total of seven labels under our brands The Source, RASA and Dindori, in the last five Financial Years, which have all been in the 'Elite' category and together were able to acquire a market share of 9 per cent. in the 'Elite' category by the end of Fiscal 2021. These new launches have been well received by our consumers, demonstrating an appetite for a premium product range.

We were the first to introduce varietal wines in India in 2003, with our Sauvignon Blanc, Chenin Blanc, Zinfandel, Riesling, Red Sparkling and dessert wine offerings, and were also the first to adopt the use of refrigerated stainless-steel tanks for the production of our wines, which revolutionized tropical winemaking (*Source: Technopak Report*). We also introduced the 'Charmat' method for producing sparkling wines, which enables us to produce our wines faster and more efficiently. Also, we introduced screwcaps on wine bottles in 2006. Screwcaps in place of cork ensures that wine is not spoilt due to leakage or cork taint. It has also helped retailers store higher quantity of wines. This is one of the important innovations which has helped the industry grow in India (*Source: Technopak Report*). Our product portfolio of 56 domestic wines labels and 21 imported alcoholic beverage labels comprising wines and spirits, serves a large cross-section of customers (by type, income and demography), providing them the widest range of choices at price points between ₹250 to ₹1,895 per 750 ml bottle in Maharashtra for our Own Brands. We have been the market leader in terms of range of labels across price segments with more than 50 wine labels (*Source: Technopak Report*). As of September 30, 2022, we had a total of 56 domestic wine labels. Our Shiraz Cabernet has been the top selling wine in the domestic 100 per cent. grape wine market since 2016; Sula Shiraz Cabernet, Sula Chenin Blanc, Sula Zinfandel Rosé and Sula Brut are India's best-selling red, white, rosé and sparkling, respectively, for Fiscal 2021 (*Source: Technopak Report*).

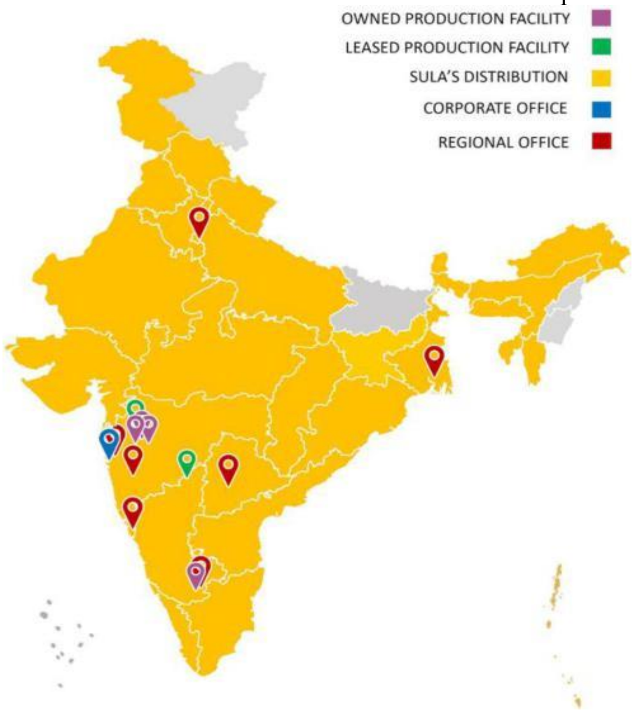
We introduced red-sparkling wine in India and have also been the pioneer in introducing canned wine in 2020 under our brand 'Dia'. Canned wine in India has the potential to build a new wine on the go segment (*Source: Technopak Report*).

Largest wine distribution network and sales presence

As of September 30, 2022, we have a presence in 25 states and six union territories in India. We also entered the overseas markets in 2003, and currently offer our wines in over 20 countries, including Spain, France, Japan, the United Kingdom and the United States (*Source: Technopak Report*). Distribution of alcoholic beverage products is highly controlled by state government with uniform regulations for all alcoholic beverage products. The universe of retail outlets for alco-beverage industry in 2021 is estimated at close to one lakh. The entry of new players in the distribution of alcoholic beverage industry in India is prohibitive due to high regulation across states and strong relations between the current players and retail outlets which may include exclusive arrangements (*Source: Technopak Report*). Our widespread sales and distribution platform enables our products to reach our consumers ensuring consistent availability. With access to more than 23,000 points of sale (including over 13,500 retail touchpoints and over 9,000 hotels, restaurants and caterers) as of March 31, 2022, our products have a high visibility and availability across the country. Our products are available through our distributors, at various points of sale such as general trade (which includes traditional retail points, such as licensed alcohol and wine shops through distributors and stockists), hotels, restaurants, cafes and modern trade channels which includes e-commerce platforms and select supermarkets across India.

Our distribution platform included over 50 distributors, 11 corporations, 14 licensed resellers, 7 company depots, 3 defence units as of September 30, 2022, over 23,000 points of sale (including over 13,500 retail touchpoints and over 9,000 hotels, restaurants and caterers) as of March 31, 2022. As of September 30, 2022 we had a sales force of 141 permanent employees. We have over the years successfully built and managed our large distribution network, developing strong relationships with our distribution and retail partners across our territories.

The following map sets out our distribution network across our territories as of September 30, 2022:



Our distribution network also gives us the advantage which has helped us to launch a total of seven labels under our brands The Source, RASA and Dindori, in the last five Financial Years, which have all been in the 'Elite' category and together were able to acquire a market share of 9 per cent. in the 'Elite' category by the end of Fiscal 2021 *(Source: Technopak Report)*. Our extensive sales and distribution network comprising over 50 distributors, 11 corporations, 14 licensed resellers, 7 company depots and 3 defence units as of September 30, 2022, and over 23,000 points of sale (including over 13,500 retail touchpoints and over 9,000 hotels, restaurants and caterers) as of March 31, 2022, coupled with our deep-rooted relationships with our distributors and retailers, empowers us to gather market intelligence on consumer tastes, preferences and spending patterns and quickly and efficiently place new products, thereby ensuring better product availability.

We also have a strong direct to consumer selling channel at our wine tourism facilities in Nashik (Maharashtra) and Bengaluru (Karnataka) with an average sale of approximately 225,000 bottles (units of 1500ml, 750ml, 375ml bottles sold or served to consumers at our outlets in these facilities) each year over the last three Financial Years. We sold approximately 230,000 bottles (units of 1500ml, 750ml, 375ml bottles sold or served to consumers at our outlets in these facilities) through our direct to consumer selling channel in Fiscal 2020. Not only are we the leaders in the On-trade channels, but we also recorded the highest Off-trade sales in the last three years with our Off-trade sales contributing 72.25 per cent. of our secondary sales during Fiscal 2022 as compared to 61.33 per cent. in Fiscal 2020. During the six months ended September 30, 2022, the contribution from our Off-trade sales was 70.75 per cent. of our secondary sales as compared to 72.95 per cent. during the six months ended September 30, 2021.

Secured supply of raw material with long-term contracts exclusive to Sula

The top wine producing states, Maharashtra and Karnataka, are also the top consuming states, contributing close to 57 per cent. of the overall wine market in India (*Source: Technopak Report*). As of June 30, 2022, we had access to approximately 2,521 acres of vineyards, which is significantly higher than the second largest wine company in the Indian market at close to 460 acres (*Source: Technopak Report*). Out of our total acreage, we have entered into long-term supply arrangements (of up to 12 years) with contract farmers for approximately 2,290 acres as of September 30, 2022. Such long-term supply arrangements cover more than 90 per cent. of our annual supply of wine grapes, and we intend to continue expand our wine grape supply via long term contracts with third-party farmers.

Over the years, we have been successful in gaining the trust of grape farmers in India resulting in strong long-term relationships. This is evidenced by our long-term supply arrangements (of up to 12 years with an option to renew further with mutual consent) with approximately 500 contract farmers. We guide these farmers, educate them in identifying best farming practises to increase their productivity, and help in increasing their incomes. We have a dedicated outreach team that trains farmers in the latest viticulture practices and closely monitor vineyard activities to ensure quality production. Given our technical knowhow and support, and market leading reputation, farmers prefer entering into and renewing such long-term contracts with us. Furthermore, with our scale of production, we are able to provide a stable income to the contracted farmers working with them to produce quality wine grapes. In general, farmers have higher price realization from wine grapes as compared to table grapes (*Source: Technopak Report*).

Leader and pioneer of the wine tourism business in India

We have been a pioneer of wine tourism in India, which has led to a strong D2C presence. We believe with our combination of resorts, tasting rooms and restaurants, we have helped to create a unique wine culture in India. For example, we launched the first wine tasting room in India in Fiscal 2005 at our facility in Nashik, Maharashtra *(Source: Technopak Report)*, and in Fiscal 2017, established another tasting room at our "Domaine Sula" facility in Karnataka, thereby establishing the concept of wine tourism in India. We offer curated experiences, such as wine tasting sessions, winery tours and gourmet dining options at our wineries, enabling us to build a stronger connect with our consumers and popularise wine tourism in the country. We conducted approximately 90,000, 43,000, 85,000 and 59,000 wine tasting sessions during Fiscals 2020, 2021 and 2022 and the six months ended September 30, 2022, respectively.

We are the most visited vineyard in India, with approximately 368,000 people visiting our vineyards in Fiscal 2020 (*Source: Technopak Report*). However, in Fiscals 2020 and 2021, our facilities remained closed for visitors during the COVID-19 induced lockdowns and restrictions imposed by the Indian government. Since the lifting of the lockdowns, we have reopened our facilities in accordance with the directions issued by the Government.

As part of our Wine Tourism Business, we own and/or operate "*The Source at Sula*" and "*Beyond by Sula*" vineyard resorts located at and adjacent to our facility in Nashik, Maharashtra, having a combined room capacity of 67 rooms as of September 30, 2022. During Fiscals 2020, 2021 and 2022 and the six months period ended September 30, 2021 and September 30, 2022, our resorts recorded an approximate revenue per room of ₹8,759, ₹9,044, ₹10,367, ₹10,225 and ₹10,195, respectively. Supplementing our Wine Tourism Business, we have experienced a strong and consistent D2C demand for our wines from visitors at our wine tourism facilities in Nashik, Maharashtra and Bengaluru, Karnataka (primarily focused on our 'Elite' category of wines), with an average sale of approximately 225,000 bottles (units of 1500ml, 750ml, 375ml bottles sold or served to consumers at our outlets in these facilities) each year over the last three Financial Years. We sold approximately 230,000 bottles through our direct to consumer selling channel in Fiscal 2020. Similar to our wine portfolio, we work towards continually expanding our Wine Tourism Business by adding more rooms and introducing new wine experiences for our consumers.

Early adoption and focus on sustainability

Sustainability is a key focus area for our Company and is infused in our business decisions, including the packaging of our products. Clean renewable energy is one main focus of our sustainability efforts, and we are a leader in installing clean renewable energy at our wineries, with over 2MW of installed solar PV capacity providing us more than 60 per cent. of our annual energy needs in Fiscal 2022. We adopted clean energy through setting up solar panels at our Nashik facility in Fiscal 2014. We have formulated and undertaken a "Green Sula" initiative to make our vineyards eco-friendlier as well as more cost-effective. We generated more than 3 million kWH from solar energy at our owned and leased facilities in Maharashtra and Karnataka in Fiscal 2022. We have rainwater harvesting reservoirs at all our facilities with a combined storage capacity of over 36.83 million liters. We have reduced the water usage per case produced by over 11 per cent. in the last three fiscals. We actively recycle and reuse waste-water and have improved efficiency by using drip irrigation at our wineries.

We are a 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. We have also commissioned a study on our greenhouse gas emissions (Scope 1, 2 and 3) as the first step to tracking our progress in achieving emissions reductions over time (*Source: Technopak Report*). We have also been publishing an annual sustainability report along with our Fiscal Year end annual report.

We have been successful in building a responsible supply chain, sourcing raw materials locally, and optimizing packaging materials using lightweight bottles. We managed to reduce the weight of our champagne, burgundy, hock and bordeaux shaped bottles by 28.14 per cent., 22.64 per cent., 13.33 per cent. and 9.28 per cent., respectively over Fiscals 2020, 2021 and 2022 by working with local vendors to develop lighter weighing bottles. We have been sourcing more than 96 per cent. of our packaging material locally since Fiscal 2020, in line with the '*Make in India*' initiative of the Indian Government.

Our sourcing strategy and strong relationships ensure consistent quality, competitive pricing and assured quantity in line with the growing demand of our products. We have a strong viticulture team which works closely with grape growers to assure quality and quantity as per our needs. For more information on the viticulture-related experience of our management team, *see "**Our Management**"* on page 240. For further details in relation to our environmental, social and governance initiatives, *see " – **Environmental, Social And Governance Initiatives**"* on page 224.

Experienced Board, qualified senior management team

We are led by our Promoter and Managing Director, Rajeev Samant, who established the business in 2003 and has extensive experience in the Indian wine industry. He is ably supported by our strong and experienced management team. Our qualified and experienced Board of Directors and senior management team comprises professionals with extensive knowledge, understanding and experience in the alcoholic beverage industry globally. The knowledge and experience of our senior management team provides us with a significant competitive advantage as we seek to grow our businesses.

We pride ourselves in providing a strong and supportive work environment and were certified as a "Great Place to Work" by Great Place to Work Institute, India in 2021. Being an equal opportunity employer, we ensure diversity and inclusivity at our workplaces, and have been instrumental in the upliftment of local communities and villages by providing them employment opportunities at our wineries. For further details, *see "**Our Management**"* on page 240.

Strategies

Continuous focus on our Own Brands

One of our main strategies is to continue focusing on our Own Brands over Third Party Brands that we import and distribute. We made a clear shift towards focussing on our Own Brands in Fiscal 2020, which got further accelerated by the COVID-19 pandemic. Sales of our Own Brands accounted for 85.49 per cent., 82.75 per cent. and 83.91 per cent. of our revenue from operations for the six months period ended September 30, 2022 and September 30, 2021, and Fiscal 2022, respectively, as compared to 63.57 per cent. in Fiscal 2020, when we had a significant Third Party Brand distribution business, contributing 30.96 per cent. of our revenue from operations during the same period.

Focus on premiumization of our product portfolio

We currently produce and market a total of 34 labels under the 'Elite' and 'Premium' categories, providing the largest offering in the Indian wine market under these segments. Our share in the 'Elite' and 'Premium' categories increased at 62 per cent. by value in Fiscal 2022 (*Source: Technopak Report*). We intend to continue to leverage our distribution capability to launch new products under these categories to further increase our revenue and market share in the Indian wine market. To this end, we launched "The Source" brand with four labels in Fiscal 2018, 2019, 2020 and 2022, and undertook a rebranding of our "RASA" brand in Fiscal 2022. We launched a total of seven labels under our brands, Sula, The Source, RASA and Dindori, in the last five Financial Years, which have all been in the 'Elite' category and together were able to acquire a market share of 9 per cent. in the 'Elite' category by the end of Fiscal 2021.

Below is a snapshot of some of our best-selling labels under the 'Elite' and 'Premium' brands:

Our "RASA" range of wines

Our "The Source" range of wines

Our "York" range of wines

Our "Dindori" range of wines

Our "Sula" range of wines

We have been successful in consistently raising the prices of our wines by an annual (fiscal) average of 6 per cent. from March 31, 2019 to March 31, 2022. We also witnessed a consistent growth in the volume of sales in our "Elite" and "Premium" categories from 393,878 cases sold in Fiscal 2020 to 442,833 cases sold in Fiscal 2022, signifying a greater demand for premium wines in the Indian wine market. Within our "Elite" and "Premium" categories, we sold 214,153 cases during the six months ended September 30, 2022 as compared to 153,579 cases during the six months ended September 30, 2021.

Additionally, we also import and distribute 21 international labels (18 wine labels, two vodka labels and one brandy label) (collectively the "**Third Party Brands**"), which are priced in line with our 'Elite' category. Our combined sales revenue in the 'Elite' and 'Premium' segments contributed 70.53 per cent., 69.67 per cent., 70.57 per cent., 68.58 per cent. and 67.81 per cent. of our revenue from our Own Brands for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals 2022, 2021 and 2020, respectively. A key driver of our consumer strategy is catering to different target consumers across various price points and enabling them to upgrade to higher value products. As demand for wines in urban and semi-urban areas of India is already on the rise, top wine companies in India led by us with our extensive experience, tailored specific capabilities across product development, marketing, technology, supply chain, fulfilment, and consumer service, sought to create a differentiated ecosystem for consumers (*Source: Technopak Report*).

Increasing wine awareness and consumption, and penetrating further into Tier-1 and 2 cities in India

The majority of wine consumers are from the top urban centres in India, with Mumbai, Bengaluru (Karnataka), Delhi NCR, Pune, and Hyderabad contributing more than 70 per cent. of the overall market. Our strategy is to increase our focus on the under penetrated markets in major Metros like Chennai and Kolkata, the tourist markets of Kerala, Rajasthan and Goa, and other Tier-1 and 2 cities across India. We focus on introducing wines from our 'Elite' and 'Premium' range when entering new markets, further driving the shift towards our strategy of premiumization. Additionally, with 'Dia', we seek to achieve greater market penetration due to increased accessibility of aluminium cans, being single serve offerings at a lower average selling price.

Our distribution network enables us to increase the availability and visibility of our brands. We seek to continue to focus on increasing sales volumes in our geographies by expanding our distribution network, optimizing our distribution operations and increasing product supply to the under-penetrated markets mentioned above. We have built a large distributor network catering to over 50 distributors, 11 corporations, 14 licensed resellers, 7 company depots and 3 defence units as of September 30, 2022, and over 23,000 points of sale (including more than 13,500 retail touchpoints and over 9,000 hotels, restaurants and caterers) as of March 31, 2022. We intend to further expand our distribution platform by engaging additional distributors, consolidating existing distributors and increasing the number of distributors in these under-penetrated markets. These measures will enable us to increase the availability of our products which will in turn increase brand awareness and revenue.

Effectively use digital media to increase awareness of wine in India

Digital marketing and social media platforms are instrumental in our outlook to increase awareness of our brand and wine in general in India. Our initiatives included a combination of social media lifestyle and wine influencer activities, through which "influencers" with a significant following conduct promotional activities for our Wine Tourism Business through our Company's or their own social media channels including, Facebook, Instagram, LinkedIn and Youtube, among others. Our strategy of engaging popular influencers with significant followings on social media platforms such as Instagram helps us leverage their extensive network to amplify our message, taking awareness of wine to a wider audience.

Sula vineyards is among the top 10 most followed vineyards in the world, and has a large following on social media with approximately 118,000 followers on Instagram, approximately 123,000 likes on Facebook and approximately 14,000 followers on Twitter as on September 30, 2022 *(Source: Technopak Report)*. Such initiatives are expected to result in generating greater brand awareness, and an increase in wine penetration in India.

Continue to make sustainability and climate change readiness the heart of our long term strategy

Our Company is one of most sustainable wine businesses in the world with more than 2MW of installed solar PV capacity providing us with over 60 per cent. of our annual energy needs in Fiscal 2022. Furthermore, with systems in place ensuring recycling and reuse of winery waste water, we are one of the sustainable wine companies in India (*Source:https://thebrandsofindia.com/sula-vineyards-defining-wine-culture-in-india/*).We firmly believe that for a business to be successful it needs to be run sustainably. We have achieved sustainability targets in the past such as reduction in consumption of water and energy per case produced, and intend to continue to attain more such milestones in the future.

Below is a snapshot of our current installed solar capacity and rainwater harvesting reservoirs:

Our facility at Nashik, Maharashtra

Our "Domaine Sula" facility in Karnataka

We are a member of the IWCA. 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. We have also commissioned a study on our greenhouse gas emissions (Scope 1, 2 and 3) as the first step to tracking our progress in achieving emissions reductions over time (*Source: Technopak Report*). We have also been publishing an annual sustainability report along with our Fiscal Year end annual report.

Our focus is to be resilient to climate change and global warming while being committed to producing India's finest wines using sustainable methods. Furthermore, our entire vineyard acreage is drip irrigated, and we practice rainwater harvesting, wastewater recycling and sustainable farming practices at our vineyards.

For further details in relation to our environmental, social and governance initiatives, *see " – **Environmental, Social And Governance Initiatives**"* on page 224.

Pursue strategic investments and acquisitions to further consolidate the Indian wine industry

We have a demonstrated record in acquiring and successfully integrating companies and teams over the last few years, with two significant acquisitions in the last five years. For details in relation to our acquisitions, *see* "***History and Certain Corporate Matters – Major Events and Milestones of our Company***" on page 235. We are continuously seeking potential synergies through M&A. Through these acquisitions, we seek to consolidate our position further in the Indian wine market, increasing our scale and market share. Our acquisitions of the brands and assets of Heritage Winery ("**Heritage**") and York Winery in Fiscals 2017 and 2022, respectively, are testament to this. In particular, the acquisition of Heritage was strategic, providing us with our first owned manufacturing facility in Karnataka, allowing us to avail the benefit of significantly lower duties on the sale of our wines in Karnataka and also offering growth potential to increase our Wine Tourism Business.

We intend to continue to actively pursue strategic investments and acquisitions which are complementary to our business. Such efforts will be focused on: (a) increasing our market share further; (b) deepening our presence in certain geographies; and (c) improving profitability.

Continue to expand our Wine Tourism Business

Our Wine Tourism Business goes hand in hand with our Wine Business and is an important factor contributing to its growth. We launched and first held "SulaFest" in 2008, which involved a two-day celebration of wine, music and food in Nashik, Maharashtra. Our "SulaFest" festival is widely sought after, with more than 10,000 people attended the festival in 2020. A lot of "first-time" wine tasting is done in vineyards, thus establishing the importance of wine tourism (*Source: Technopak Report*). We have increased the number of rooms at our Wine Tourism Business facilities from 33 rooms as of March 31, 2018, to 67 rooms as of September 30, 2022 and plan on adding additional rooms in the next few years. Furthermore, our Wine Tourism Business is also characterised by the highest D2C sales and profitability in the Indian wine industry. We intend to continue to expand our Wine Tourism Business, to build on our brand, experience and expertise in this business.

Wine tourism has been one of the key factors leading to the success of premium wine consumption in the global wine industry, with the Napa valley in the state of California being the most widely recognised example. We have been the pioneers of wine tourism in India and intend to continue on this growth trajectory with revenues from our Wine Tourism Business increasing to ₹346.21 million in Fiscal 2022 from ₹281.67 million in Fiscal 2020. During the six months ended September 30, 2022, revenues from our Wine Tourism Business were ₹198.00 million as compared to ₹120.88 million during the six months ended September 30, 2021. The Nashik region in Maharashtra, which we have been instrumental in developing with our wine tourism offerings, is often regarded as India's equivalent to the Napa valley. (*Source: Technopak Report*)

We have also developed a pan-India wine tasting program with regular wine tasting sessions held across cities (including at the tasting rooms at our winery in Nashik, Maharashtra and Bengaluru, Karnataka) for our consumers, as well as for training the staff employed by hotels, restaurants and cafés that sell our wines.

Below are a few snapshots of our Wine Tourism facilities:

Our "Beyond by Sula" facility in Nashik, Maharashtra

"The Source at Sula" facility in Nashik, Maharashtra

The wine tasting room at our facility in Nashik, Maharashtra

Our Key Financial and Operational Performance Indicators

The tables below set forth certain of our key financial and operational performance indicators:

Details of our Wine Business and Wine Tourism Business

Revenue

Revenue from operations	Year ended March 31,			Six months ended September 30, 2021	Six months ended September 30, 2022
	2020	2021	2022		
	(in ₹ million, except as otherwise specified)				
(A) Wine Business[1]	4,930.98	3,984.24	4,166.27	1,454.37	2,032.86
Own brands	3,316.22	2,873.00	3,808.91	1,317.04	1,915.47
– Elite (%)	18.48%	19.87%	24.05%	23.62%	25.14%
– Premium (%)	49.33%	48.71%	46.52%	46.06%	45.39%
– Economy (%)	15.06%	15.79%	13.62%	14.78%	12.62%
– Popular (%)	17.12%	15.63%	15.81%	15.55%	16.86%
Third Party Brands and distribution business[2]	1,614.76	1,111.24	357.36	137.33	117.39

Revenue from operations	Year ended March 31, 2020	2021	2022	Six months ended September 30, 2021	Six months ended September 30, 2022
	(in ₹ million, except as otherwise specified)				
(B) Wine Tourism Business	281.67	181.38	346.21	120.88	198.00
(C) Others(3)	3.69	13.97	26.68	16.25	9.82
Revenue from operations (A+B+C)...	**5,216.34**	**4,179.59**	**4,539.16**	1,591.50	2,240.68
Year on year revenue growth (%)	-	(19.88)%	8.60%	-	40.79%
Revenue contribution (%).................					
Wine Business - Own Brands	63.57%	68.74%	83.91%	82.75%	85.49%
Wine Business - Imports.......................	30.96%	26.59%	7.87%	8.63%	5.24%
Wine Tourism Business	5.40%	4.34%	7.63%	7.60%	8.84%
Others	0.07%	0.33%	0.59%	1.02%	0.44%

Notes:

*(1) Wine Business includes revenue from sales of our owned wines (including the Maharashtra Government subsidy on sales tax or wine industry promotion subsidy (“**Government Grants**”)) and other alcoholic beverages imported by us.*

*For Fiscals 2020 and 2021, this also includes the revenue contribution from our erstwhile subsidiary, PADPL, which had a standalone revenue of ₹1,035.62 million in Fiscal 2020 and ₹607.88 million in Fiscal 2021. PADPL ceased to be a subsidiary of our Company with effect from April 1, 2021. For further details regarding the PADPL Divestment, please see “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations**” on page 350.*

(2) Third Party Brands and distribution business includes the revenue from sales of alcoholic beverages imported by us and revenue from brands distributed by our erstwhile subsidiary PADPL in Fiscals 2020 and 2021.

(3) Includes provisions and balances no longer required, which were written back, and other miscellaneous sale of packing material consumables etc.

Revenue of operations of our Own Brands and their revenue contribution

Particulars	Year ended March 31, 2020	2021	2022	Six months ended September 30, 2021	Six months ended September 30, 2022
	(in ₹ million unless otherwise specified)				
Elite and Premium (A)	2,248.73	1,970.30	2,687.95	917.62	1,350.89
Revenue contribution (%)	67.81%	68.58%	70.57%	69.67%	70.53%
Economy and Popular (B)	1,067.49	902.7	1,120.96	399.42	564.58
Revenue contribution (%)	32.19%	31.42%	29.43%	30.33%	29.47%
Total revenue of operation of our Own Brands (A+B)	3,316.22	2,873.00	3,808.91	1,317.04	1,915.47

Gross Margin

	Year ended March 31, 2020	2021	2022	Six months ended September 30, 2021	Six months ended September 30, 2022
	(in ₹ million, except as otherwise specified)				
Gross Margin(1)	2,491.51	2,238.38	2,963.64	1,036.24	1,577.75
Gross Margin (%)(2)	47.76 %	53.32 %	65.29 %	65.11%	70.41%
EBITDAE	504.93	645.12	1,160.71	300.55	643.06
EBITDAE Margin (%)(3)	9.68 %	15.44 %	25.57 %	18.88%	28.70%
Net Asset turnover*(4)	1.73	1.37	1.15	-	-
Cash Conversion Cycle*(5) (days)	237	317	347	-	-
Days Sales Outstanding*(6) (days)	115	125	98	-	-
Days Inventory Outstanding*(7) (days)	252	358	449	-	-
Days Payable Outstanding*(8) (days)	130	166	200	-	-

	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
	(in ₹ million, except as otherwise specified)				
ROCE – reported*(9) (%)	4.09 %	10.67 %	20.86 %	-	-
Net Working Capital Days*(10) (days)	26	48	65	-	-
Debt to Equity Ratio(11) (times)....................	1.23	0.99	0.58	0.76	0.48
Debt to EBITDAE Ratio*(12) (times)	7.29	4.67	1.97	-	-
Net profit/ (loss) for the year (PAT).............	(159.40)	30.14	521.39	45.31	305.06
PAT Margin (%)(13)	(3.06)%	0.72 %	11.49 %	2.85%	13.61%

Notes:

* *These ratios cannot be computed for the six months periods ended September 30, 2022 and September 30, 2021.*

(1) *Gross margin is calculated as the revenue from operations less (a) cost of materials consumed; (b) purchase of stock-in-trade; (c) changes in inventories of finished goods, work-in-progress and stock-in-trade; (d) restaurant expenses; (e) resort maintenance expenses; and (f) excise duty on sales.*

(2) *Gross margin (%) is calculated as gross margin divided by revenue from operations.*

(3) *EBITDAE Margin% is calculated as EBITDAE margin divided by revenue from operations.*

(4) *Net Asset turnover is calculated basis revenue from operations divided by Net Assets (i.e. total assets less (a) non-current liabilities and (b) current liabilities).*

(5) *Cash conversion cycle is calculated basis days sales outstanding plus days inventory outstanding less days payable outstanding.*

(6) *Days sales outstanding is calculated basis average trade receivables (i.e. opening trade receivables plus closing trade receivables divided by 2) divided by revenue from operations *365 days.*

(7) *Days inventory outstanding is calculated basis average inventory (i.e. opening inventory plus closing inventory divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade plus consumables, stores and spares consumed) * 365 days.*

(8) *Days payable outstanding is calculated basis average trade payables (i.e. opening trade payables plus closing trade payables divided by 2) divided by the sum of (cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, work-in-progress and stock-in-trade) * 365 days.*

(9) *ROCE – reported is calculated basis earnings before interest and tax and exceptional item, divided by capital employed (i.e. total equity plus non-current borrowing).*

(10) *Net working capital days is calculated basis current asset less current liability divided by revenue from operations.*

(11) *Debt to equity ratio is calculated basis total debt divided by total equity.*

(12) *Debt to EBITDAE Ratio is calculated basis total debt divided by EBITDAE.*

(13) *PAT margin (%) is calculated as net profit/ (loss) for the year (PAT) divided by revenue from operations.*

Gross Volumes

	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
	(in million litres)				
(A) Own Brands Gross Volume	7.68	6.46	8.04	2.82	3.98
(B) Third Party Brands and distribution business Gross Volume.....	0.50	0.33	0.38	0.17	0.11
Gross Volume (A + B)	**8.18**	**6.78**	**8.42**	**2.99**	**4.09**

Volume of Sales of our Own Brands (by number of cases) and their volume contribution

Particulars	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
Elite and Premium (no. of cases) (A)	393,878	330,562	442,833	153,579	214,153
Volume contribution (%)(1)	46.16%	46.09%	49.56%	48.98%	48.46%
Economy and Popular (no. of cases) (B)	459,402	386,692	450,712	160,004	227,794
Volume contribution (%)	53.84	53.91	50.44%	51.02%	51.54%
Total volume of sales (no. of cases) (A+B)	853,280	717,254	893,545	313,583	441,946

Note:

Particulars	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022

(1) Volume contribution is calculated as contribution to the total volume of our Own Brand portfolio.

Our Product Portfolio

We produce two types of wine:

1. **Still wine**: Wine that is neither sparkling nor fortified. Still wine constituted 85.38 per cent. of our total production as of September 30, 2022 with 15 labels under the Elite category, 22 labels each under the Premium and Economy categories and 9 labels under the Popular category; and

2. **Sparkling wine**: Wine that contains bubbles from dissolved carbon dioxide. Sparkling wine constituted 14.62 per cent. of our total production as of September 30, 2022 with 6 labels under the Elite category and 2 labels each under Premium and Economy categories.

Within the still and sparkling wines that we produce, we produce red, white and rosé versions of each.

The table below sets forth our brands and labels across categories as of September 30, 2022:

Category	Brands	Labels
Elite (₹950+).....................................	Sula	Brut, Brut Tropicale, Sparkling Shiraz, Riesling, Late Harvest Chenin Blanc
	Dindori	Viognier, Chardonnay, Shiraz
	RASA	Syrah, Cabernet Sauvignon, Zinfandel
	The Source	Cabernet Sauvignon, Grenache Rosé, Sauvignon Blanc, Moscato, Chenin Blanc Reserve
	York	Arros, York Late Harvest Chenin Blanc, H Block Chardonnay, Sparkling Rosé, Sparkling Cuvée
Premium (₹700-950).........................	Sula	Shiraz Cabernet, Zinfandel Red, Chenin Blanc, Sauvignon Blanc, Zinfandel Rosé, Seco, Seco Rosé
	Satori	Satori
	York	York Shiraz, York Cabernet Merlot, York Chenin Blanc, York Sauvignon Blanc, York Rosé
Economy (₹400-700).........................	York	All Rounder Red, All Rounder White
	Dia	Dia Red, Dia White
	Kadu	Cabernet Shiraz, Chenin Blanc, Shiraz Rosé
	Port Gold/1000	Port Gold
	Madera	Madera Red, Madera White, Madera Rosé
	Mosaic	Mosaic Red, Mosaic White
Popular (<₹400)................................	York	Manthan Red, Manthan White, G9 Port, G9 Premium Port, White Port
	Heritage	Heritage Red
	Port Gold/1000	Port 1000
	Samara	Samara Red, Samara White

The table below sets forth some products from our product portfolio as of September 30, 2022:

S. No.	Product	Territories covered	Description/ Category	Package
		Our "Sula" range of wines		
1	Sula Sparkling Brut......................	**India:** (i) Maharashtra; (ii) Gujarat; (iii) Goa; (iv) Karnataka (Domain Sula); (v) Telangana; (vi) Tamil Nadu; (vii) Pudducherry; (viii) West Bengal; (ix) Assam; (x) Delhi; (xi) Haryana; (xii) Rajasthan; (xiii) Himachal Pradesh; (xiv) Madhya Pradesh; (xv) Uttarakhand; (xvi) Chandigarh; (xvii) Punjab; (xviii)	Sparkling wine in the Elite category	1500 ml, 750 ml and 375 ml

S. No.	Product	Territories covered	Description/ Category	Package
		Jharkhand; (xix) Uttar Pradesh; (xx) Chhattisgarh; (xxi) Jammu & Kashmir.		
		Other territories: Japan, Australia.		
2	Sula Sparkling Brut Tropicale.......	**India:** (i) Maharashtra; (ii) Daman; (iii) Goa; (iv) Karnataka (Domain Sula); (v) Telangana; (vi) Tamil Nadu; (vii) Pudducherry; (viii) West Bengal; (ix) Meghalaya; (x) Delhi; (xi) Haryana; (xii) Rajasthan; (xiii) Himachal Pradesh; (xiv) Madhya Pradesh; (xv) Uttarakhand; (xvi) Chandigarh; (xvii) Punjab; (xviii) Sikkim	Sparkling wine in the Elite category	1500 ml, 750 ml and 375 ml
		Other territories: United States of America, France, Singapore, Belgium, Switzerland.		
3	Sula Sparkling Shiraz...................	**India:** (i) Chandigarh; (ii) Delhi; (iii) Haryana; (iv) Himachal Pradesh; (v) Karnataka (Domain Sula); (vi) Maharashtra; (vii) Madhya Pradesh; (viii) Punjab; (ix) Telangana; (x) West Bengal; (xi) Goa; (xii) Uttarakhand.	Sparkling Red wine in the Elite category	750 ml
4	Sula Late Harvest Chenin Blanc	**India:** (i) Chandigarh; (ii) Daman; (iii) Goa; (iv) Gujarat; (v) Himachal Pradesh; (vi) Karnataka (Domain Sula); (vii) Maharashtra; (viii) Tamil Nadu; (ix) Tamil Nadu; (x) Telangana; (xi) Uttarakhand; and (xii) West Bengal.	White wine in the Elite category	750 ml and 375 ml
		Other territories: Japan, United Arab Emirates, Maldives.		
5	Sula Riesling.........	**India:** (i) Chandigarh; (ii) Chattisgarh; (iii) Delhi; (iv) Goa; (v) Gujarat; (vi) Haryana; (vii) Himachal Pradesh; (viii) Karnataka (Domain Sula); (ix) Maharashtra; (x) Madhya Pradesh; (xi) Orissa; (xii) Pudducherry; (xiii) Tamil Nadu; (xiv) Telangana; (xv) Uttar Pradesh; (xvi) Uttrakhand; (xvii) West Bengal; and (viii) Daman.	White wine in the Elite category	750 ml and 375 ml
		Other territories: Japan, Singapore and Australia.		
6	Sula Shiraz Cabernet................	**India:** Across India except: (i) Andaman and Nicobar Islands; (ii) Bihar; (iii) Jammu and Kashmir; (iv) Manipur; (v) Nagaland; and (vi) Telangana.	Red wine in the Premium category	750 ml, 375 ml and 180 ml
		Other territories: United States of America, Japan, Spain, France, Singapore, Belgium, Australia, United Arab Emirates, United Kingdom, South Korea, Switzerland, Maldives and onboard Air India flights.		
7	Sula Chenin Blanc	**India:** Across India except: (i) Andaman and Nicobar Islands; (ii) Bihar; (iii) Chhattisgarh; (iv) Diu; (v) Lakshadweep; (vi) Manipur; (vii) Mizoram; (viii) Nagaland; (ix) Silvassa; (x) Tripura.	White wine in the Premium category	750 ml, 375 ml and 180 ml

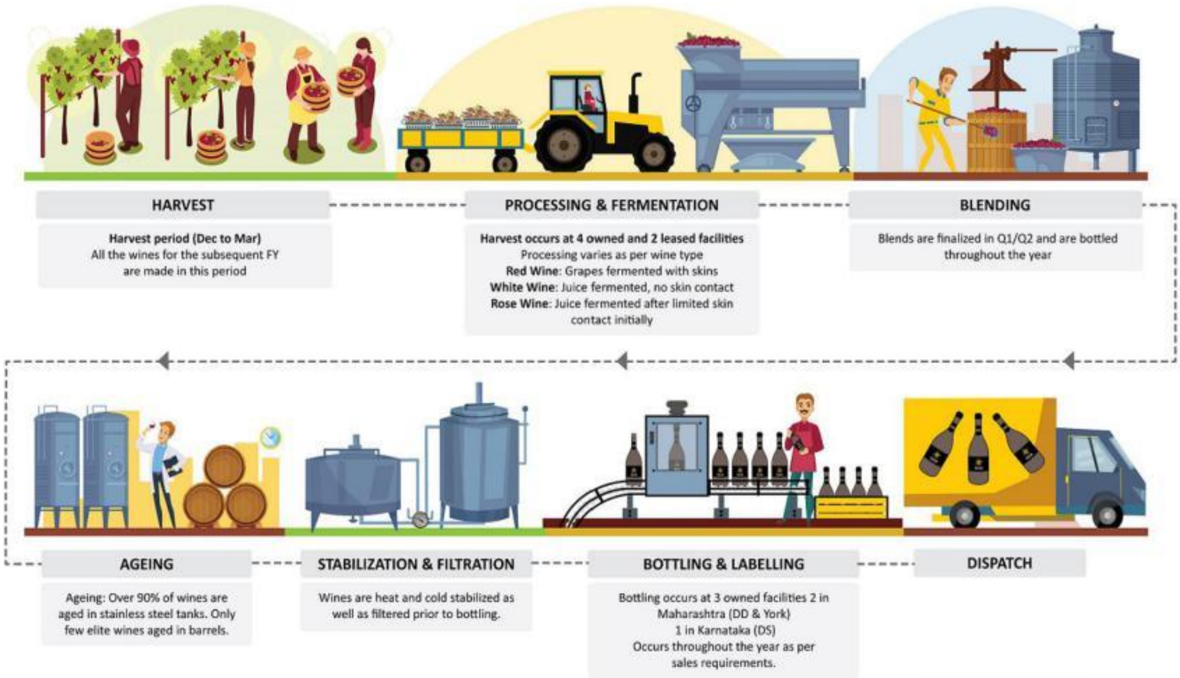
S. No.	Product	Territories covered	Description/ Category	Package
		Other territories: United States of America, Japan, Spain, France, United Arab Emirates, United Kingdom, Maldives and onboard Air India flights.		
8	Sula Sauvignon Blanc.....................	**India:** (i) Andaman and Nicobar ; (ii) Chattisgarh (iii) Chandigarh; (iv) Gujarat; (v) Goa; (vi) Himachal Pradesh; (vii) Haryana; (viii) Karnataka (Domain Sula); (ix) Madhya Pradesh; (x) Maharashtra; (xi) Pudducherry; (xii) Punjab; (xiii) Rajasthan; (xiv) Tamil Nadu; (xv) Telangana; (xvi) West Bengal; (xvii) Delhi; (xviii) Uttar Pradesh; and (xix) Uttarakhand.	White wine in the Premium category	750 ml and 375 ml
		Other territories: United States of America, Japan, Spain, France, Singapore, Belgium, Australia, United Arab Emirates, United Kingdom, South Korea, Maldives.		
9	Sula Zinfandel Rosé......................	**India:** Across India except: (i) Andaman and Nicobar Islands; (ii) Arunachal Pradesh; (iii) Assam; (iv) Bihar; (v) Chhattisgarh; (vi) Diu; (vii) Jammu and Kashmir; (viii) Jharkhand; (ix) Lakshadweep; (x) Manipur; (xi) Manipur; (xii) Mizoram; (xiii) Nagaland; (xiv) Sikkim; (xv) Tripura; and (xvi) Uttar Pradesh.	Rosé wine in the Premium category	750 ml and 375 ml
		Other territories: Japan, Spain, France, Singapore, Australia, Switzerland.		
10	Sula Seco Rosé Methode Classique	**India:** (i) Chandigarh; (ii) Goa; (iii) Gujarat; (iv) Haryana; (v) Himachal Pradesh; (vi) Karnataka (Domain Sula); (vii) Maharashtra; (viii) Orissa; (ix) Punjab; (x) Tamil Nadu; (xi) Telangana; (xii) Daman; (xiii) West Bengal.	Sparkling Rosé wine in the Premium category	750 ml and 375 ml
		Our "Rasa" range of wines		
1	RASA Syrah /Shiraz...................	**India:** (i) Daman; (ii) Delhi; (iii) Goa; (iv) Haryana; (v) Karnataka (Domain Sula); (vi) Madhya Pradesh; (vii) Maharashtra; (viii) Orissa; (ix) Punjab; (x) Uttar Pradesh; (xi) Uttarakhand; (xii) West Bengal (xiii) Chandigarh; (xiv) Gujarat; (xv) Himachal Pradesh; (xvi) Pudducherry; (xvii) Rajasthan; (xviii) Tamil Nadu; (xix) Telangana.	Red wine in the Elite category	750 ml and 375 ml
		Other territories: Japan, Singapore.		
2	RASA Cabernet Sauvignon.............	**India:** (i) Chandigarh; (ii) Delhi; (iii) Goa; (iv) Gujarat; (v) Haryana; (vi) Karnataka (Domain Sula); (vii) Maharashtra; (viii) Pudducherry; (ix) Rajasthan; (x) Tamil Nadu; (xi) Telangana; (xii) Uttarakhand; (xiii) West Bengal.	Red wine category in the Elite	750 ml and 375 ml
		Other territories: Japan, France, Singapore, Australia.		
3	RASA Zinfandel ...	**India:** (i) Delhi; (ii) Haryana; (iii) Himachal Pradesh; (iv) Karnataka	Red wine in the Elite category	750 ml and 375 ml

S. No.	Product	Territories covered	Description/ Category	Package
		(Domain Sula); (v) Maharashtra; (vi) Telangana; (vii) Uttarakhand; (viii) West Bengal.		
		Our "The Source" range of wines		
1	The Source Grenache Rosé......	**India:** (i) Goa; (ii) Haryana; (iii) Karnataka (Domain Sula); (iv) Madhya Pradesh; (v) Maharashtra; (vi) Tamil Nadu; (vii) Telangana; (viii) Uttarakhand; (ix) Delhi	Rosé wine category in the Elite	750 ml and 375 ml
2	The Source Sauvignon Reserve	**India:** (i) Goa; (ii) Haryana; (iii) Karnataka (Domain Sula); (iv) Maharashtra; (v) Punjab; (vi) Tamil Nadu; (vii) Telangana; (viii) Uttarakhand; (ix) Delhi.	White wine in the Elite category	750 ml and 375 ml
3	The Source Cabernet Sauvignon	**India:** (i) Goa; (ii) Karnataka (Domain Sula); (iii) Maharashtra; (iv) Tamil Nadu.	Red wine in the Elite category	750 ml and 375 ml
4	The Source Moscato	**India:** (i) Maharashtra	Sparkling wine in the Elite category	750 ml
5	The Source Chenin Blanc Reserve	**India:** (i) Maharashtra	White wine in the Elite category	750 ml
		Our "Dindori" range of wines		
1	Dindori Reserve Shiraz...................	**India:** Across India except: (i) Andaman and Nicobar Islands; (ii) Andhra Pradesh; (iii) Arunachal Pradesh; (iv) Bihar; (v) Chhattisgarh; (vi) Diu; (vii) Lakshadweep; (viii) Manipur; (ix) Meghalaya; (x) Mizoram; (xi) Nagaland; (xii) Silvassa; (xiii) Tripura; and (xix) Sikkim.	Red wine in the Elite category	750 ml and 375 ml
		Other territories: On board Air India flights, Japan, Spain, France, Singapore, Belgium, United Arab Emirates, Australia, Australia, United Kingdom, Switzerland.		
2	Dindori Reserve Chardonnay..........	**India:** (i) Chandigarh; (ii) Goa; (iii) Haryana; (iv) Himachal Pradesh; (v) Karnataka (Domain Sula); (vi) Madhya Pradesh; (vii) Maharashtra; (viii) Orissa; (ix) Pudducherry; (x) Punjab; (xi) Tamil Nadu; (xii) Telangana; (xiii) Uttarakhand; (xiv) West Bengal; and (xv) Uttar Pradesh.	White wine in the Elite category	750 ml and 375 ml
		Other territories: Spain.		
3	Dindori Reserve Viognier................	**India:** (i) Delhi; (ii) Goa; (iii) Gujarat; (iv) Haryana; (v) Himachal Pradesh; (vi) Karnataka (Domain Sula); (vii) Maharashtra; (viii) Punjab; (ix) Tamil Nadu; (x) Telangana; (xi) Uttar Pradesh; (xii) Uttarakhand; (xiii) West Bengal.	White wine in the Elite category	750 ml and 375 ml
		Other territories: Spain, Belgium, United Kingdom, Switzerland.		
		Our "York" range of wines		
1	York Sparkling Cuvee Brut...........	**India:** (i) Maharashtra; and (ii) Goa	Sparkling wine in the Elite category	750 ml
2	York Sparkling Rosé Brut.............	**India:** (i) Maharashtra	Sparkling Rosé wine in the Elite category	750 ml
3	York Arros	**India:** (i) Maharashtra	Red wine in the Elite category	750 ml
4	York H Block Chardonnay..........	**India:** (i) Maharashtra; and (ii) Goa	White wine in the Elite category	750 ml

S. No.	Product	Territories covered	Description/ Category	Package
5	York Sauvignon Blanc....................	**India:** (i) Maharashtra	White wine in the Premium category	750 ml and 375 ml
		Our "Dia" range of wines		
1	Dia Red Wine Sparkler................	**India:** (i) Arunachal Pradesh; (ii) Assam; (iii) Delhi; (iv) Chandigarh; (v) Daman; (vi) Goa; (vii) Karnataka (Domain Sula); (viii) Maharashtra; (ix) Meghalaya; (x) Orissa; (xi) Silvassa; (xii) Tamil Nadu; (xiii) Telangana; (xiv) West Bengal; (xv) Sikkim.	Red wine in the Economy category	750 ml and 330 ml (Can)
		Imported Brands		
1	Beluga Noble	**India:** (i) Chandigarh; (ii) Delhi; (iii) Goa; (iv) Haryana; (v) Karnataka; (vi) Maharashtra; (vii) Pudducherry; (viii) Punjab; (ix) Tamil Nadu; (x) Telangana; (xi) Uttar Pradesh; (xii) West Bengal.	Vodka from Russia	1,000 ml and 700 ml
		Other territories: On board Air India flights.		
2	Beluga Gold Line..	**India:** (i) Chandigarh; (ii) Delhi; (iii) Goa; (iv) Haryana; (v) Karnataka; (vi) Maharashtra; (vii) Punjab; (viii) Telangana; (ix) Tamil Nadu.	Vodka from Russia	1,000 ml and 700 ml
3	Hardy's Chardonnay Semillon...............	**India:** (i) Assam; (ii) Chandigarh; (iii) Delhi; (iv) Goa; (v) Haryana; (vi) Himachal Pradesh; (vii) Karnataka; (viii) Maharashtra; (ix) Meghalaya; (x) Odisha; (xi) Pudducherry; (xii) Punjab; (xiii) Tamil Nadu; (xiv) Telangana; (xv) Uttar Pradesh; (xvi) Uttarakhand; (xvii) West Bengal.	White Wine from Australia	750 ml
4	Le Grand Noir Rosé.....................	**India:** (i) Delhi; (ii) Goa; (iii) Haryana; (iv) Karnataka; (v) Maharashtra; (vi) Meghalaya; (vii) Odisha; (viii) Pudducherry; (ix) Punjab; (x) Telangana; (xi) Uttar Pradesh; (xii) Uttarakhand; (xiii) West Bengal.	Rosé Wine from France.	750 ml
5	Torres Sangre De Torro....................	**India:** (i) Haryana; (ii) Karnataka; (iii) Maharashtra; (iv) Punjab; (v) Delhi, (vi) Uttar Pradesh.	Red Wine from Spain	750 ml
6	Torres Mas La Plana	**India:** (i) Haryana; (ii) Karnataka; (iii) Maharashtra; (iv) Punjab.	Red Wine from Spain	750 ml
7	Le Grand Noir Pinot Noir	**India:** (i) Delhi; (ii) Goa; (iii) Haryana; (iv) Karnataka; (v) Maharashtra; (vi) Meghalaya; (vii) Odisha; (viii) Pudducherry; (ix) Punjab; (xi) Telangana; (xii) Uttar Pradesh; (xiii) Uttarakhand; and (xiv) West Bengal.	Red Wine from France	750 ml
8	Torres 5 Solera Imperial................	**India:** (i) Maharashtra; (ii) Karnataka; (iii) Goa; (iv) Pudducherry; and (v) Tamil Nadu.	Brandy from Spain	700 ml

Production Process

The flowchart below sets out the process for production of our wines:



The harvest of wine grapes in India typically runs for four months from December and continues until March each year. Once the grapes have been delivered to our wineries during this period, the basic process of producing wine involves the conversion of the sugar in grapes into alcohol through fermentation by yeast. The fermentation period lasts between 1.5 to 3 weeks, and once complete, the wine is aged (if required), blended, stabilized, filtered and bottled. While a majority of our wines are made in refrigerated stainless-steel tanks, some of our higher end "Elite" wines are aged in oak barrels. Red wines generally require longer ageing compared to white and rosé wines, prior to bottling. Some of our Elite wines (both red and white) that are aged in oak barrels require around 6-12 months before bottling. Typically, our white wines are ready for bottling within two months post completion of the fermentation process, while our red wines take around three to four months. Typically, wines in our "Elite" category are aged for a longer period of time.

White wines incorporate white grapes, with the fermentation process incorporating the grape's juice only, with no interaction with the grape skin. For red wines, the fermentation process also involves the red grape skin, which results in an extraction of color from the skin to the wine. Rosé wines have a limited duration of grape skin contact thereby giving them a paler color in comparison to the traditional red wine.

We currently do not produce any fortified wines, which are produced by adding in distilled spirits to red or white wine. Fortified wines are generally of a lower quality priced under ₹200 for a 750 ml bottle, contributing to the lower end of the Popular category in the Indian wine market. The share of low-quality fortified wines has been on a decline in the recent years reducing from 38 per cent. in Fiscal 2014 to 12 per cent. to Fiscal 2022 (*Source: Technopak Report*).

Our Manufacturing and Infrastructure

Our business is supported by our manufacturing and processing infrastructure comprising four wineries in Maharashtra and two in Karnataka, with bottling units located at our Domaine Dindori, Domaine Sula and York facilities.

Owned Facilities

(A) Domaine Dindori Winery

Our Domaine Dindori facility is our largest winemaking and production facility with a tank capacity of 66.21 lakh litres as of September 30, 2022. All our wines (excluding York) are bottled and supplied from Domaine Dindori to all markets, with the exception of Karnataka region which is supplied with wine bottled from Domaine Sula. We possess quality certifications from British Retail Consortium Global Standards ("**BRC**") (AA grade) and the

Food Safety and Standards Authority of India ("**FSSAI**"). We intend on further expanding the tank capacity at this facility in the future.

(B) Nashik Winery

Established in 2000, our Nashik facility is our second largest winemaking facility with a tank capacity of 46.40 as of September 30, 2022. Our Nashik facility comprises a vineyard, a wine tasting room, a boutique vineyard resort, two restaurants and an amphitheatre. We possess quality certifications from BRC (A Grade) and FSSAI. We commenced our Wine Tourism Business at our Nashik facility, and currently own and operate two vineyard resorts located at and adjacent to our winery, under "*The Source at Sula*" and "*Beyond by Sula*" brand names, having room capacities of 57 and 10 rooms as of September 30, 2022, respectively. The first wine tasting room in India was also launched at this facility in Fiscal 2005. *(Source: Technopak Report)*

(C) Domaine Sula Winery

Our Domaine Sula facility is our third largest winemaking facility with a tank capacity of 11.39 lakh litres as of September 30, 2022. Located in between Bengaluru and Mysore in Karnataka, this facility comprises a vineyard, a wine tasting room, a restaurant and a production facility where we make our wines for the Karnataka market. We possess a quality certification from ISO 9001: 2015.

(D) York Winery

Acquired in Fiscal 2022 from York Winery Private Limited under our fully-owned subsidiary, Artisan Sprits Private Limited, the York facility comprises a wine tasting room, a restaurant and a winemaking and production facility with a tank capacity of 4.84 lakh litres as of September 30, 2022. This facility is strategically located around 2km from our Nashik winery providing us operational synergies and the potential to grow further. We intend on expanding our Wine Tourism Business at this facility targeting a younger and price sensitive audience. We possess a quality certification from FSSAI.

Leased Facilities

(A) Leased Winery 1

Leased in 2020, our Leased Winery 1 is a winemaking facility with a tank capacity of 9.94 lakh litres as of September 30, 2022, located around 6 km from our Domaine Dindori facility. At this facility we undertake the process of crushing the grapes and making the wines which are then sent over to our Domaine Dindori facility for bottling. We possess quality certification from FSSAI.

(B) Leased Winery 2

Leased in 2019, our Leased Winery 2 is a winemaking facility with a tank capacity of 6.62 lakh litres as of September 30, 2022, located approximately 750 km from our Domaine Sula facility. At this facility we undertake the process of crushing the grapes and making the wines which are then sent over to our Domaine Sula facility for blending and bottling. We possess quality certification from FSSAI.

Production Capacity

The following table sets forth information relating to the aggregate installed production capacities (per annum) of our wineries for the products specified below:

	Installed capacity			
	Fiscal			
	2020	2021	2022	Six months ended September 30, 2022
	(in Lakh Litres)			
Maharashtra				
Nashik Winery	45.39	45.71	46.40	46.40
Domaine Dindori	66.21	66.21	66.21	66.21
Leased Winery 1	9.94	9.94	9.94	9.94

	Installed capacity			
	Fiscal			
	2020	2021	2022	Six months ended September 30, 2022
	(in Lakh Litres)			
York Winery (ASPL)	0	0	4.84	4.84
Total Maharashtra (A)	**121.53**	**121.85**	**127.39**	**127.39**
Karnataka				
Domaine Sula (DS)	11.21	11.36	11.39	11.39
Leased Winery 2	6.75	6.62	6.62	6.62
Total Karnataka (B)	17.96	17.98	18.01	18.01
Total (A+B)	**139.49**	**139.83**	**145.40**	**145.40**

Capacity utilisation

We regularly monitor the performance of our wine manufacturing facilities through a number of performance indicators commonly used in the Indian wine industry. The following table provides information relating to the aggregate estimated capacity utilization rates of our wine manufacturing units for the six months ended September 30, 2022 and the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020.

	Capacity utilisation			
	Fiscal			
	2020	2021	2022	Six months ended September 30, 2022
	(in Lakh Litres)			
Maharashtra				
Nashik Winery	27.37	28.95	36.79	22.44
Domaine Dindori	45.87	49.23	52.61	36.91
Leased Winery 1	6.92	7.68	8.94	5.74
York Winery (ASPL)	0	0	3.96	3.44
Total Maharashtra (A)	**80.16**	**85.86**	**102.29**	**68.54**
Karnataka				
Domaine Sula (DS)	7.66	8.14	9.22	8.47
Leased Winery 2	2.93	3.10	3.99	4.83
Total Karnataka (B)	10.59	11.24	13.21	13.31
Total (A+B)	**90.76**	**97.10**	**115.50**	**81.84**

	Capacity utilisation			
	Fiscal			
	2020	2021	2022	Six months ended September 30, 2022
	(as % of installed capacity)			
Maharashtra				
Nashik Winery	60%	63%	79%	48%
Domaine Dindori	69%	74%	79%	56%
Leased Winery 1	70%	77%	90%	58%
York Winery (ASPL)	-	-	82%	71%
Total Maharashtra (A)	**66%**	**70%**	**80%**	**54%**
Karnataka				
Domaine Sula (DS)	68%	72%	81%	74%
Leased Winery 2	43%	47%	60%	73%
Total Karnataka (B)	**59%**	**63%**	**73%**	**74%**
Total (A+B)	**65%**	**69%**	**79%**	**56%**

Note:

(1) *Zero figures represent the facility was not a part of the Company for the respective years. Capacity Utilization is calculated on available wine as on 31 March for the respective years.*

Procurement and Raw Materials

The key ingredients and raw materials required for the production of our wines include grapes, additives, processing aids and packaging material. For our 'Elite' and 'Premium' categories we use wine grapes, such as Shiraz, Cabernet Sauvignon, Chenin Blanc, etc. For the economy and more popular categories, we use a combination of wine grapes and widely available table grapes, such as Thompson seedless. Key additives and processing aids used in our winemaking process are largely standard and primarily imported.

For our grape supply, we had access to approximately 2,521 acres of vineyards as of June 30, 2022 (*Source: Technopak Report*). Out of our total acreage, we have entered into long term supply arrangements (of up to 12 years) with contract farmers for approximately 2,290 acres as of September 30, 2022. This is evidenced by our long-term supply arrangements (of up to 12 years with an option to renew further with mutual consent) with approximately 500 contract farmers.

We have also been successful in building a responsible supply chain, sourcing packaging materials locally, and optimizing their use. See " – *Early adoption and focus on sustainability*" above for more details.

Distribution Platform

As of September 30, 2022, we have a presence in 25 states and six union territories in India. We also entered the overseas markets in 2003, and currently offer our wines in over 20 countries, including Spain, France, Japan, the United Kingdom and the United States (*Source: Technopak Report*). Our expansive distribution platform enables us to reach a wide range of consumer segments and ensure effective market penetration. We had access to over 50 distributors, 11 corporations, 14 licensed resellers, 7 company depots and 3 defence units as of September 30, 2022, and over 23,000 points of sale (including over 13,500 retail touchpoints and over 9,000 hotels, restaurants and caterers) as of March 31, 2022. Our products are available through various points of sale, such as general trade (which includes traditional retail points, such as licensed alcohol and wine shops through distributors and stockists), along with modern trade channels, including e-commerce platforms and select supermarkets across India. During the six months ended September 30, 2022, 23.90 per cent., 70.75 per cent. and 5.35 per cent. of our secondary sales were generated from the On-trade channel, Off-trade channel and direct to consumer channel, respectively, as compared to 23.03 per cent., 72.95 per cent. and 4.02 per cent in Fiscal 2022.

Almost all our primary sales happen via distributors and corporations with the exception of Gujarat and few clients in Tamil Nadu where we directly supply to institutions, such sales together accounting for less than 1per cent. of our total primary sales in Fiscal 2022 and the six months ended September 30, 2022. Our secondary sales are sales derived by our direct buyers (i.e. distributors and corporations) from their customers, which are split across three channels: (i) Off-trade; (ii) On-trade; and (iii) D2C sales at our Wine Tourism Business facilities. During the respective six months period ended September 30, 2022 and September 30, 2021, 70.75 per cent. and 72.95 per cent. of our secondary sales were made through our Off-trade channel, while 23.90 per cent. and 23.03 per cent. of our secondary sales were made through the On-trade channel where we have established tie-ups with leading hotel chains, such as the Taj and Oberoi groups in India. Lastly, the D2C sales accounted for 5.35 per cent. of our secondary sales during the six months ended September 30, 2022 as compared to 4.02 per cent. during the six months ended September 30, 2021.

We also have a strong direct to consumer selling channel at our wine tourism facilities in Nashik (Maharashtra) and Bengaluru (Karnataka) with D2C sales of ₹242.01 million during the Financial Year ended March 31, 2022, ₹157.53 million and ₹72.81 million during the six months period ended September 30, 2022 and September 30, 2021, respectively. Our wine tourism facilities in Nashik (Maharashtra) and Bengaluru (Karnataka) contributed an average D2C sale of approximately 225,000 bottles (units of 1500ml, 750ml, 375ml bottles sold or served to consumers at our outlets in these facilities) each year over the last three Fiscals with approximately 20 per cent. of our Elite wine sales taking place at our wine tourism facilities. Not only are we the leaders in the On-trade channels, but we also recorded the highest Off-trade sales in the last three years with our Off-trade sales contributing 72.25 per cent. of our secondary sales during Fiscal 2022 as compared to 61.33 per cent. in Fiscal 2020. During the six months ended September 30, 2022 our Off-trade sales contributed 70.75 per cent. of our secondary sales as compared to 72.95 per cent. during the six months ended September 30, 2021.

Marketing

Our marketing activities are innovative. As an example, we pioneered in starting an annual musical festival "SulaFest" in 2008, involving a two-day celebration of wine, music and food, in Nashik, Maharashtra. "SulaFest" is widely recognized as the largest wine festival in India with more than 10,000 people in attendance in 2020, and it is also one of the largest wine music festivals in Asia (*Source: Technopak Report*). We incurred marketing expenses (primarily comprising digital marketing and public relations, in store visibility, trade marketing, events and tastings) of ₹27.12 million, ₹19.37 million, ₹47.84 million, ₹41.94 million and ₹86.49 million for the six months period ended September 30, 2022 and September 30, 2021, and the Fiscals ended March 31, 2022, 2021 and 2020, respectively.

As of September 30, 2022, our Store Locater available on a popular messaging and chat-based platform, has been activated in 32 cities covering approximately 2,100 pin codes enables our consumers to locate the nearby stores where our wines are available for purchase. With databases containing information of consumers, we are able to reach out to our consumers through push notifications, newsletters and other methods.

Product Development

Research and development are critical in maintaining our competitive edge. We were the first to introduce varietal wines in India in 2003, with our Sauvignon Blanc, Chenin Blanc, Zinfandel, Riesling, Red Sparkling and dessert wine offerings. We were the first to introduce refrigerated stainless-steel for winemaking in India which went on to revolutionize tropical winemaking (*Source: Technopak Report*). In India, we were one of the first to introduce the 'Charmat' method for producing sparkling wines, which enables us to produce our wines faster and more efficiently. We also introduced screwcaps on wine bottles in 2006. Screwcaps in place of cork ensures that wine is not spoilt due to leakage or cork taint. It has also helped retailers store higher quantity of wines. This is one of the important innovations which has helped the industry grow in India (*Source: Technopak Report*).

We typically aim to launch new products every year. The following factors are evaluated prior to the launch of any new product with a new product typically being launched only if each of these conditions are satisfied:

1. **Market for the product**: Given that India is a country new to wine consumption, we also evaluate if there are similar wines that have a large market globally;
2. **Climatic conditions for the grapes**: Ability of the required variety of grapes to grow in the tropical climatic conditions in India at an acceptable quality level while also being economically viable for the farmers; and
3. **Pricing**: Ability to launch the product at a competitive price point to attain meaningful volumes and contribute to profitability.

Quality Assurance

We place significant importance on quality checks and controls and have a well-defined documented quality control system which is monitored at various stages, right from the growing and procurement of grapes, to processing, bottling and dispatch of our wines. The quality certifications which our wineries have received are as follows:

- Domaine Dindori Winery – BRC (AA grade) and FSSAI
- Nashik Winery – BRC (A Grade) and FSSAI
- Domaine Sula Winery – ISO 9001: 2015
- York Winery – FSSAI
- Leased Winery 1 – FSSAI
- Leased Winery 2 – FSSAI

The quality of our wines is critical to our success, and we are committed to maintaining quality standards with respect to the quality of the raw materials we use. Our viticulture team visits vineyards at least once a month (frequency is dependent on time of year) to monitor the growth of grapes in accordance with the guidelines laid down by our Company. Once the grapes are ready for harvest i.e., the grapes are mature in terms of sugar and acid levels as well as flavour, the harvesting date is then decided by our winemakers.

High standards of wine making practices are adhered to all through with the production process being monitored and regular checks being carried out at each stage. These checks are both analytical and sensory in nature, ensuring that the quality of the wine meets the prescribed standards. Numerous technical checks to ensure that the wine meets the set specifications and it is bottled as per the laid down SOPs. All packaging material such as glass bottles, screwcaps, labels, cartons, etc. are also checked to ensure that they meet the required standards.

Our Wine Tourism Business

As part of our Wine Tourism Business, we own and operate "*The Source at Sula*" and "*Beyond by Sula*" vineyard resorts located adjacent to our facility in Nashik, Maharashtra, having a combined room capacity of 67 rooms. We have increased the number of rooms at our wine tourism facilities from 33 rooms in Fiscal 2018 to 67 rooms as of September 30, 2022. During the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, 2021 and 2020, our resorts recorded an approximate revenue per room of ₹10,195, ₹10,225, ₹10,367, ₹9,044 and ₹8,759, respectively.

The table below sets forth the average occupancy level at our "*The Source at Sula*" and "*Beyond by Sula*" facilities for the periods indicated below:

	Six months ended September 30,		Fiscal		
	2022	**2021**	**2022**	**2021**	**2020**
Average Occupancy at Resorts (%)................	77.37%	55.69%	70.97%	43.66%	66.48%
The Source at Sula					
Occupancy %..	76.15%	51.94%	68.85%	41.15%	63.79%
Beyond By Sula					
Occupancy %..	84.21%	74.81%	82.30%	56.41%	75.55%

Key Operating Parameters of our Wine Tourism Business

Consolidated

	Six months ended September 30,		Fiscal		
	2022	**2021**	**2022**	**2021**	**2020**
Average Rooms Occupancy (%).......................	77.37%	55.69%	70.97%	43.66%	66.48%
Average Room Revenue (ARR) (in ₹).............	10,195	10,225	10,367	9,044	8,759
Room Revenue					
(A) Room Revenue (₹ in millions)	95.28	63.57	170.07	87.91	93.30
Room Revenue to Total Income (%)	4.22%	3.96%	3.72%	2.09%	1.73%
Food & Beverage, Merchandise, other Ancillary Services and Wine & Liquor					
(B) Sale of Food & Beverage, merchandise and all other ancillary services (₹ in millions) ..	102.72	57.31	176.14	93.47	188.37
(C) Sale of Wine and Liquor (₹ in millions).....	157.53	72.81	242.01	139.70	189.42
Total Income (A + B + C) (₹ in million)	355.53	193.69	588.22	321.08	471.09

Human Resources and Employees Training

As of September 30, 2022, we had a workforce of 757permanent employees. We consider our human resource as a critical factor to our success and engage in a human resource strategy that focuses on recruiting, training and retaining our employees, as well as offering them competitive compensation. In addition to a base salary and performance-linked incentives, we provide a number of benefits to our employees, such as medical insurance, group gratuity schemes and group personal accident insurance and other regular employee engagement activities. Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to providing an empowering environment that motivates and facilitates growth and rewards contribution.

The following table provides a breakdown of our employee base by function as of September 30, 2022:

Function	**Number of permanent employees as of September 30, 2022**
Corporate and Support Functions	110

Function	Number of permanent employees as of September 30, 2022
Winery	353
Viticulture	40
Hospitality	113
Sales	141
Total	757

Information Technology

We have a robust IT infrastructure with an in-house data server room to support our general business operations and business critical applications including a global ERP system and business reporting software, as well as industry standard point of sale software used by our Wine Tourism Business facilities and applications for employee engagement, payroll management, risk management and learning and development. We have enabled a chatbot on our website in order to enhance user experience, which provides assistance on multiple aspects including product information, online shopping, stay booking and other ancillary queries.

Competition

Indian alcoholic beverage market has strong market leaders in all the segments controlling majority of the markets. Given the nature of industry and strict regulations, there are high entry barriers in the industry. Established players are well entrenched with manufacturing units across the country, collaboration for raw material and working relationship with state and central government officials. Indian spirits market is controlled by the top two spirits companies of the world. The top three players in the spirits market control close to 50 per cent. of the spirits market in India by volume in Fiscal 2022. The top three players in beer market control close to 80 per cent. of the beer market by volume in Fiscal 2022. In case of wines, top three players controlling close to 80 per cent. by value of the domestic grape wine market, and we are the leader of the domestic wine segment with a market share of 52 per cent. in Fiscal 2022 by value (*Source: Technopak Report*). There is a long tail of players in each of the segments with regional strong players especially in spirits' market (*Source: Technopak Report*). We are well-positioned to compete with the companies given our strategy and our market leader position in the Indian wine industry with the leading brand "Sula".

For further information on the competition we face in the markets in which we operate, see "***Industry Overview***" on page 145.

Intellectual Property

Our intellectual property includes registered trademarks, copyrights and designs associated with our business. As of the date of this Red Herring Prospectus, our Company has 200 registered trademarks in India under various classes, including registration for our name, our logo and the name of and label of our products including, "Sula", "RASA", "The Source" and "Dindori". Furthermore, our subsidiary ASPL, has registered eight trademarks in India under various classes and two registered trademarks in foreign jurisdictions. Our Company has also registered eight trademarks in foreign jurisdictions including United States of America, the European Union, Singapore, Australia, New Zealand, Chile, Japan and South Africa with the relevant trademark registration authorities in such jurisdictions. Additionally, our Company and ASPL have each filed several applications for grant of additional trademarks in India, which are pending registration at various stages. Our Company and ASPL have registered 35 and one copyright, respectively including the registration for our logo and the name of and label of our products including, "The Source" and "Satori". ASPL, has filed two applications for registration of additional copyrights. ASPL has also registered two designs, being designs of bottles under class 09 – 01 under the Designs Act, 2000 and Designs Rule, 2001.

Our Company has also registered the www.sulavineyards.com domain name on which we host our website. For further information on the intellectual property of our Company, see "***Government and Other Approvals***" beginning on page 396 and "***Risk Factors – We may be unable to protect our intellectual property or knowhow from third party infringement***" on page 44.

Insurance

We have obtained industrial all risk policy for our facilities at Nashik, Maharashtra, and Karnataka, fire and burglary policy for our assets at various locations, including hospitality and office premises and money policy for our office premises at Nashik and Mumbai. In addition, we have covered specific liabilities against our directors and certain specified officers through a directors and officers insurance policy. We have obtained group personal accident and group health insurance policies for our employees, and have also obtained coverages under transit, fidelity and motor insurance policies to cover the various risks related to our business. For further information on our insurance arrangement, see "***Risk Factors – Our insurance coverage may not be adequate***" on page 57.

Property

Our Registered and Corporate office located at 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 400 069, India, is owned by our Company. Set out below are details of our other owned and leased properties including our wineries as of the date of this Red Herring Prospectus.

Details of owned and leased wineries

Particulars	Location	Installed capacity in 2022 (in Lakh Litres)	Period of lease (Date of expiry of lease)
Wineries owned by our Company			
Nashik Winery	Maharashtra	46.40	N.A.
Domaine Dindori Winery	Maharashtra	66.21	N.A.
Domaine Sula Winery	Karnataka	11.39	N.A.
Winery owned by ASPL			
York Winery	Maharashtra	4.84	N.A.
Wineries leased by our Company			
Leased Winery 1	Maharashtra	9.94	4 years (December 31, 2024)
Leased Winery 2	Karnataka	6.62	23 months (March 31, 2024)

The aggregate installed production capacities of the wineries owned and leased by us in 2022 are 128.84 lakh litres and 16.56 lakh litres, respectively. For more information on our wineries, see "***– Our Manufacturing and Infrastructure***" on page 216.

Details of other owned and leased properties

Particulars	Location	Area (in acres / square metres)	Period of lease (Date of expiry of lease)
Properties owned by our Company			
Dindori (farm)	Maharashtra	20.48 acres	N.A.
Registered and Corporate Office (carpet area)	Maharashtra	818.28 square metres	N.A.
Guest house (two flats carpet area)	Maharashtra	183.00 square metres	N.A.
Properties owned by ASPL			
York Winery	Maharashtra	1.54 acres	N.A.
Properties leased by our Company			
Farm land	Nashik, Maharashtra	15.63 acres	5 years (May 31, 2024)
Beyond by Sula (vineyard resort)	Maharashtra	2.17 acres	3 years (June 30, 2024)

Additionally, our Company and ASPL have also leased certain other properties, which are not considered as material leasehold properties, including sales offices, guest houses, farm land and storage spaces with the lease periods for these properties ranging from 11 months to 9 years.

For more information on our wineries, see "***– Our Manufacturing and Infrastructure***" on page 216.

Environmental, Social and Governance Initiatives

Our environmental, social and governance initiatives have led to reduction of our carbon footprint and a value creation in the society. With over 2MW of installed solar PV capacity providing us more than 60 per cent. of our annual energy needs in Fiscal 2022, we generated more than 3 million kWH from solar energy at our owned and leased facilities in Maharashtra and Karnataka in Fiscal 2022.

We are mindful of the impacts of groundwater consumption and realise the increasing need to protect and nurture freshwater and groundwater sources. We have rainwater harvesting reservoirs at our facilities in Nashik and Domaine Dindori with a combined storage capacity of over 36.83 million liters. We have reduced the water usage per case produced by over 11 per cent. in the last three fiscals. We have put in place sustainability initiatives that recycle process water and enable reuse of water in various processes at our Nashik facility in Maharashtra. We actively recycle and reuse wastewater and have improved efficiency by using drip irrigation at our vineyards.

We are a member of the IWCA. 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. We have also commissioned a study on our greenhouse gas emissions (Scope 1, 2 and 3) as the first step to tracking our progress in achieving emissions reductions over time (*Source: Technopak Report*).We have also been publishing an annual sustainability report along with our Fiscal Year end annual report.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the rules framed thereunder. In accordance with our CSR policy, we aim to primarily focus on initiatives related to, *inter alia,* promoting health care including preventive health care and sanitation initiatives, education, gender equality and disaster rehabilitation. Furthermore, we have also been planting trees in Maharashtra and Karnataka as part of our CSR policy.

Our CSR activities are monitored by the CSR committee of our Board. For details of the terms of reference of CSR committee, see "***Our Management***" on page 240. During the six months ended September 30, 2022, September 30, 2021 and Financial Year ended March 31, 2022, we incurred an expense of ₹3.55 million, ₹8.13 million and ₹8.82 million, respectively, on CSR activities.

KEY REGULATIONS AND POLICIES

The following is a brief overview of certain key industry specific laws, regulations, and policies in India, which are applicable to our business and operations. The information detailed below has been obtained from various legislations, including rules, regulations, guidelines, and circulars promulgated and issued by regulatory bodies that are available in the public domain. The overview and description set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions.

*For details of the material government approvals obtained by us in compliance with these laws and regulations, see "**Government and Other Approvals**" beginning on page 396.*

Key industry specific regulations

Excise laws

State governments are empowered to regulate, among other things, manufacture, import, export, transport, possession, purchase and sale of liquor and other intoxicants. State governments also regulate excise and countervailing duties imposed on alcoholic liquors, grant of liquor licenses and retail supply of alcohol. Any person manufacturing and/or selling alcoholic liquor is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of alcoholic liquor. In certain states, there exists a complete ban on the sale, consumption, transportation etc. of liquor, while in most states the sale, consumption, and transportation etc. of liquor is permitted subject to certain conditions.

Our facilities in Maharashtra and Karnataka are governed by the Maharashtra Prohibition Act, 1949 and the Karnataka Excise Act, 1965, respectively, and the rules, regulations and orders made thereunder under which we are required to obtain appropriate licences/approvals/permissions, among other thing, for the manufacture, bottling, import, export and sale of wine.

The Government of Maharashtra, pursuant to an order dated December 13, 2021 ("**Order**") under the Maharashtra Prohibition Act, 1949, granted an exemption to wine manufacturers holding a valid licence from payment of excise duty for wines manufactured without addition of alcohol and blending with imported concentrate or bulk wine. As per the Order, our Company is entitled pay to ₹ 10 per bulk litre of wine manufactured.

The Food Safety and Standards Act, 2006 (the "FSS Act")

The FSS Act consolidates laws relating to food and establishes the Food Safety and Standards Authority of India ("**FSSAI**"), lays down science based standards for food articles and regulates their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI also includes specifications for food activities, flavourings, processing aids and material in contact with food, ingredients, contaminants, pesticide residue, biological hazards and labels. The FSS Act also sets out, among other things, the requirements for licensing and registration of food businesses, general principles of food safety and responsibilities of a food business operator and liability of manufacturers and sellers. The FSS Act also lays out procedure for adjudication by the Food Safety Appellate Tribunal. For enforcement, the 'commissioner of food safety', the 'food safety officer' and the 'food analyst' have been granted with powers of seizure, sampling, taking extracts and analysis under the FSS Act. Penalties can be levied for defaults such as for selling food not of the nature or substance or quality demanded, sub-standard food, misbranded food, misleading advertisement, food containing extraneous matter, for failure to comply with the directions of the food safety officer, for unhygienic or unsanitary processing or manufacturing of food and for possessing adulterant. In addition to the penalties, punishments can be prescribed for selling, storing, distributing or importing unsafe food, for interfering with seized items, for providing false information, for obstructing or impersonating a food safety officer, for carrying out a food business without a license, for committing the same offence a person has been previously convicted of, and for other related offences.

As per the FSS Act, alcoholic beverages come under the definition of "food". The FSS Act defines "alcoholic beverage" as a beverage or a liquor or a brew containing more than 0.5% abv where "alcohol by volume (abv)" means ethyl alcohol (ethanol) content in an alcoholic beverage expressed as a percentage of total volume. All alcoholic beverages need to adhere to regulations with regard to standards, labeling requirements, statutory warnings, and other requirements.

The Food Safety and Standards Rules, 2011 (**the** "**Food Safety Rules**"), provide, among other things, the qualifications mandatory for the posts of the commissioner of food safety, the food safety officer and the food analyst, their respective duties, and the procedure for taking extracts of documents, sampling and analysis. In order to address certain specific aspects of the FSS Act, FSSAI has framed regulations, such as the following:

(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

The Food Safety and Standards (Alcoholic Beverages) Regulations, 2018 is material to our business and operations and has been described below in detail.

Food Safety and Standards (Alcoholic Beverages) Regulations, 2018 (the "Alcoholic Beverages Regulations")

The Alcoholic Beverages Regulations seeks to establish and enforce, among other things, certain general requirements in relation to the composition of alcoholic beverages and the manufacturing processes involved. The regulations also classify alcoholic beverages into three categories i.e. distilled alcoholic beverages (including brandy, country liquors, gin, rum, vodka, whiskey etc.), wine and beer. In addition to the general labelling provisions specified in the Food Safety and Standard (Packaging and Labelling) Regulations, 2011, the Alcoholic Beverages Regulations also prescribe specific labelling requirements such as the declaration of alcohol content, approximate number of standard drinks, allergen warnings, geographical indicators, if any. Further, inclusion of any nutritional information or health claims on the labels of alcoholic beverages is prohibited. It also mandates printing of the statutory warning – "*Consumption of Alcohol Is Injurious to Health. Be Safe-Don't Drink And Drive*" in English language and/or the local or regional language of respective states. The size of statutory warning shall not be less than 1.5 mm for pack size of up to 200ml and not less than 3 mm for pack sizes above 200 ml.

In relation to wine, the Food Safety and Standards (Alcoholic Beverages) First Amendment Regulations, 2020 prescribe additional labelling requirements such as, among other things, the declaration of the country of origin, range of sugar, generic name of variety of grape or fruit used, the name of residues of preservatives or additives present as such, or in their modified forms, in the final product. Additionally, the Draft Food Safety and Standards (Alcoholic Beverages) Amendment Regulations, 2021 prescribe that "non-alcoholic counterpart of alcoholic beverage" which is non-alcoholic beverage having alcohol content less than or equal to 0.5% abv, shall meet all the requirements of the respective alcoholic beverage of origin. Further, the alcoholic beverage of the origin must undergo the process of fermentation and the produced alcohol should be removed thereafter.

FSSAI Guidance Note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' (the "COVID-19 Guidance Note")

The COVID-19 Guidance Note was issued with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. It also provides guidance in relation to operative mechanism such as establishment of an in-house emergency response team in large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. Food sectors involved in food services, takeaways and deliveries shall ensure, among others, that the food service area shall be thoroughly cleaned and disinfected after every meal, hand wash facilities should be made available to the workers, employees wear a clean uniform, mask/face cover, gloves and head covers at all time, adoption of contactless delivery. The COVID-19 Guidance Note prescribes guidelines for management of the food establishment to handle a COVID-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the suspected case.

The COVID-19 Guidance Note mandates strict adherence to General Hygiene Practices specified under Schedule 4 of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 (the "**Schedule 4**"). Schedule 4 enumerates multiple compulsory measures to be adopted by FBOs in the interest of human nutrition, safety, and hygiene. Schedule 4 mandates that the premises shall be clean, adequately lighted, and ventilated, and sufficient free space for movement shall be made available. In relation to personal hygiene –

all employees should wash their hands properly and they should be made aware of measures to avoid cross-contamination.

Legal Metrology Act, 2009 (the "Legal Metrology Act") and the Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act seeks to establish and enforce standard weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number and for matters connected therewith or incidental thereto. The Legal Metrology Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the Legal Metrology Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state government under the Legal Metrology Act. Any non-compliance or violation under the Legal Metrology Act may result in inter alia a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, the Legal Metrology (Packaged Commodities) Amendment Rules, 2017 lay down specific provisions for e-commerce transactions and online sale of packaged commodities. Additionally, the Legal Metrology (Packaged Commodities) Amendment Rules, 2021, which will be effective from April 1, 2022, prescribe mandatory declaration of maximum retail price (MRP) and unit sale price in Indian currency and the month and year of manufacture for pre-packed commodities.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The BIS Act provides for the establishment of a bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the bureau which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the 'Bureau of Indian Standards Certification Mark' which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. The Bureau of Indian Standards Rules, 2018 ("**BIS Rules**") lay down inter alia the procedure for the establishment and review of Indian standards, adoption of standards as Indian standards and for publishing of Indian standards. The BIS Act and the BIS Rules prescribes standards, requirements and methods of sampling and testing for alcoholic beverages.

Agricultural and Processed Food Products Export Development Authority Act, 1985 ("APEDA Act")

The APEDA Act establishes Agricultural and Processed Food Products Export Development Authority which has been empowered by the Central Government to take measures for the development and promotion of exports of scheduled products including alcoholic beverages. The measures, among other things, include development of industries relating to the scheduled products for export by way of providing financial assistance or otherwise for undertaking surveys and feasibility studies, participation in enquiry capital through joint ventures and other reliefs and subsidy schemes, registration of persons as exporters of the scheduled products, fixation off standards and specifications for the scheduled products for the purpose of exports and improvements in packaging of scheduled products and their marketing outside India.

Agriculture Produce and Livestock Marketing (Regulation) Act, 2017 (the "Agricultural Produce Act")

The Agricultural Produce Act was enacted for the; i) promotion inter-state trading of agricultural produce and livestock; ii) enhancement of transparency in trade operations and price settlement mechanisms through adoption of electronic and other innovative form of technology; iii) promotion of multiple channels for competitive marketing, agri-processing and agricultural export; and iv) attracting investments in development of markets and marketing infrastructure The Agricultural Produce Act prescribes, among other things, notification of market areas for specified agricultural produce and livestock, constitution of market committees, establishment of electronic trading platforms, guidelines for trading involving agricultural produce and livestock and constitution of agricultural marketing boards by states and union territories.

Key industry specific Government Policies

Maharashtra's Grape Processing Industry Policy, 2001 (the "Maharashtra Grape Processing Policy" or "Policy")

The Maharashtra Grape Processing Policy aims to encourage the production of wine in the state of Maharashtra for the benefit of farmers producing grapes, particularly in the districts of Nashik, Maharashtra and Sangli, Maharashtra. Accordingly, the Maharashtra Grape Processing Policy prescribes certain benefits in relation to wine industries, including: i) consideration of wineries as small-scale industries within the limits of investment prescribed for small scale industries; ii) concessions on levy of excise duty and sales tax; iii) permission for sale of wine by beer bars and grant of license to wine bars for the sale of wine; iv) simplified the procedures involved in the issuance of licences for production of wine in the state of Maharashtra and prescribed a one window system for various requirements of the wineries, such as essential licenses, plot, telephone etc; v) permitted tourists to visit wine product units for testing wine and such units will also be given a license for selling wine on retail basis; vi) grant of the status of food processing units to wine production units in order for them to avail facilities provided by the State Government to such units.

The Policy also discusses taxation on imported wines similar to the taxation of domestic wines, such as levying a tax equivalent to the percentage of excise duty and charging a fee on their labels/ brands. Further, the Policy establishes a committee consisting of the Principal Secretary (Excise) and other members to simplify the procedure in the collection of excise duty and seeks to establish other bodies such a Wine Institute and a Grapes Processing Industry Board to cater to various aspects of the wine industry.

A draft of the new grape processing and wine policy which shall supersede the Maharashtra Grape Processing Policy is under consideration by the State Government of Maharashtra.

Karnataka Grape Processing and Wine Policy, 2007 (the "Karnataka Grape Processing Policy")

The Karnataka Grape Processing Policy was notified on March 14, 2007. The policy, among other things, declares wineries as horticultural and food processing industries which are entitled to receive all incentives and facilities provided by the State Government for such industries and simplifies the procedures involved in the issuance of licences for production of wine in the state of Karnataka. The State Government also extended a subsidy of 50% on the installation of machinery required for agro-based industries to grape processing units. Further, the sale of wine through wine taverns and wineries, and by bars which have obtained licences for wholesale trade of wine is permitted.

Under the Karnataka Grape Processing Policy, the excise duty levied on wine produced in other states would be four time greater than the applicable duty on wine produced in Karnataka. Further, waivers or reductions were granted in relation to the excise registration fee, licence fee, labelling fee imposed on production and sale of wines in Karnataka. It also provides for additional subsidies for setting up of wineries in the state.

Prohibition on advertisement

The Cable Television Networks (Regulation) Act, 1995 (the "Cable Television Regulation Act")

The Cable Television Regulation Act read with the Cable Television Network Rules, 1994 prescribe an advertising code which provides that advertising in the cable services shall be so designed as to conform to the laws of India and should not offend morality, decency and religious susceptibilities of the subscribers of cable services. In addition, the advertising code prohibits advertisements which indirectly or directly promote production, sale or consumption of cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants ("**prohibited products**"). However, it allows advertising of a product that uses a brand name or logo, which is also used for the prohibited products subject to certain conditions including, that the story board or visual of the advertisement must depict only the product being advertised and not prohibited products in any form or manner, that the advertisement must not make any direct or indirect reference to the prohibited products and that the advertisement must not contain any nuances or phrases promoting the prohibited products. The Cable Television Networks (Regulation) Amendment Act, 2011, inter alia, prescribes guidelines for the registration and oversight of the services provided by cable television network operators. It also stipulates the effective monitoring of contents of the programmes aired on television through designated officers. Further, the Cable Television Networks (Amendment) Rules, 2021 prescribe a three tier grievance redressal structure comprising of i) self-regulation by the broadcasters; ii) regulation by self-regulating bodies of the broadcaster; and iii) an oversight mechanism by the Central Government in relation to violation of the Programme and Advertising Codes prescribed under the Cable Television Network Rules, 1994.

Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022

The Government of India, through Notification dated June 9, 2022, bearing number F. No. J-25/4/2020- CCPA (Reg) issued the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 ("**Guidelines**"). The said Guidelines are issued under Section 18 of the Consumer Protection Act, 2019, to provide for the prevention of false or misleading advertisements and making endorsements relating thereto. These Guidelines apply to –

(a) all advertisements regardless of form, format or medium; and

(b) a manufacturer, service provider or trader whose goods, product or service is the subject of an advertisement, or to an advertising agency or endorser whose service is availed for the advertisement of such goods, product or service.

The Guidelines, inter alia, specifically provide for (i) conditions for, non-misleading and valid advertisement; (ii) conditions for bait advertisements; (iii) prohibition of surrogate advertising; (iv) free claims advertisements; and (v) children targeted advertisements.

Environment law legislations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. As per the applicable state law, the industries are required to obtain consent orders from the PCBs as per their applicable categories. These consent orders are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms and are required to be kept renewed.

The Environment (Protection) Act, 1986 (the "Environment Act")

The Environment Act has been enacted with the objective of protection and improvement of the environment. Under the Environment Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Environment Act also contains provisions with respect to furnishing information to authorities in certain cases, the establishment of environment laboratories and the appointment of government analysts. The Environment Act prescribes penalties in form of fine, imprisonment or both, in case of non-compliance with the Environment Act or the rules thereunder.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State

PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Wastes Rules, as amended are to be read with the Environment Act. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Furthermore, in terms of the Hazardous Waste Rules, the occupier has been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require license/authorization for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the State Pollution Control Board.

Labour law legislations

Factories Act, 1948 (the "Factories Act")

The Factories Act, as amended, defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or is ordinarily so carried on or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power, or is so ordinarily carried on. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of 14 years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")

The CLRA is applicable to every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, and to every contractor who employees or who employed on any day of the preceding twelve months twenty or more workmen. Under the CLRA, a 'principal employer' is defined to include (in the case of establishments other than factories, mines, or Government offices/ departments) as any person responsible for the supervision and control of the establishment. The CLRA provides for, inter alia registration of establishments employing contract labour, licensing of contractors as well as circumstances in which such licenses can be revoked, as well as provisions in relation to welfare and health of contract labour. Under the CLRA, if any amenity is not provided by the relevant contractor to the contract labour in accordance with the provisions of the Act, such amenity is required to be provided by the principal employer. The Central Government or the relevant State Government is empowered to frame rules for carrying out the various provisions of the CLRA.

The Occupational Safety, Health and Working Conditions Code, 2020 (the "Occupational Conditions Code")

The Occupational Conditions Code received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Occupational Conditions Code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.

Other labour law legislations

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

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) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
10) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
11) The Industries (Development and Regulation) Act, 1951;
12) Employees’ Compensation Act, 1923;
13) The Industrial Employment Standing Orders Act, 1946;
14) The Child Labour (Prohibition and Regulation) Act, 1986;
15) The Equal Remuneration Act, 1976;
16) The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001;
17) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
18) The Code on Wages, 2019*;
19) The Industrial Relations Code, 2020**; and
20) The Code on Social Security, 2020***

**The Government of India enacted ‘The Code on Wages, 2019’ which received the assent of the President of India on 8 August 2019. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020 and other provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

***The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on 28 September 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

****The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on 28 September 2020. Section 142 of the Code on Social Security, 2020 has been brought into force from May 3, 2021 by the Ministry of Labour and Employment through a notification dated April 30, 2021 and other provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Unorganised Workers’ Social Security Act, 2008.*

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Laws governing foreign investments

Foreign investment in India is governed by the provisions of FEMA Rules along with the FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Under the current FDI Policy (effective October 15, 2020) 100% foreign direct investment is permitted in the manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions. In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

Overseas Direct Investment ("ODI")

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, as amended, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require the prior approval of the RBI.

Intellectual property legislations

Trade Marks Act, 1999 (the "Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties in form of imprisonment or fine or both for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "**Copyright Laws**") serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Design Act, 2000

The Design Act, 2000 ("**Design Act**") consolidates and amends the law relating to the protection of designs which came into force on May 11, 2001. Design Act is a complete code in itself and is statutory in nature and protects new or original designs from getting copied which cause loss to the proprietor. The proprietor upon registration gets 'copyrights in design' for the period of 10 years from the date of registration which can be renewed for a second period of five years, before the expiration of original period of 10 years. The controller registers a design under this Act after verifying that the design of any person, claiming to be the proprietor, is the new or original design not previously published anywhere in any country and is not against any public policy or morality. Any obvious or fraudulent imitation of a design, which is already registered, without the consent of its proprietor, is unlawful. It also prohibits the import of any material which closely resembles a registered design.

Other applicable laws

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 ("**CP Act**") provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The CP

Act has, inter alia, introduced a Central Consumer Protection Council to promote, protect and enforce the rights of consumers and to provide relief to a class of consumers.

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")

The Goods and Services Tax (GST) has replaced erstwhile taxes levied and collected by the Central Government: central excise duty, service tax, central surcharges, cesses so far as they relate to supply of goods and services etc. State taxes that have been subsumed by the GST are state VAT, central sales tax, luxury tax, taxes on advertisements, purchase tax, state surcharges, cesses so far as they relate to supply of goods and services etc. However, GST is not applicable to manufacture and sale of alcohol including wine. Excise duty and VAT continue to be levied on sale, transportation and manufacture of alcohol including wine in accordance with the applicable excise and tax laws of various states. The Government of Maharashtra, pursuant to an order dated August 31, 2009, granted a "wine industry incentive subsidy" equal to 16% of the taxable amount (wine producers in Maharashtra currently pay value added tax amounting to 20%) on wine which is produced and exclusively sold in the state of Maharashtra.

The GST would be now applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It is a destination based consumption tax. The GST to be levied by the Centre on intra-State supply of goods and/or services is called the Central GST ("**CGST**") as provided by the CGST Act and that to be levied by the States is called the State GST ("**SGST**") as given under the SGST Acts. An Integrated GST ("**IGST**") under the IGST Act, is to be levied and collected by the Centre on inter-State supply of goods and services.

In addition to the above, our Company is required to comply with the provisions of the Indian Contract Act, 1872, Companies Act, 2013, Transfer of Property Act, 1882, Indian Stamp Act, 1899, Foreign Exchange Management Act, 1999, Prevention of Corruption Act, 1988, to the extent applicable, Income Tax Act 1961, Income Tax Rules, 1962, Customs Act, 1962, Customs Tariff Act, 1975, Insolvency and Bankruptcy Code, 2016, and other applicable laws and regulations imposed by the central and state governments and other authorities for its day-to-day operations

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Nashik Vintners Limited" as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC on February 26, 2003. Our Company was granted the certificate for commencement of business on March 6, 2003 by the RoC. The name of our Company was changed to "Nashik Vintners Private Limited", pursuant to a fresh certificate of incorporation consequent on change of name issued by the RoC on January 24, 2006. Subsequently, the name of our Company was changed to "Sula Vineyards Private Limited", pursuant to a certificate of incorporation pursuant to change of name issued by the RoC on August 11, 2014. On the conversion of our Company to a public limited company, pursuant to a resolution passed by our Shareholders on December 27, 2021, our name was changed to "Sula Vineyards Limited" and a fresh certificate of incorporation was issued by the RoC on February 11, 2022.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the registered office	Reasons for change
July 17, 2005	Registered office moved from 3, Matulya Centre, "A", Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 Maharashtra, India to 1 & 2, Matulya Centre, "C", Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 Maharashtra, India	Convenience to carry on business operations and day-to-day work more resourcefully.
March 2, 2010	Registered office moved from 1 & 2, Matulya Centre C, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Maharashtra, India to 3rd Floor, A Wing, Todi Estate, Sun Mill Compound, Lower Parel (West), Mumbai 400 013 Maharashtra, India	Administrative convenience
October 1, 2015	Registered office moved from 3rd Floor, A Wing, Todi Estate, Sun Mill Compound, Lower Parel (West), Mumbai 400 013 Maharashtra, India to 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India	Future expansion plans and growth

Main objects of our Company

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities. The main objects contained in our Memorandum of Association are as follows:

"*To carry on the business of wine makers, brewers, fermenters, malters, distillers, refiners, blenders, compounders, rectifiers, processors, bottlers, merchants, exporters, importers, buyers, sellers, agents, brokers, suppliers, stockists, wholesalers and otherwise dealers in all types of alcohol beverages including wines, Indian Made Foreign Liquor, country liquor, beer, brandy, whisky, gin, rum or their derivatives produced or processed from fermentation, distillation or any other suitable process and also manufacture and deal in all kinds of aerated and mineral water.*"

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution/ Effective date	Particulars
July 14, 2014	Clause I of our Memorandum of Association was amended to reflect the change in name from "Nashik Vintners Private Limited" to "Sula Vineyards Private Limited"
July 30, 2021	Pursuant to the amendment in the Clause V of our Memorandum of Association, the authorised share capital of our Company of ₹202,060,000 divided into 20,206,000 equity shares of ₹10 each was sub-divided into ₹202,060,000 divided into 101,030,000 Equity Shares of ₹2 each
December 27, 2021	Clause I of our Memorandum of Association was amended to reflect the change in name from "Sula Vineyards Private Limited" to "Sula Vineyards Limited"

Major events and milestones of our Company

The table below sets forth some of the key events in our history:

Calendar Year	Milestone
2003	Incorporated as Nashik Vintners Limited
2005	Launched India's first wine tasting room at our winery in Nashik, Maharashtra (*Source: Technopak Report*)
2008	Launched "SulaFest" – India's first wine themed music festival at our Nashik, Maharashtra facility
	Opened the country's first vineyard resort
2015	Acquired 50.00 % of the share capital of Remy Sula India Private Limited (*subsequently renamed as ASPL*)
	ASPL became a wholly owned subsidiary of our Company
2017	Acquired the winery unit business of Heritage Grape Winery Private Limited
2018	Acquired 51.00 % of the paid-up share capital of PADPL
2020	Launched 'Dia', India's first wine-in-a-can (*Source: Technopak Report*)
	Most visited vineyard in India, with approximately 368,000 people visiting our vineyards in Fiscal 2020 (*Source: Technopak Report*)
2021	Our Subsidiary, ASPL, acquired the winery unit business of York Winery Private Limited
	Divested of our entire stake from PADPL, aggregating to 51 % of its paid-up share capital
	Largest distribution network among wine companies in India, with close to 13,000 retail touchpoints across the country in 2021 (*Source: Technopak Report*)
	Highest number of D2C sales in the Indian wine industry in Fiscal 2021 (*Source: Technopak Report*)
2022	Sula International Limited, our erstwhile subsidiary (a company which was incorporated in U.K.) was voluntarily dissolved with effect from April 26, 2022
	Offered 56 labels to choose from a portfolio of 13 distinct brands as of September 30, 2022.
	One of the top 10 most followed vineyards in the world, having a large following on social media (*Source: Technopak Report*)
	India's largest wine producer and seller as of March 31, 2022 (*Source: Technopak Report*)

Key awards, accreditations and recognition

Set forth below are some of the awards and accreditations received by our Company:

Calendar Year	Award
2016	'Best contribution to Wine and Spirits Tourism' award at the Drinks Business Awards 2016
2019	Our Company's wines were awarded 11 awards under the 'Best in Show', 'Gold' and 'Silver' categories at the 3rd edition of the India Wine Awards, 2019
2020	Our Company's wines were awarded 10 awards under the 'Silver' and 'Bronze' categories at the Decanter World Wine Awards, 2020
	'Most Innovative Use of HR Initiatives During the Pandemic' award at the HRAI Awards, 2020 by the HR Association of India
2021	'Great Workplace' certificate issued by the Great Place to Work Institute, India
2022	Our Company's wine, Sula Sparkling Brut Tropicale, was awarded a gold medal at the International Wine Challenge, 2022
	Our Company's wines were awarded 9 awards under the 'Silver' and 'Bronze' categories at the Decanter World Wine Awards, 2022
	Our Company's wine, RASA Cabernet Sauvignon was awarded a silver medal at The Global Cabernet Sauvignon Masters 2022

Significant financial and strategic partnerships

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Time/ cost overrun

There has been no time or cost overrun in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There has been no instance of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Capacity/ facility creation, location of plants

For details regarding capacity/ facility creation and location of our wineries, see "***Our Business***" beginning on page 194.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "***Our Business***" beginning on page 194.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years:

1. ***Share purchase agreements dated March 16, 2015 and April 7, 2015 ("Artisan Spirits SPAs") executed among our Company, Remy Cointreau International Pte. Limited ("Remy Cointreau") and Remy Sula India Private Limited ("Remy Sula")***

   Pursuant to the terms of the Artisan Spirits SPAs, Remy Cointreau has sold and transferred its entire shareholding aggregating to 14,675,000 equity shares comprising of 50.00% of the share capital of Remy Sula comprising of 14,675,000 of its equity shares in favour of our Company for a total cash consideration of ₹ 63.00 million and our Company has acquired, free from any encumbrance and together with all accrued benefits and rights attached to the shares, all shares of Remy Sula held by Remy Cointreau. Subsequent to such share purchase of the balance paid-up share capital of Remy Sula, it became a wholly-owned subsidiary of our Company and its name was subsequently changed to Artisan Spirits Private Limited on April 21, 2015.

2. ***Agreement for transfer of business dated May 19, 2017 executed among our Company and Heritage Grape Winery Private Limited ("HGWPL"), read with addendum to the agreement for transfer of business dated September 16, 2017 ("Heritage BTA")***

   Pursuant to the terms of the Heritage BTA, our Company has acquired the winery unit business of HGWPL as a going concern on a slump sale basis for a total cash consideration of ₹ 346.28 million. As part of the slump sale, HGWPL has sold and transferred and our Company has acquired from HGWPL its winery unit including, among others, immovable properties, moveable assets, governmental permits/ operational licenses, customers and vendors, trade receivables, deposits and other current assets, inventories, trade payables and other liabilities, goodwill and trademarks in accordance with the terms of the Heritage BTA.

3. ***Share purchase agreement dated November 14, 2018 ("Progressive Alcobev 2018 SPA") executed among our Company, Rakshit Arora and Pravin Ilango (collectively with Rakshit Arora, the "Sellers") and the Share Subscription and Shareholders' Agreement dated November 14, 2018 ("Progressive Alcobev 2018 SSA") entered into among the afore-mentioned parties and Progressive Alcobev Distributors Private Limited ("Progressive Alcobev")***

   Pursuant to the terms of the Progressive Alcobev 2018 SPA, the Sellers transferred 229,488 shares aggregating to 28.68% of the share capital of of Progressive Alcobev (*on a fully diluted basis*), having marketable title and free of all encumbrances including all rights, title and interest of the Sellers in the shares, together with all benefits and rights attached thereto in favour of our Company, for a cash consideration of ₹ 20.65 million. Pursuant to the Progressive Alcobev 2018 SSA, our Company subscribed to 364,312 equity shares aggregating to 22.32% of the share capital of of Progressive Alcobev (*on a fully diluted basis*) having a face value of ₹ 10 per equity share for a cash consideration of ₹ 32.78 million.

   Pursuant to closing of the Progressive Alcobev 2018 SPA and the Progressive Alcobev 2018 SSA, our Company held a total of 51.00% of the share capital of Progressive Alcobev (*on a fully diluted basis*).

4. ***Share purchase agreement dated April 29, 2021 ("Progressive Alcobev 2021 SPA") executed among our Company, Pravin Ilango (the "Buyer") and Progressive Alcobev***

   Pursuant to the terms of the Progressive Alcobev 2021 SPA, our Company sold and transferred 593,800 equity shares for an aggregate consideration of ₹29.69 million, free from all encumbrances, together with full legal and beneficial right, title and interest, aggregating to 51.00% of the paid-up share capital of Progressive Alcobev, being the entire stake held by our Company in Progressive Alcobev, in favour of the Buyer for a cash consideration. Further, in accordance with the terms of the Progressive Alcobev 2021 SPA, our Company ceased its rights as a holding company of Progressive Alcobev in all respects from March 31, 2021.

5. ***Business transfer agreement dated July 1, 2021 along with an addendum to the business transfer agreement dated September 8, 2021 ("York Winery BTA") among our Subsidiary, ASPL, York Winery Private Limited ("York Winery"), Lilaram C. Gurnani, Madhu L. Gurnani, Ravi Lilaram Gurnani, Kailash Lilaram Gurnani and Saniya Shamdasani***

   York Winery is engaged in the manufacturing and sales of wines and other ancillary businesses. Lilaram C. Gurnani, Madhu L. Gurnani, Ravi Lilaram Gurnani, Kailash Lilaram Gurnani and Saniya Shamdasani were promoters of York Winery. Pursuant to the terms of the York Winery BTA, ASPL, our Subsidiary, purchased the business of York Winery by way of a slump sale on a going concern basis. As part of the slump sale, among other things, the building structure, moveable properties, relevant contracts and agreements entered into with customers, licenses, certain employees and the intellectual property of York Winery were transferred to ASPL for a purchase consideration of ₹ 171.65 million, in accordance with the terms of the York Winery BTA.

Shareholders' agreement

Amended and Restated Shareholders' Agreement dated January 22, 2022 ("SHA") executed by and amongst our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A. (collectively, "Verlinvest Group"), Saama Capital III, Ltd., Mousserena, L.P., GIA (Sula) Holdings Limited, DSGCP Buildout II, Haystack Investments Limited, SWIP Holdings Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin Diwan Lai, Dolly Lai, Shashi Vig (collectively "Other Investors" and together with the Verlinvest Group, the "Investors"), Rajeev Samant ("Promoter" and "Management Shareholder(s)"), RASA Holdings, Karishma Singh, Gurnam Singh Sumal, Ruta M. Samant, Dinesh G. Vazirani, Major A.V. Phatak (Retd.), J A. Moos, Daisy Damskey (subsequently referred to as Dale George Damskey in the corporate records maintained by our Company), Cecilia Oldne, Manojj Rawat, Monit Dhavale, Nana Madhav Shelke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi (collectively "Other Principal Shareholders", and together with our Company, Investors, Promoter and Management Shareholder(s), the "Parties"), as amended by, (i) the amendment agreement dated March 7, 2022 to the SHA entered into by and among the Parties; (ii) the second amendment agreement dated September 29, 2022 to the SHA entered into by and among the Parties; and (iii) the third amendment agreement dated November 23, 2022 to the SHA entered into by and among the Parties ("SHA Amendment Agreements")

The SHA was entered into to, (i) amend and restate the shareholders' agreement dated September 28, 2018 executed by and amongst our Company, Promoter, Verlinvest Group, Saama Capital III Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Mousserena, L.P., SWIP Holdings Limited and certain other shareholders of our Company on such date ("**Earlier Parties**"); and (ii) record the inter-se rights and obligations by virtue of the respective shareholding of the Parties in our Company, the management of our Company and certain other matters. Prior to the execution of the SHA, the Earlier Parties had also entered into a deed of adherence dated October 7, 2021 with DSGCP Buildout II through which it became a party to the shareholders' agreement dated September 28, 2018. Further, the Parties entered into a deed of adherence dated February 4, 2022 with RASA Holdings through which it became a party to the SHA.

In terms of the SHA, the Promoter and the Verlinvest Group have certain rights and obligations, among others, (i) right to nominate Directors on our Board, subject to certain shareholding thresholds in the Company; (ii) the right to decide the constitution of all the committees of our Board by mutual decision between Verlinvest Group, Promoter and our Board and the right of the Directors nominated by the Verlinvest Group to become members of all such committees; (ii) right of the Verlinvest Group to appoint an observer in the meetings of the Board, subject to certain shareholding thresholds in the Company; (iii) right to appoint the chief executive officer of our Company; (iv) affirmative voting matters including any alteration or amendment of the memorandum and articles of association of our Company or subsidiary, allotment, issuance or redemption of our securities, reduction in our authorised share capital, acquisition by way of investment or purchase by our Company or of any share capital or other securities of any company and amalgamation or merger of our Company or subsidiary; (v) anti-dilution rights of the Verlinvest Group in the event our Company issues any shares, subject to certain shareholding thresholds in the Company; (vi) right of first offer of the Promoter in case of transfer of securities; and (vii) right to call for an initial public offering of our Company, subject to certain shareholding thresholds in the Company, and all Parties shall extend their full co-operation to conduct such initial public offering. Further, under the SHA, each of the Parties have, (i) pre-emptive rights on a *pro rata* basis to subscribe to all future issuances of securities by our Company and are subject to transfer restrictions, which vary in their applicability on Verlinvest Group, Management Shareholder(s), Other Investors and Other Principal Shareholders; and (iii) right of first refusal/ tag-along rights, in case of transfer of securities. Additionally, the Investors also have certain information and inspection rights in relation to the business and financials of the Company.

In order to facilitate the Offer in accordance with applicable laws, the Parties have entered into the SHA Amendment Agreement recording certain amendments and waivers to the SHA and acknowledgments in respect of the Offer to the extent provided in SHA Amendment Agreements.

Pursuant to the terms of the SHA Amendment Agreements, except as stated below, the SHA along with all rights of the Parties thereunder shall stand automatically terminated upon allotment of Equity Shares pursuant to listing of such Equity Shares on the Stock Exchanges, in the event of the consummation of the Offer. The SHA Amendment Agreements and Part A of the AOA provide that upon the consummation of the Offer and subject to the approval of the Shareholders by way of a special resolution in the first general meeting convened after the consummation of the Offer, (i) so long as the Verlinvest Group, in the aggregate, (a) holds at least 20% (twenty percent) of the paid-up Share Capital on a fully diluted basis, the Verlinvest Group shall be entitled to nominate 2 (two) Directors on the Board ("**Verlinvest Director(s)**"); and (b) holds at least 15% (fifteen percent) of the paid-up Share Capital on a fully diluted basis, the Verlinvest Group shall be entitled to nominate 1 (one) Verlinvest Director; and (ii) so long as the Promoter, (a) holds at least 15% (fifteen percent) of the paid-up Share Capital on a fully diluted basis, the Promoter shall be entitled to nominate 2 (two) Directors on the Board ("**Promoter Director(s)**"); and (b) holds at least 5% (five percent) of the paid-up Share Capital on a fully diluted basis, the Promoter shall be entitled to nominate 1 (one) Promoter Director.

The SHA Amendment Agreements shall stand automatically terminated and be of no further force or effect and each of the waivers provided thereunder shall be automatically rescinded and revoked, without any further act or deed required by any Party and without any liabilities or obligations whatsoever, on the earlier of the: (a) allotment of Equity Shares pursuant to listing of such Equity Shares on the Stock Exchanges, in the event of the consummation of the Offer, and (b) January 31, 2023 or such other cut-off date for the consummation of an initial public offering as may be mutually agreed in writing among the Parties in the event that the initial public offering is not consummated.

Key terms of other subsisting material agreements

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

Agreements with Key Managerial Personnel, Directors or any other employee

As on the date of this Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Our Holding Company

As of the date of this Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiary

As on the date of this Red Herring Prospectus, our Company has one subsidiary, as set forth below:

Artisan Spirits Private Limited ("ASPL")

Corporate Information

ASPL was originally incorporated as Twin Peaks Beverages Private Limited, a private limited company on September 22, 2011 under the Companies Act, 1956 with the RoC. Its name was changed to Remy Sula India Private Limited on August 28, 2012, which was subsequently changed to Artisan Spirits Private Limited, basis the certificate of incorporation pursuant to change of name dated April 21, 2015. The registered office of ASPL is at 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India. The CIN of ASPL is U15122MH2011PTC222280. ASPL is engaged in the business of distribution of wines and spirits as authorized under the objects clause of its memorandum of association.

Capital Structure

As on the date of this Red Herring Prospectus, the authorised share capital of ASPL is ₹360,000,000 divided into 36,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up equity share capital of ASPL is ₹353,500,000 divided into 35,350,000 equity shares of ₹10 each.

Our Company holds 35,349,999 equity shares of ASPL (including 1 equity share held by its nominee shareholder, Bittu Varghese) aggregating to 100% of the total equity shareholding of ASPL.

Further, (i) Sula International Limited ("**SIL**"), a company incorporated as a private limited company under the Companies Act, 2006 of U.K. with the Registrar of Companies for England and Wales, was struck-off the register with effect from April 19, 2022 and dissolved with effect from April 26, 2022. Accordingly, SIL was a subsidiary of our Company prior to such strike-off and dissolution and accordingly has been considered as a subsidiary of our Company in the Restated Consolidated Financial Information for the Fiscals ended March 31, 2021 and 2022; and (ii) pursuant to the PADPL Divestment, our Company sold and transferred its entire stake in Progressive Alcobev Distributors Private Limited, being 51% of its paid-up share capital, pursuant to the Progressive Alcobev 2021 SPA. Accordingly, Progressive Alcobev Distributors Private Limited was a subsidiary of our Company prior to the PADPL Divestment and accordingly has been considered as a subsidiary of our Company for Fiscals ended March 31, 2021 and 2020 in the Restated Consolidated Financial Information. For details see "***Restated Consolidated Financial Information***" on page 264.

Amount of accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of ASPL that have not been accounted for by our Company in the Restated Consolidated Financial Information.

Joint Ventures

As of the date of this Red Herring Prospectus, our Company does not have any joint venture.

OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have up to 15 Directors. Effective from the date of listing and trading of our Equity Shares pursuant to this Offer, Part B of our Articles of Association shall stand automatically terminated and simultaneously, Part A of our Articles of Association will become automatically effective, in accordance with which our Company will be authorised to have up to 15 Directors. As on the date of this Red Herring Prospectus, we have 6 Directors on our Board, comprising one Executive Director, two Non-Executive Nominee Directors and three Non-Executive Independent Directors, including one woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

Our Board

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus:

Name, Designation, Address, Occupation, Date of Birth, Term, Period of Directorship and DIN	Age (years)	Other Directorships
Chetan Rameshchandra Desai *Designation:* Chairman and Non-Executive Independent Director *Address:* 901, Matoshree Kunj, Tanaji Malusare Marg, Vile Parle West, Mumbai, Maharashtra 400 056, India *Occupation:* Chartered Accountant *Date of birth:* January 14, 1951 *Term:* Three years with effect from December 15, 2021 *Period of Directorship:* Since June 1, 2018 *DIN:* 03595319	71	*Indian companies* 1. Angel Xpress Foundation 2. Brookfield India Infrastructure Manager Private Limited 3. Chemspec Chemicals Limited 4. Crystal Crop Protection Limited 5. Delta Corp Limited 6. Deltatech Gaming Limited 7. Krsnaa Diagnostics Limited 8. Reliance Financial Limited 9. Reliance Securities Limited 10. UTI Retirement Solutions Limited *Foreign companies* Nil
Rajeev Samant *Designation:* Managing Director and Chief Executive Officer *Address:* Apartment 1001, Tower E1, The Residences, Downtown, Dubai, UAE *Occupation:* Business *Date of birth:* January 21, 1967 *Term:* Five years with effect from April 1, 2018 *Period of Directorship:* Since February 20, 2003 *DIN:* 00020675	55	*Indian companies* 1. Ravenna Fashion Private Limited 2. Summerlab Private Limited *Foreign companies* Nil
Alok Vajpeyi *Designation:* Non-Executive Independent Director *Address:* Flat no. 2201/2202, Era-III, Marathon Nextgen, Ganpatrao Kadam Marg, Opposite Peninsula Corporate Park, Lower Parel West, Mumbai, Maharashtra 400 013, India *Occupation:* Strategic Advisor *Date of birth:* August 24, 1960 *Term:* Three years with effect from December 15, 2021	62	*Indian companies* 1. AV Advisory Private Limited 2. Bank of Baroda 3. Conscious Foods Private Limited 4. Institutional Investor Advisory Services India Private Limited *Foreign companies* Littlemore Innovation Labs Pte. Ltd.

Name, Designation, Address, Occupation, Date of Birth, Term, Period of Directorship and DIN	Age (years)	Other Directorships
Period of Directorship: Since December 2, 2020 *DIN:* 00019098		
Sangeeta Pendurkar *Designation:* Non-Executive Independent Director *Address:* One North Tower A, Zeon 1801, S. no. 133 136 137, Hadapsar, Magarpatta Road, Pune, Maharashtra 411 028 *Occupation:* Service *Date of birth:* January 24, 1966 *Term:* Three years with effect from December 15, 2021 *Period of Directorship:* Since December 15, 2021 *DIN:* 03321646	56	*Indian companies* 1. Aditya Birla Fashion and Retail Limited 2. Jaypore E-Commerce Private Limited 3. Signify Innovations India Limited 4. Tata SIA Airlines Limited 5. TG Apparel & Décor Private Limited *Foreign companies* Nil
Arjun Anand *Designation:* Non-Executive Nominee Director* *Address:* 01-35 Greenwood Mews, 271 Greenwood Avenue, Singapore 286623 *Occupation:* Professional *Date of birth:* December 16, 1987 *Term:* Liable to retire by rotation *Period of Directorship:* Since October 3, 2018 *DIN:* 07639288	34	*Indian companies* 1. Drums Food International Private Limited 2. Manash Lifestyle Private Limited 3. VRB Consumer Products Private Limited 4. Wakefit Innovations Private Limited *Foreign companies* 1. A-Star-Education Adventures SG HoldCo Pte. Ltd. 2. A-Star-Education Discovery Camps Pte. Ltd. 3. A-Star-Education English SG Holdco Pte. Ltd. 4. A-Star-Education Enrichment SG Holdco Pte. Ltd. 5. A-Star-Education Holdings Pte. Ltd. 6. Sara Global Pte. Ltd. 7. White Coral Limited
Roberto Italia *Designation:* Non-Executive Nominee Director* *Address:* Via Noale 8A, 6924, Sorengo, Switzerland *Occupation:* Chief executive officer and managing director of Verlinvest S.A. *Date of birth:* July 5, 1966 *Term:* Liable to retire by rotation *Period of Directorship:* Since July 15, 2021 *DIN:* 09228481	56	*Indian companies* 1. Verlinvest India Investment Advisor Private Limited *Foreign companies* 1. Avio SpA 2. Billy's Sp. K. Zoo. 3. Lastminute.com Group BV 4. PetSerCo Holding SRL 5. Red Black Capital SA 6. Space Holding Srl 7. V Cube Ventures SA 8. Verlinvest SA

* *Nominated by Verlinvest Asia Pte. Ltd.*

Arrangement or Understanding with major shareholders, customers, suppliers or others

Apart from Arjun Anand and Roberto Italia, nominated to our Board by Verlinvest Asia Pte. Ltd., none of our Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For further details, please see "***History and Certain Corporate Matters – Shareholders' agreement***" on page 237.

Brief profiles of our Directors

Chetan Rameshchandra Desai is the Chairman and Non-Executive Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He has previously worked with Haribhakti and Co., LLP, Chartered Accountants for over 39 years. He was serving as the managing partner of Haribhakti and Co., LLP, Chartered Accountants at the time of retirement and also used to head the audit and assurance practice of the firm.

Rajeev Samant is the Managing Director, Chief Executive Officer and the Promoter of our Company. He holds a bachelor's degree in economics and a master's degree in science (industrial engineering) from Stanford University, United States of America. He is the founder of our Company. He has previously worked with Oracle Corporation.

Alok Vajpeyi is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in economics (international trade and development) from the London School of Economics and Political Sciences. He is a member of the Institute of Chartered Accountants in England and Wales. He has previously worked with Swiss Bank Corporation, Dawnay Day AV Financial Services Private Limited, Daiwa Capital Markets India Private Limited, Avendus Capital Public Markets Alternate Strategies LLP and the British High Commission, New Delhi.

Sangeeta Pendurkar is a Non-Executive Independent Director of our Company of our Company. She holds a bachelor's degree in pharmaceuticals from the University of Bombay and master's degree in business administration from Savitribai Phule Pune University (earlier known as University of Pune). She is currently serving as the chief executive officer of Pantaloons, a division of Aditya Birla Fashion & Retail Limited. She has previously worked with Kellogg India Private Limited, the Hongkong and Shanghai Banking Corporation, Coca-Cola India Inc., Hindustan Lever Limited and Hindustan CIBA-CEIGY Limited (amalgamated into Novartis India Limited).

Arjun Anand is a Non-Executive Nominee Director of our Company, nominated by Verlinvest Asia Pte. Ltd. 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. He has previously worked with A.T. Kearney Australia Pty Limited.

Roberto Italia is a Non-Executive Nominee Director of our Company, nominated by Verlinvest Asia Pte. Ltd. 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. He has experience in the private equity industry.

Relationship between Directors and Key Managerial Personnel

None of our Directors are related to each other or to our Key Managerial Personnel.

Terms of Appointment of our Executive Directors

Rajeev Samant

Rajeev Samant was appointed on our Board at the incorporation of our Company. He has been appointed as the Managing Director of our Company for a period of five years with effect from April 1, 2018, pursuant to the resolution passed by our Board and Shareholders on May 23, 2018 and June 7, 2018, respectively.

Pursuant to a resolution passed by our Shareholders dated March 7, 2022 and employment agreement dated August

25, 2009 read with the supplementary employment agreements dated May 20, 2015, June 7, 2018 and March 15, 2022 respectively. Rajeev Samant is entitled to the following remuneration and other employee benefits:

a. **Base Salary**: ₹ 19 million per annum for as long as he is the Managing Director and spends most of his working time for promoting the operations of the Company and the group companies.

b. **Variable Compensation:** The Managing Director shall also be entitled to an amount equal to 2.5% of the Company's profits after tax based on the consolidated financial statements of the Company, which shall be payable on a half-yearly basis, on actuals

c. **Perquisites**: The perquisites of the Managing Director shall comprise of personal accident insurance, telephone, medical reimbursement, leave travel concession, gratuity, loans, leave, holiday pay and sick leave, life insurance policy as per the Company's policies. In addition to the said perquisites, subject to an aggregate cap of ₹ 12 million per annum, the Company shall pay for or reimburse, based on actuals for self and family members' travel to any part of the world, club fees, entertainment, cost of personal executive/ employee and miscellaneous business expenses.

In Fiscal 2022, he received an aggregate compensation of ₹ 28.27 million from our Company.

Remuneration paid to our Non-Executive Directors including our Independent Directors

Pursuant to a resolution passed by our Board and Shareholders on February 23, 2022 and March 7, 2022, respectively, our Non-Executive Directors including our Independent Directors, are each entitled to receive a sitting fee of ₹ 0.10 million for attending each meeting of our Board and the various committees of our Board in person or remotely over video conference/ telecom.

None of our Non-Executive Directors including our Independent Directors were paid any sitting fees or remuneration for Fiscal 2022, except as disclosed below:

(in ₹ million)

Name of our Director	Sitting Fees
Arjun Anand	0.89
Alok Vajpeyi	1.20
Chetan Rameshchandra Desai	2.50*
Sangeeta Pendurkar	0.30

* *This includes the commission for FY 2022 aggregating to ₹ 1.20 million paid to Chetan Rameshchandra Desai, as disclosed below.*

None of our Non-Executive Directors including our Independent Directors are entitled to receive commission for Fiscal 2022, except as disclosed below:

(in ₹ million)

Name of our Director	Compensation paid
Chetan Rameshchandra Desai	1.20

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Remuneration paid or payable to our Directors from our Subsidiary

None of our Directors have been paid any remuneration from our Subsidiary, including any contingent or deferred compensation accrued for Fiscal 2022.

Bonus or profit sharing plan for the Directors

Our Company does not have any bonus or profit sharing plan for our Directors.

Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 111, none of our Directors hold any Equity Shares as on the date of this Red Herring Prospectus.

Service contracts with Directors

There are no service contracts entered into by our Directors with our Company or its Subsidiary which provide for benefits upon termination of employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them as well as sitting fees, if any, payable to them for attending meetings of our Board or committees thereof and any commission payable to them. Our Directors may also be interested to the extent of Equity Shares and stock options, if any, held by them or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in land and property

Except as disclosed below, none of our Directors are interested in any property acquired or proposed to be acquired by our Company:

i) Our Company has acquired certain parcels of land for operation of our facilities in Nashik, Maharashtra measuring 10.15 acres from Rajeev Samant. Pursuant to sale deeds dated October 29, 2016, October 11, 2018, March 16, 2021 November 9, 2021 and March 10, 2022, respectively, entered into by our Company with Rajeev Samant, our Company was required to pay an aggregate purchase consideration of ₹ 276.30 million excluding applicable stamp duty, registration fee and scanning fee.

ii) Our Company has acquired two flats for residential purposes situated at Ashok Astoria, Peninsula Mega Township Goverdhan Village, Nashik, Maharashtra with a carpet area of 91.51 square metres each, from Rajeev Samant. Pursuant to two sale deeds dated January 9, 2020, entered into by our Company with Rajeev Samant, our Company was required to pay a purchase consideration of ₹ 6 million each excluding applicable stamp duty, registration fee and scanning fee.

iii) Our Company has leased certain parcels of land for operation of our facilities in Nashik, Maharashtra admeasuring 15.63 acres from Rajeev Samant for a period of five years commencing on June 1, 2019 till May 31, 2024. Pursuant to the lease deed dated June 7, 2019 and addendums to the lease deed dated October 1, 2021, December 11, 2021 and May 26, 2022, respectively, entered into by our Company with Rajeev Samant, our Company is required to pay a rent of ₹ 0.19 million per acre per annum in respect of each parcel of land, which is subject to an escalation of 5% per annum.

For additional details of the interest of our Directors in property, see "***Financial Information – Restated Consolidated Financial Information – Note 36 – Disclosure in accordance with Ind AS 24 Related Party Disclosures***" on page 323.

Loans by Directors

No loans have been availed by our Directors from our Company

Interest in promotion or formation of our Company

Except Rajeev Samant, the Managing Director and Chief Executive Officer of our Company, none of our Directors have any interest in the promotion or formation of our Company as on the date of this Red Herring Prospectus.

Business interest

Except as stated in "***Financial Information – Restated Consolidated Financial Information – Note 36 – Disclosure in accordance with Ind AS 24 Related Party Disclosures***" on page 323, our Directors do not have any other business interest in our Company.

Directorships of Directors in listed companies

None of our Directors are, or for the five years prior to the date of this Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any of the stock exchanges, during his/ her tenure.

None of our Directors has been or is a director on the board of directors of any listed company which has been/ was delisted from any stock exchange(s), during his/ her tenure.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are set forth below:

Director	Date of change	Reasons
Gayatri Yadav	May 14, 2020	Appointment as additional director
J.A. Moos	May 14, 2020	Resignation as non-executive director
Gayatri Yadav	July 19, 2020	Resignation as additional director
Alok Vajpeyi	December 2, 2020	Appointment as non-executive director(1)
Nicholas Peter Y. Cator	December 3, 2020	Resignation as nominee director
Shagun Tiwary	December 3, 2020	Appointment as nominee director(2)
Deepak Shahdadpuri	July 1, 2021	Resignation as nominee director
Hank Uberoi	July 1, 2021	Resignation as nominee director
Roberto Italia	July 15, 2021	Appointment as nominee director(3)
Kerry Damskey	September 29, 2021	Resignation as non-executive director
Shagun Tiwary	October 5, 2021	Resignation as nominee director
Sangeeta Pendurkar	December 15, 2021	Appointment as additional director(1)

(1) Regularised as non-executive independent director pursuant to a resolution passed by our Shareholders on December 27, 2021.
(2) Regularised as nominee director pursuant to a resolution passed by our Shareholders on December 16, 2020.
(3) Regularised as nominee director pursuant to resolutions passed by our Shareholders on July 30, 2021.

Borrowing powers

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013, our Board is authorized, to maintain borrowing sanction limit at ₹ 4,600 million at any given point of time from any bank(s) or other financial institution(s) on such terms and conditions as may be agreed between the Company and such lender, which was subsequently reduced to ₹ 3,600 million, pursuant to resolutions passed by our Board dated February 23, 2022.

Corporate governance

As on the date of this Red Herring Prospectus, we have six Directors on our Board, comprising one Executive Directors, two Non-Executive Nominee Directors and three Non-Executive Independent Directors, including one woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act.

Board committees

Our Company has constituted the following committees of our Board in terms of the SEBI Listing Regulations and the Companies Act:

a) Audit Committee;
b) Nomination and Remuneration Committee;
c) Stakeholders' Relationship Committee;
d) Corporate Social Responsibility Committee; and
e) Risk Management Committee.

Audit Committee

The Audit Committee was re-constituted pursuant to a resolution passed by our Board at its meeting held on February 23, 2022. The Audit Committee is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently consists of:

a) Chetan Rameshchandra Desai, Chairman and Non-Executive Independent Director (*Chairperson*);
b) Alok Vajpeyi, Non-Executive Independent Director (*Member*); and
c) Arjun Anand, Non-Executive Nominee Director (*Member*).

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice; and
- 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 Company to ensure that the financial statements are correct, sufficient and credible;

2. recommendation to Board 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:

    - 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;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - 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. discussion 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 ₹1,000 millions 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.

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the chief internal auditor; and

6. Statement of deviations in terms of the SEBI Listing Regulations:

   - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
   - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board at its meeting held on February 23, 2022. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently consists of:

a) Alok Vajpeyi, Non-Executive Independent Director (*Chairperson*);
b) Sangeeta Pendurkar, Non-Executive Independent Director (*Member*); and
c) Arjun Anand, Non-Executive Nominee Director (*Member*).

Scope and terms of reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

2. 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:

   - use the services of an external agencies, if required;
   - consider candidates from a wide range of backgrounds, having due regard to diversity; and
   - consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of independent directors and the Board;

4. Devising a policy on Board diversity;

5. 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);

6. 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;

7. Recommend to the board, all remuneration, in whatever form, payable to senior management;

8. The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that —
   - 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;
   - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

9. 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:

   - administering the employee stock option plans of the Company, as may be required;
   - determining the eligibility of employees to participate under the employee stock option plans of the Company;
   - granting options to eligible employees and determining the date of grant;
   - determining the number of options to be granted to an employee;
   - determining the exercise price under the employee stock option plans of the Company; and
   - 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.

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

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

11. 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.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting held on February 23, 2022. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

a) Alok Vajpeyi, Non-Executive Independent Director (*Chairperson)*;
b) Arjun Anand, Non-Executive Nominee Director (*Member*); and
c) Rajeev Samant, Managing Director and Chief Executive Officer (*Member*).

Scope and terms of reference

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

1. considering and looking into various aspects of interest of shareholders, debenture holders and other security holders

2. 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.;

3. giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;

4. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

5. review of measures taken for effective exercise of voting rights by shareholders;

6. 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;

7. 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

8. 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.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was re-constituted pursuant to a resolution approved by our Board on February 23, 2022. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act. The Corporate Social Responsibility Committee currently consists of:

a) Rajeev Samant, Managing Director and Chief Executive Officer (*Chairperson*);
b) Chetan Rameshchandra Desai, Chairman and Non-Executive Independent Director (*Member*); and
c) Sangeeta Pendurkar, Non-Executive Independent Director (*Member*).

Scope and terms of reference

The Corporate Social Responsibility Committee is authorised to perform the following functions:

1. formulate 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 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.

Risk Management Committee

Our Risk Management Committee was constituted pursuant to a resolution approved by our Board on February 23, 2022. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently consists of:

a) Sangeeta Pendurkar, Non-Executive Independent Director (*Chairperson*);
b) Arjun Anand, Non-Executive Nominee Director (*Member*);

c) Rajeev Samant, Managing Director and Chief Executive Officer (*Member*); and
d) Chaitanya Rathi, Chief Operating Officer (*Member*).

Scope and terms of reference

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

1. 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;

2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. 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;

5. Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;

6. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

7. To implement and monitor policies and/or processes for ensuring cyber security; and

8. 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.

IPO Committee

The IPO Committee was constituted pursuant to a resolution passed by our Board at its meeting held on December 15, 2021. The IPO Committee currently consists of:

a) Alok Vajpeyi, Non-Executive Independent Director (*Chairperson*);
b) Chetan Rameshchandra Desai, Chairman and Non-Executive Independent Director (*Member*);
c) Rajeev Samant, Managing Director and Chief Executive Officer (*Member*); and
d) Arjun Anand, Non-Executive Nominee Director (*Member*).

Scope and terms of reference

a. to decide, negotiate and finalize, in consultation with BRLMs, 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 ₹2 per 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 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 DRHP with the SEBI, the RHP and 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 member 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 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);

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; and

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 and one director nominated by the Verlinvest Group

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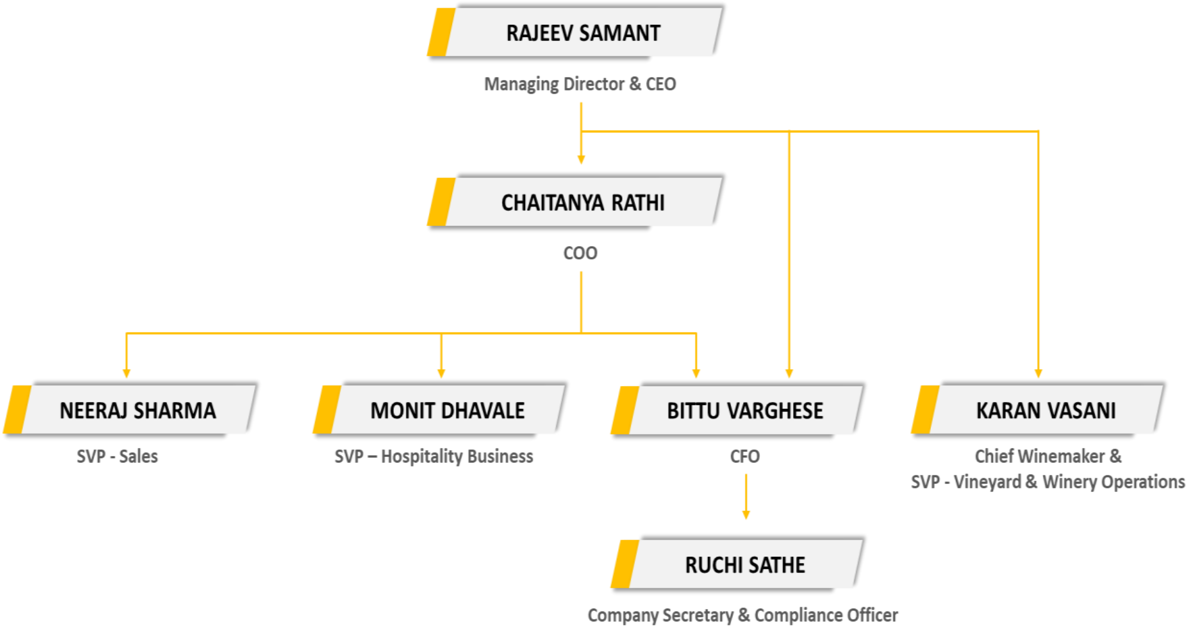
Management Organisation Structure



Key Managerial Personnel

In addition to Rajeev Samant, the Managing Director and Chief Executive Officer, of our Company, whose details are provided above in "***– Brief Profiles of our Directors***", the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are set forth below.

Karan Vasani is the Chief Wine Maker and Senior Vice President – Vineyard and Winery Operations of our Company. He has been working with our Company since October 1, 2013 in various capacities. He holds a bachelor's degree in commerce from University of Mumbai and a graduate diploma in viticulture and oenology from Lincoln University, New Zealand. He was awarded the WSET Level 2 Intermediate Certificate and Level 3 Advance Certificate in Wines and Spirits by the Wines and Spirit Education Trust Limited. He has previously worked with CRISIL Limited and Cuvaison Estate Wines in various capacities. In Fiscal 2022, he received an aggregate compensation of ₹5.90 million (including ₹0.23 million accrued as variable pay for Fiscal 2021) from our Company. Further, for Fiscal 2022, ₹ 0.21 million accrued as variable pay, which was paid in Fiscal 2023.

Chaitanya Rathi is the Chief Operating Officer of our Company. He has been working with our Company since April 1, 2019 as the chief operating officer and previously between December 26, 2006 and March 31, 2013 in various capacities. He has also provided consultancy services in relation to our Company's hospitality business in the past. He holds a bachelor's degree in science in biotechnology from the University of Mumbai, a master's degree of science in food biotechnology from the University of Strathclyde and a master's degree in business administration from INSEAD. He has previously worked with Everstone Capital Advisors Private Limited and Mswipe Technologies Private Limited in various capacities. In Fiscal 2022, he received an aggregate compensation of ₹20.02 million (including ₹0.79 million accrued as variable pay for Fiscal 2021) from our Company. Further, for Fiscal 2022, ₹0.41 million accrued as variable pay, which was paid in Fiscal 2023.

Bittu Varghese is the Chief Financial Officer of our Company. He has been working with our Company since April 25, 2019. He has also been working as the chief financial officer of ASPL since November 7, 2022. He holds a bachelor's degree in commerce from University of Mumbai. He is a member of the Institute of Chartered Accountants of India. He has previously worked with Marico Industries Limited, S.C. Johnson Products Private Limited (earlier known as Karamchand Appliances Private Limited), Hindustan Coca-Cola Beverages Private Limited and Pernod Ricard India Private Limited in various capacities. In Fiscal 2022, he received an aggregate compensation of ₹ 9.00 million (including ₹0.37 million accrued as variable pay for Fiscal 2021) from our Company. Further, for Fiscal 2022, ₹0.54 million accrued as variable pay, which was paid in Fiscal 2023.

Neeraj Sharma is the Senior Vice President – Sales of our Company. He has been working with our Company since April 15, 2019 in various capacities. He holds a bachelor's degree of technology in dairy technology from National Dairy Research Institute, Karnal and a post-graduate diploma in management (agriculture) from the Indian Institute of Management, Ahmedabad. He has previously worked with Jagatjit Industries Limited, William Grant and Sons India Private Limited, Diageo India Private Limited and the Times of India Group in various capacities. In Fiscal 2022, he received an aggregate compensation of ₹10.16 million (including ₹0.16 million accrued as variable pay for Fiscal 2021) from our Company. Further, for Fiscal 2022, ₹0.38 million accrued as variable pay, which was paid in Fiscal 2023.

Monit Dhavale is the Senior Vice President – Hospitality Business of our Company. He has been working with our Company since April 27, 2009 in various capacities. He holds a bachelor's degree of technology in home science (hotel management and catering technology) from Nagpur University and master of personnel management from Savitribhai Phule Pune University (earlier known as University of Pune). He has also successfully completed a course in bar and beverage management from the Educational Institute of the American Hotel and Lodging Association and was also awarded the WSET Level 1 Award in Wines (QCF) by the Wines and Spirit Education Trust Limited. He has previously worked with the Mahatma Gandhi Vidyamandir's Institute of Hotel Management and Catering Technology in various capacities. In Fiscal 2022, he received an aggregate compensation of ₹6.49 million (including ₹0.15 million accrued as variable pay for Fiscal 2021) from our Company. Further, for Fiscal 2022, ₹0.32 million accrued as variable pay, which was paid in Fiscal 2023.

Ruchi Sathe is the Company Secretary and Compliance Officer of our Company. She has been working with our Company since April 12, 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. She has previously worked with A.TREDS Limited, S.H. Kelkar and Company Limited, BSE Limited and Arch Pharmalabs Limited in various capacities. In Fiscal 2022, she received an aggregate compensation of ₹1.70 million from our Company. Further, for Fiscal 2022, ₹0.05 million accrued as variable pay, which was paid in Fiscal 2023.

Contingent or deferred compensation

No contingent or deferred compensation is payable to any of our Key Managerial Personnel for Fiscal 2022.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship amongst Key Managerial Personnel

None of our Key Managerial Personnel have any family relationship with each other.

Bonus or profit sharing plan for the Key Managerial Personnel

Our Company does not have any bonus or profit sharing plan, other than the performance linked incentives given to our Key Managerial Personnel.

Shareholding of Key Managerial Personnel

Other than as provided under "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 111, none of our Key Managerial Personnel hold Equity Shares as on the date of this Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel are governed by the terms of their appointment letters/ employment contracts and have not entered into any other service contracts with our Company.

Interest of Key Managerial Personnel

For details of the interest of Rajeev Samant, our Managing Director and Chief Executive Officer, see "***Our Management – Interest of our Directors***" on page 244.

Other than to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel may be interested to the extent of employee stock options that may be granted to them from time to time under the ESOP Schemes and other employee stock option schemes formulated by our Company from time to time.

The details of the shareholding of our Key Managerial Personnel and the ESOPs granted to our Key Managerial Personnel, outstanding as on the date of this Red Herring Prospectus, are set out below:

Name	No. of Equity Shares	Percentage of pre-Offer equity share capital (%)	Granted options (Not vested as on the date of this Red Herring Prospectus)	Vested options as on the date of this Red Herring Prospectus	Percentage of pre-Offer equity Share capital (%)*
Directors					
Rajeev Samant	22,858,619	27.15	-	-	27.09
Alok Vajpeyi	225,825	0.27	-	-	0.27
Sangeeta Pendurkar	125,000	0.15	-	-	0.15
Key Managerial Personnel					
Bittu Varghese	193,500	0.23	-	-	0.23
Chaitanya Rathi	994,770	1.18	-	-	1.18
Karan Vasani	262,500	0.31	-	-	0.31
Monit Dhavale	106,000	0.13	-	-	0.13
Neeraj Sharma	-	-	16,670	70,830	0.10
Ruchi Sathe	7,500	0.01	-	-	0.01

**The percentage includes the Equity Shares and the granted and vested options, if any, under the ESOP Schemes and is calculated against the total share capital of our Company, including vested ESOPs*

No loans have been availed by our Key Managerial Personnel from our Company as on the date of this Red Herring Prospectus.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

Employee stock option schemes

For details of the ESOP Schemes implemented by our Company, see "***Capital Structure – Employee Stock Option Schemes***" on page 113.

Changes in key managerial personnel during the last three years

The changes in our key managerial personnel during the three years immediately preceding the date of this Red Herring Prospectus are set forth below.

Name	Date of change	Reason
Sapna Karmokar	April 30, 2021	Resignation as Company Secretary
Ruchi Sathe	July 15, 2021	Appointment as Company Secretary(1)
Ruchi Sathe	February 23, 2022	Appointment as Compliance Officer

(1) *Originally appointed as general manager-secretarial, pursuant to an appointment letter dated April 12, 2021*

Payment or benefit to Key Managerial Personnel of our Company

No amount or benefit has been paid or given to any Key Managerial Personnel of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Rajeev Samant. As on the date of this Red Herring Prospectus, our Promoter holds an aggregate of 22,858,619 Equity Shares, comprising 27.15% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details on shareholding of our Promoter in our Company, see "***Capital Structure – History of the equity share capital build-up of our Promoter's shareholding***" on page 99.

The details of our Promoter is provided below:

Rajeev Samant

Rajeev Samant, born on January 21, 1967, aged 55 years, is the Promoter, Managing Director and Chief Executive Officer of our Company. He presently resides at Apartment 1001, Tower E1, The Residences, Downtown, Dubai, UAE. He has previously worked with Oracle Corporation. For the complete profile of Rajeev Samant along with the details of his educational qualifications, experience in the business, positions/ posts held in the past and other directorships, see "***Our Management***" beginning on page 240.

His PAN is AQBPS3460R.

Our Promoter does not have any other ventures, except for RASA Holdings and to the extent disclosed in "***Our Management – Our Board***" on page 240.

Our Company confirms that the permanent account number, driving license number, bank account number(s) and passport number of our Promoter has been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoter is the original promoter of our Company and there has been no change in the control or management of our Company in the last five years from the date of this Red Herring Prospectus.

Experience in the business of our Company

For details in relation to experience of Rajeev Samant in the business of our Company, see "***Our Management***" on page 240.

Interests of Promoter

Our Promoter is interested in our Company to the extent (i) that he has promoted our Company; (ii) being the Managing Director and Chief Executive Officer of our Company along with the remuneration, benefits and reimbursement of expenses payable to him in such capacity; (iii) his shareholding and the shareholding of his relatives in our Company; and (iv) the dividends payable (if any) and other distributions in respect of the Equity Shares held by him. For details on aforementioned directorships of our Promoter and shareholding of our Promoter in our Company, see "***Our Management***" and "***Capital Structure – Notes to Capital Structure – History of the equity share capital build-up of our Promoter's shareholding***" on pages 240 and 99, respectively. For further details of interest of our Promoter in our Company, see "***Financial Information***" beginning on page 264.

Except as disclosed below, our Promoter has no interest in any property acquired by our Company during the three years preceding the date of this Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

i) Our Company has acquired certain parcels of land for operation of our facilities in Nashik, Maharashtra measuring 10.15 acres from Rajeev Samant. Pursuant to sale deeds dated October 29, 2016, October 11, 2018, March 16, 2021 November 9, 2021 and March 10, 2022, respectively, entered into by our Company with

Rajeev Samant, our Company was required to pay an aggregate purchase consideration of ₹ 276.30 million excluding applicable stamp duty, registration fee and scanning fee.

ii) Our Company has acquired two flats for residential purposes situated at Ashok Astoria, Peninsula Mega Township Goverdhan Village, Nashik, Maharashtra with a carpet area of 91.51 square metres each, from Rajeev Samant. Pursuant to two sale deeds dated January 9, 2020, entered into by our Company with Rajeev Samant, our Company was required to pay a purchase consideration of ₹ 6 million each excluding applicable stamp duty, registration fee and scanning fee.

iii) Our Company has leased certain parcels of land for operation of our facilities in Nashik, Maharashtra admeasuring 15.63 acres from Rajeev Samant for a period of five years commencing on June 1, 2019 till May 31, 2024. Pursuant to the lease deed dated June 7, 2019 and addendums to the lease deed dated October 1, 2021, December 11, 2021 and May 26, 2022, respectively, entered into by our Company with Rajeev Samant, our Company is required to pay a rent of ₹ 0.19 million per acre per annum in respect of each parcel of land, which is subject to an escalation of 5% per annum.

Payment or benefits to our Promoter or Promoter Group

Except in ordinary course of business and as disclosed in, "***- Interests of Promoter***" above and "***Restated Consolidated Financial Information***" beginning on page 264, no amount or benefit has been paid or given to our Promoter or members of our Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group.

Material guarantees given by our Promoter

Our Promoter has not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Red Herring Prospectus.

Companies or firms with which our Promoter have disassociated in the last three years

Our Promoter has not disassociated himself from any company or firm during the last three years preceding the date of this Red Herring Prospectus.

Confirmations

Our Promoter is not interested as member of a firm or company (other than our Company) and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person, either to induce our Promoter to become, or qualify them as a director, or otherwise, for services rendered by such Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter is not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoter is not a beneficiary of any loans and advances provided by our Company.

Our Promoter has not taken any unsecured loans which may be recalled by the lenders at any time.

Our Promoter does not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company.

Promoter Group

As on the date of this Red Herring Prospectus, the following is the list of persons constituting the promoter group of our Company[*]:

A. *Natural persons who are part of the Promoter Group*

The natural persons who are part of the Promoter Group (due to their relationship with our Promoter), other than our Promoter, are as follows:

Name of Promoter	Name of relative	Relationship
Rajeev Samant	Margarita Andronova	Spouse
	Mia Samant	Daughter
	Andronova Nataliia	Spouse's mother

B. *Entities forming part of the Promoter Group*

The entities forming part of our Promoter Group are as follows:

1. Summerlab Private Limited;
2. RASA Holdings; and
3. Ravenna Fashion Private Limited.

*[*] Our Company filed an exemption application dated May 27, 2022 ("**Exemption Application**") under Regulation 300(1)(c) of the SEBI ICDR Regulations seeking an exemption from considering and disclosing (i) Suresh Samant (father of the Promoter), (ii) Sulabha Samant (mother of the Promoter), (iii) Bharat Samant and Jaideep Samant (brothers of the Promoter and together with (i) and (ii), "**Relatives of our Promoter**"), (iv) Andronov Vitaliy (father of the spouse of the Promoter); and (v) Andronov Leonid (brother of the spouse of the Promoter, and together with (iv), "**Relatives of the Promoters' Spouse**"), (vi) any body corporate in which in which 20% or more of the equity share capital is held by the above mentioned individuals or a firm or any Hindu Undivided Family where any of such individuals may be a member including Samson Maritime Limited ("**SML**"), wherein Suresh Samant, Sulabha Samant and Bharat Samant collectively hold 20% or more of the equity share capital, or (vii) any body corporate in which the body corporate mentioned under (vi) above holds 20% or more of the equity share capital including Underwater Services Company Limited, wherein SML holds 20% or more of the equity share capital as members of the Promoter Group of the Company, in accordance with the SEBI ICDR Regulations.*

*Our Promoter and the Relatives of our Promoter, amongst others, entered into a family settlement cum separation agreement dated December 29, 2021 ("**Separation Agreement**") wherein, amongst other things, Rajeev Samant severed all personal, emotional, financial, commercial and family related ties with each of them. In relation to Relatives of the Promoters' Spouse, our Company was unable to contact any of them as Margarita Andronova (spouse of the promoter), informed our Company that she does not have any contact with them and is unaware of either of their whereabouts/ contact details/ residential or any other contact address. Neither of the above mentioned persons have any role in the management or operations of our Company or our Subsidiary nor in any of the entities forming a part of the Promoter Group. Further, neither of them is on our Board or the board of directors of our Subsidiary or the entities forming a part of the Promoter Group nor does any of them have any representative on our Board or hold any Equity Shares or other securities of our Company. Additionaly, neither of them has any related party transactions with our Company or is associated with our Company in the capacity of a vendor or supplier or client and does not have any special rights with respect to our Company through any formal or informal arrangements.*

Pursuant to the above, SEBI has, pursuant to its letter dated July 11, 2022 in response to our Exemption Application, granted an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from considering and disclosing the above mentioned persons as members of the Promoter Group.

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of group companies, our Company has considered (i) the companies (other than our Subsidiary) with which there are related party transactions as disclosed in the Restated Consolidated Financial Information; and (ii) any other companies considered material by our Board pursuant to the Materiality Policy.

In relation to (ii) above, in accordance with our Materiality Policy, for the purposes of disclosure in this Red Herring Prospectus, such other companies that form a part of the Promoter Group and with which there were transactions in Fiscal 2022, as per the Restated Consolidated Financial Information, which individually or in the aggregate, exceed 10% of the total consolidated revenue of the Company shall be considered material to be disclosed as a Group Company.

Accordingly, in terms of the Materiality Policy, our Board has identified the following as Group Companies of our Company*:

i. Verlinvest Asia Pte. Ltd;

ii. Verlinvest S.A.;

iii. Cofintra S.A.;

iv. Verlinvest France S.A.; and

v. Summerlab Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the preceding three financial years, extracted from their audited financial statements (as applicable) is available at the website indicated below. Our Company is providing the link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations.

* *Progressive Alcobev Distributors Private Limited ("**PADPL**") has not been classified as a Group Company as it had entered into related party transactions with our Company in Fiscals ended March 31, 2021 and 2020 in its capacity of a subsidiary of our Company. Pursuant to the PADPL Divestment, our Company sold and transferred its entire stake in PADPL, being 51% of its paid-up share capital, pursuant to the Progressive Alcobev 2021 SPA. Accordingly, PADPL was a subsidiary of our Company prior to the PADPL Divestment and accordingly has been considered as a subsidiary of our Company for Fiscals ended March 31, 2021 and 2020 in the Restated Consolidated Financial Information.*

Details of our Group Companies

1. **Verlinvest Asia Pte. Ltd.**

Registered office address

The registered office of Verlinvest Asia Pte. Ltd. is situated at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098 632.

Verlinvest Asia Pte. Ltd. does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years (for which audit has been done as on date of this Red Herring Prospectus) shall be hosted on the website of our Company at https://sulavineyards.com/pdf/Verlinvest_Asia_Pte_Ltd.pdf.

2. **Verlinvest S.A.**

Registered office address

The registered office of Verlinvest S.A. is situated at Place Eugène Flagey 18, 1050 Brussels, Belgium.

As Verlinvest S.A. does not publish its audited statements on its website, information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years (for which audit has been done as on date of this Red Herring Prospectus) shall be hosted on the website of our Company at https://sulavineyards.com/pdf/Verlinvest_S_A.pdf.

3. **Cofintra S.A.**

Registered office address

The registered office of Cofintra S.A. is situated at Place Eugène Flagey 18, 1050 Brussels, Belgium.

Cofintra S.A. does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years (for which audit has been done as on date of this Red Herring Prospectus) shall be hosted on the website of our Company at https://sulavineyards.com/pdf/Cofintra_S_A.pdf.

4. **Verlinvest France S.A.**

Registered office address

The registered office of Verlinvest France S.A. is situated at 31/35 rue de la Fédération, 75015 Paris, France.

Verlinvest France S.A. does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years (for which audit has been done as on date of this Red Herring Prospectus) shall be hosted on the website of our Company at https://sulavineyards.com/pdf/Verlinvest_France_S_A.pdf.

5. **Summerlab Private Limited**

Registered office address

The registered office of Summerlab Private Limited is situated at Floor 3, Plot 12, Carmichael House, Byramji Gamadi, Off ML Dahanukar Marg, Cumballa Hill, Mumbai – 400 026, Maharashtra, India.

Summerlab Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years shall be hosted on the website of our Company at https://sulavineyards.com/pdf/Summerlab-Financial-Statements-20-21.pdf.

Nature and extent of interests of our Group Companies

As on the date of this Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

None of our Group Companies have any business interest in our Company including an interest in any property acquired by our Company in the three years preceding the date of filing this Red Herring Prospectus or proposed to be acquired by it as on date of this Red Herring Prospectus, or any interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery, etc.

For details of the amounts paid to our Group Companies, see "***Restated Consolidated Financial Information - Note 36 – Disclosure in accordance with Ind AS 24 Related Party Disclosures***" beginning on page 323.

Related Business Transactions

Except as set forth in "***Restated Consolidated Financial Information - Note 36 - Disclosure in accordance with Ind AS 24 Related Party Disclosures***" beginning on page 323, no other related party transactions have been entered into between our Group Companies and our Company.

Common pursuits of our Group Companies

As on the date of this Red Herring Prospectus, there are no common pursuits amongst the Group Companies and our Company.

Litigation

As on date of this Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder. We may retain all our future earnings, if any, for purposes to be decided by our Company subject to compliance with the provisions of the Companies Act, 2013. The dividend, if any, will depend on a number of internal, including but not limited to profits earned and available for distribution during the financial year, accumulated reserves including retained earnings, cash flows, debt repayment schedules, if any, and external factors including, but not limited to the macro-economic environment, regulatory changes and technological changes. For details in relation to risks involved in this regard, see "***Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***" on page 61.

Our Company has adopted a formal policy on dividend distribution pursuant to a resolution of our Board dated February 23, 2022. In accordance with our dividend policy, our Board shall recommend/declare dividend as per the provisions of the Companies Act, 2013. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at an annual general meeting.

The dividends declared and paid by the Company on the equity shares of our Company for the six month period ended September 30, 2022 and in the last three Fiscals and until the date of this Red Herring Prospectus as per the Restated Consolidated Financial Information are set forth below:

Particulars	October 1, 2022 till the date of this Red Herring Prospectus	For the six month period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Number of Equity Shares outstanding at the end of financial year/period	8,41,98,748	8,16,00,875	78,598,091	15,080,374	15,044,188
Face value per Equity Shares (in ₹)	2.00	2.00	2.00	10.00	10.00
Interim Dividend per Equity Shares (in ₹)	2.05	1.05	2.50	Nil	3.00
Rate of Interim Dividend (%)	102.50	52.50	125.00	NA	30.00
Final Dividend per Equity Shares (in ₹)	Nil	Nil	2.40	Nil	Nil
Rate of Final Dividend (%)	NA	NA	120.00	NA	NA
Amount of Total Dividend (in ₹ million)	172.61*	85.68	390.33	NA	45.13
Mode of payment of Dividend	Electronic	Electronic	Electronic	NA	Electronic
Effective Dividend Distribution Tax (%)	NA	NA	NA	NA	20.56

** The interim dividend was declared pursuant to the Board resolution dated November 23, 2022. This declared dividend has not been paid as on the dated of this Red Herring Prospectus and will be paid by our Company in due course according to applicable law.*

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Sula Vineyards Limited
(Formerly Sula Vineyards Private Limited)
901, Hubtown Solaris,
N.S. Phadke Marg, Andheri (East),
Mumbai – 400 069,
Maharashtra, India.

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Sula Vineyards Limited (formerly Sula Vineyards Private Limited) (the "Company" or "Issuer") and its subsidiaries (collectively "the Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity and the Restated Cash Flow Statement for the six-months period ended 30 September 2022, six-months period ended 30 September 2021, and years ended 31 March 2022, 31 March 2021 and 31 March 2020, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 23 November 2022 for the purpose of inclusion in the Red Herring Prospectus ('RHP') and Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

    b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

    c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited (collectively the 'Stock Exchanges') in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 20 May 2022 read with addendum to engagement letter dated 9 November 2022 in connection with the proposed IPO of equity shares of the Issuer;

   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from audited special purpose consolidated interim financial statements of the Group as at and for the six-months period ended 30 September 2022 and as at and for the six-months period ended 30 September 2021, and audited consolidated financial statements of the Group as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 23 November 2022, 23 November 2022, 19 May 2022, 15 July 2021 and 18 September 2020, respectively.

5. For the purpose of our examination, we have relied on Auditors' reports issued by us dated 23 November 2022, 23 November 2022, 19 May 2022, 15 July 2021 and 18 September 2020 on the special purpose consolidated interim financial statements/ consolidated financial statements of the Group as at and for the six-months period ended 30 September 2022, six-months period ended 30 September 2021, and years ended 31 March 2022, 31 March 2021 and 31 March 2020, respectively, as referred in Paragraph 4 above.

6. The audit reports on the consolidated financial statements of the Group as at and for the six-months period ended 30 September 2022, six-months period ended 30 September 2021, and years ended 31 March 2022, 31 March 2021 and 31 March 2020 as referred in paragraph 5 above, express an unmodified opinion and the following emphasis of matter paragraph has been included in our report for the years ended 31 March 2021 and 31 March 2020 which do not give rise to any modifications.

   Emphasis of matter – Financial year ended 31 March 2021

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

   Emphasis of matter - Financial year ended 31 March 2020

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

7. As indicated in our audit reports referred above:

   a) We did not audit the financial statements of a subsidiary, whose share of total assets, net assets, total revenue and net cash flows included in the audited consolidated financial statements for the relevant years is tabulated below, which have been audited by another auditor(*); and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the Other Auditor:

(₹ in million)

Particulars	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020
Total assets	234.01	220.84
Net assets	49.62	49.01
Total revenue	605.30	1,034.31
Net cash flows - inflow/ (outflow)	(10.04)	10.16

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditor.

(*) Details of entity audited by another auditor:

Name of the entity	Auditor	For the year ended	Date of audit report
Progressive Alcobev Distributors Private Limited	Raj & Subramanian, Chartered Accountants	31 March 2021	12 July 2021
		31 March 2020	17 September 2020

b) We did not audit the financial statements of Sula International Limited, a subsidiary, whose share of total assets, net assets/(liabilities), total revenue and net cash flows included in the consolidated financial statements, for the relevant years/ periods is tabulated below, which have not been audited; and whose financial information has been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based on such unaudited financial statements/information:

(₹ in million)

Particulars	As at and for the			
	Period 1 April 2022 to 19 April 2022	Six-months period ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021
Total assets	-	0.03	0.09	0.47
Net assets /(liabilities)	-	2.31	(2.42)	(2.33)
Total revenue	-	-	-	-
Net cash flows – inflows/ (outflows)	(0.09)	(0.44)	0.38	0.47

Our opinion is not modified in respect of this matter with respect to our reliance on the information certified by the Board of Directors of the Company.

8. The other auditor of the subsidiary, as mentioned in Paragraph 7(a), has examined the restated financial information and have confirmed to us that the restated financial information of this subsidiary:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended 31 March 2021 and 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the six-months period ended 30 September 2022 of the Group; and

   b. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by Other Auditor for the years ended 31 March 2021 and 31 March 2020 in respect of a subsidiary of the Company, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the six-months period ended 30 September 2021 and financial years ended 31 March 2022, 31 March 2021 and 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the six-months period ended 30 September 2022;

   b. the qualifications in the Companies (Auditor's Report) Order, 2020 for the year ended 31 March 2022 and Companies (Auditor's Report) Order, 2016 for the years ended 31 March 2021 and 31 March 2020, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Note 40 of the Restated Consolidated Financial Information. Further, there are items relating to Emphasis of Matters, refer Paragraph 6, which do not require any adjustment to the Restated Consolidated Financial Information; and

   c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in Paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with SEBI and the Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Rakesh R. Agarwal
Partner
Membership Number: 109632

UDIN: 22109632BDWBAY8337

Place: Mumbai
Date: 23 November 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Restated Consolidated Statements of Assets and Liabilities
(Amounts in ₹ million, unless otherwise stated)

	Note No.	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
ASSETS						
Non-current assets						
Property, plant and equipment	3	3,411.97	3,095.91	3,444.13	3,040.23	3,262.51
Right-of-use assets	3A	107.72	118.11	93.04	125.25	236.91
Capital work-in-progress	3B	119.46	24.79	9.80	1.07	1.23
Goodwill	4	8.54	8.54	8.54	0.11	26.91
Other intangible assets	4	63.63	69.23	66.78	11.95	20.10
Financial assets						
Investments	5	0.03	0.03	0.03	0.03	0.03
Loans	6	21.25	13.33	19.21	10.90	11.12
Other financial assets	7	379.67	160.38	209.68	218.24	188.90
Deferred tax assets (net)	8	-	-	-	-	0.42
Non-current tax assets (net)	8	1.67	13.24	2.11	1.39	87.61
Other non-current assets	9	77.95	40.50	26.85	37.43	43.57
Total non-current assets		**4,191.89**	**3,544.06**	**3,880.17**	**3,446.60**	**3,879.31**
Current assets						
Inventories	10	1,472.65	1,333.34	1,622.62	1,439.33	1,713.40
Financial assets						
Investments	5	-	-	-	-	0.75
Trade receivables	11	1,025.42	1,204.76	1,093.94	1,236.17	1,517.35
Cash and cash equivalents	12	137.06	159.26	101.99	407.91	374.72
Bank balances other than cash and cash equivalents	13	87.95	88.00	93.85	109.71	28.02
Loans	6	14.59	11.85	11.51	11.35	23.87
Other financial assets	7	703.36	635.03	736.21	468.87	651.74
Other current assets	9	76.59	102.47	45.31	75.19	121.20
		3,517.62	**3,534.71**	**3,705.43**	**3,748.53**	**4,431.05**
Non-current assets and assets of a disposal group classified as held for sale	14	-	96.70	-	320.84	-
Total current assets		**3,517.62**	**3,631.41**	**3,705.43**	**4,069.37**	**4,431.05**
TOTAL ASSETS		**7,709.51**	**7,175.47**	**7,585.60**	**7,515.97**	**8,310.36**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	15	163.20	153.77	157.20	150.80	150.44
Other equity		4,328.65	3,289.47	3,795.39	2,896.59	2,849.02
Equity attributable to owners of the parent		**4,491.85**	**3,443.24**	**3,952.59**	**3,047.39**	**2,999.46**
Non-controlling interest		-	-	-	-	24.01
Total equity		**4,491.85**	**3,443.24**	**3,952.59**	**3,047.39**	**3,023.47**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	16	412.17	536.68	480.67	591.19	788.24
Lease liabilities	17	78.44	87.47	62.43	100.06	186.86
Provisions	18	30.70	117.91	19.92	99.61	81.45
Deferred tax liabilities (net)	8	162.14	147.88	168.60	159.74	175.53
Total non-current liabilities		**683.45**	**889.94**	**731.62**	**950.60**	**1,232.08**
Current liabilities						
Financial liabilities						
Borrowings	16	1,734.26	2,087.80	1,808.64	2,421.37	2,894.18
Trade payables	19					
-total outstanding dues of micro enterprises and small enterprises		15.06	8.06	4.78	9.71	11.17
-total outstanding dues of creditors other than micro enterprises and small enterprises		373.65	387.41	669.67	573.64	815.60
Lease liabilities	17	46.16	45.65	47.39	38.95	58.13
Other financial liabilities	20	170.48	136.61	142.29	144.71	173.28
Other current liabilities	21	162.91	155.10	186.86	168.07	83.44
Provisions	18	30.30	21.66	27.23	12.98	19.01
Current tax liabilities (net)	8	1.39	-	14.53	12.70	-
		2,534.21	**2,842.29**	**2,901.39**	**3,382.13**	**4,054.81**
Liabilities of a disposal group classified as held for sale	14	-	-	-	135.85	-
Total current liabilities		**2,534.21**	**2,842.29**	**2,901.39**	**3,517.98**	**4,054.81**
TOTAL EQUITY AND LIABILITIES		**7,709.51**	**7,175.47**	**7,585.60**	**7,515.97**	**8,310.36**

The above statement should be read with Statement of Notes to the Restated Consolidated Financial Information

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

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

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Place: Mumbai
Date : 23 November 2022

Date : 23 November 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Restated Consolidated Statements of Profit and Loss
(Amounts in ₹ million, unless otherwise stated)

Particulars	Note No.	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Income						
Revenue from operations	22	2,240.68	1,591.50	4,539.16	4,179.59	5,216.34
Other income	23	16.91	13.10	27.84	35.53	15.60
Total income		**2,257.59**	**1,604.60**	**4,567.00**	**4,215.12**	**5,231.94**
Expenses						
Cost of materials consumed	24	205.95	212.90	1,114.18	669.12	1,092.81
Excise duty		117.75	119.38	295.04	320.19	363.93
Purchase of stock-in-trade		116.97	71.68	204.30	752.01	1,325.24
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	164.59	118.58	(147.00)	153.69	(143.17)
Employee benefits expense	26	370.96	302.69	653.40	554.81	657.27
Selling, distribution and marketing expense	27	245.89	160.13	445.45	466.95	524.59
Other expenses	28	392.42	318.69	840.92	653.23	906.34
Total expenses		**1,614.53**	**1,304.05**	**3,406.29**	**3,570.00**	**4,727.01**
Restated Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment and Exceptional item (EBITDAE)		**643.06**	**300.55**	**1,160.71**	**645.12**	**504.93**
Finance costs	29	104.69	126.77	229.23	333.86	328.93
Depreciation, amortisation and impairment expense	30	125.82	117.49	236.11	256.99	349.97
Restated profit/ (loss) before tax and exceptional item		**412.55**	**56.29**	**695.37**	**54.27**	**(173.97)**
Exceptional item	31	-	-	-	(22.41)	-
Restated profit/ (loss) before tax		**412.55**	**56.29**	**695.37**	**31.86**	**(173.97)**
Tax expense/ (credit)	8					
Current tax		113.24	22.84	165.12	16.37	4.22
Deferred tax		(5.75)	(11.86)	8.86	(14.65)	(18.79)
		107.49	**10.98**	**173.98**	**1.72**	**(14.57)**
Restated net profit/ (loss) for the period/ year (A)		**305.06**	**45.31**	**521.39**	**30.14**	**(159.40)**
Restated other comprehensive loss (OCI)						
Items that will not be reclassified to profit or loss						
- Loss on re-measurement of defined benefit plan (net of taxes)	34	(2.26)	(8.43)	(1.47)	(2.57)	(3.40)
Items that will be reclassified subsequently to statement of profit or loss						
- Cash flow hedge reserve		-	-	-	(0.21)	-
Restated other comprehensive loss for the period/ year (B)		**(2.26)**	**(8.43)**	**(1.47)**	**(2.78)**	**(3.40)**
Restated total comprehensive income/ (loss) for the period/ year (A+B)		**302.80**	**36.88**	**519.92**	**27.36**	**(162.80)**
Restated net profit/ (loss) attributable to:						
Owners of the parent		**305.06**	**45.31**	**521.39**	**29.89**	**(156.82)**
Non-controlling interests		-	-	-	0.25	(2.58)
Restated other comprehensive income/ (loss) attributable to:						
Owners of the parent		**(2.26)**	**(8.43)**	**(1.47)**	**(2.83)**	**(3.43)**
Non-controlling interests		-	-	-	0.05	0.03
Restated total comprehensive income/ (loss) attributable to:						
Owners of the parent		**302.80**	**36.88**	**519.92**	**27.06**	**(160.25)**
Non-controlling interests		-	-	-	0.30	(2.55)
Earnings per equity share of nominal value of ₹ 2 each	32					
Basic (in ₹)		3.76	0.60	6.79	0.40	(2.09)
Diluted (in ₹)		3.76	0.60	6.79	0.40	(2.09)

The above statement should be read with Statement of Notes to the Restated Consolidated Financial Information

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 23 November 2022

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

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

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Date : 23 November 2022

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Restated Consolidated Statement of Cash Flows
(Amounts in ₹ million, unless otherwise stated)

Particulars	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES					
Restated profit/ (loss) before tax	**412.55**	**56.29**	**695.37**	**31.86**	**(173.97)**
Adjustments for :					
Depreciation, amortisation and impairment expense	125.82	117.49	236.11	256.99	349.97
Interest expenses	93.59	116.62	214.20	316.52	309.46
Interest income	(13.18)	(10.45)	(21.53)	(26.50)	(7.09)
Provisions/ balances no longer required written back	(8.42)	(15.96)	(23.02)	(6.81)	(1.63)
Impairment allowance on financial and non-financial assets	18.96	11.55	46.38	2.94	21.91
Impairment loss on assets classified as held for sale (Refer note 28)	-	-	17.05	11.80	-
Exceptional item - loss on disposal group classified as held for sale	-	-	-	22.41	-
Legal and professional expenses settled by issue of equity shares for consideration other than cash	-	-	-	-	2.56
Share based payment expenses	9.70	5.02	18.62	3.90	2.16
Unrealised exchange loss on foreign gain currency translations (net)	(2.01)	0.12	0.39	0.12	0.54
Profit on cancellation of lease agreement	(0.05)	(0.12)	(0.40)	(2.31)	-
Loss on disposal of property, plant and equipment (net)	0.21	0.09	0.47	31.93	39.06
	224.62	**224.36**	**488.27**	**610.99**	**716.94**
Operating profit before working capital changes	**637.17**	**280.65**	**1,183.64**	**642.85**	**542.97**
Adjustments for working capital:					
Decrease in trade receivables	51.06	88.10	163.77	165.51	243.03
Decrease/ (Increase) in inventories	149.97	142.83	(146.45)	209.31	(141.29)
Decrease/ (Increase) in current/ non-current financial and other assets	(175.51)	(122.46)	(206.75)	208.71	(15.43)
(Decrease)/ Increase in trade payables and other financial/ other liabilities	(273.39)	(187.78)	46.85	(102.72)	(68.48)
	(247.87)	(79.31)	(142.58)	480.81	17.83
Cash generated from/ (used in) operations	**389.30**	**201.34**	**1,041.06**	**1,123.66**	**560.80**
Direct taxes - refund received/ (paid) [net]	(125.94)	(47.39)	(166.67)	71.56	(114.20)
Net cash generated from/ (used in) operating activities	**263.36**	**153.95**	**874.39**	**1,195.22**	**446.60**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment (Refer note 2 below)	(216.51)	(141.72)	(549.77)	(164.51)	(453.33)
Proceeds from sale of property, plant and equipment (includes asset held for sale)	0.68	7.63	90.85	8.64	14.64
Proceeds from sale of investment in subsidiary	-	29.69	29.69	-	-
Net proceeds from bank deposits with original maturity of more than three months	5.42	19.87	(0.04)	(85.70)	(6.50)
Payment in relation to purchase consideration on business combination	-	(161.65)	(161.65)	-	-
Purchase of units of mutual funds	-	-	-	-	(0.75)
Interest income received	13.25	9.38	23.00	24.52	6.27
Net cash used in investing activities	**(197.16)**	**(236.80)**	**(567.92)**	**(217.05)**	**(439.67)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital (including securities premium)	508.28	338.93	561.08	15.84	15.05
Proceeds from/(repayment) of short-term borrowings (net)	(74.38)	(333.57)	(612.73)	(391.20)	566.87
Proceeds from long-term borrowings	137.01	152.20	306.67	217.52	395.00
Repayment of long-term borrowings	(205.51)	(206.71)	(417.19)	(414.57)	(201.33)
Interest paid	(87.62)	(104.57)	(202.36)	(315.39)	(283.16)
Dividend paid	(281.52)	-	(194.49)	-	(108.72)
Repayment of lease liabilities	(27.39)	(27.21)	(53.50)	(56.78)	(50.15)
Share application money pending allotment	-	15.00	-	-	-
Net cash generated from/(used in) financing activities	**(31.13)**	**(165.93)**	**(612.52)**	**(944.58)**	**333.56**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**35.07**	**(248.78)**	**(306.05)**	**33.59**	**340.49**
Cash and cash equivalents at the beginning of the period/ year	101.99	407.91	407.91	374.72	34.23
Cash and cash equivalents at the end of the period/ year	137.06	159.13	101.86	408.31	374.72
Add: Cash and cash equivalents acquired in business combination (Refer note 48)	-	0.13	0.13	-	-
Less: Transfer to assets of a disposal group classified as held for sale (Refer note 14.1)	-	-	-	(0.40)	-
Cash and cash equivalents at the end of the period/ year (Refer note 12)	**137.06**	**159.26**	**101.99**	**407.91**	**374.72**

Notes:

1 The Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7, Statement of Cash Flows.

2 Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and liability for capital goods.

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

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

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

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Place: Mumbai
Date : 23 November 2022

Date : 23 November 2022

a) Equity share capital

Particulars	**Number**	**Amount**
Equity shares of ₹ 2 each (₹ 10 per share until 30 July 2021) issued, subscribed and paid up		
As at 1 April 2019	**15,008,942**	**150.09**
Issued during the year [Refer note 15(e)]	2,746	0.02
Share warrants converted during the year [Refer note 15(f)]	32,500	0.33
As at 31 March 2020	**15,044,188**	**150.44**
Issued during the year [Refer note 15(e)]	2,012	0.02
Share warrants converted during the year [Refer note 15(f)]	34,174	0.34
As at 31 March 2021	**15,080,374**	**150.80**
Employee Stock Options exercised between 1 April 2021 and 30 July 2021 (Refer note 41)	30,000	0.30
Total outstanding shares as at 30 July 2021, before share split	**15,110,374**	**151.10**
Impact of share split [Refer note 15(h)]	60,441,496	-
Total outstanding shares as at 30 July 2021, post share split	**75,551,870**	**151.10**
Equity shares issued between 31 July 2021 and 30 September 2021	1,333,333	2.67
As at 30 September 2021	**76,885,203**	**153.77**
As at 1 April 2021	**15,080,374**	**150.80**
Employee stock options exercised during the year (Refer note 41)	30,000	0.30
Total outstanding shares before share split	**15,110,374**	**151.10**
Impact of share split [Refer note 15(h)]	60,441,496	-
Total outstanding shares post share split	**75,551,870**	**151.10**
Equity shares issued during the year [Refer note below]	1,375,000	2.75
Shares warrants converted during the year [Refer note 15(f)]	1,671,221	3.35
As at 31 March 2022	**78,598,091**	**157.20**
Shares warrants converted between 1 April 2022 and 30 September 2022 [Refer note 15(f)]	3,002,784	6.00
As at 30 September 2022	**81,600,875**	**163.20**

b) Other equity

Particulars	**Share application money received pending allotment (A)**	**Reserve and surplus (B)**					**Other comprehensive income/(loss) (C)**		**Total (A+B+C)**	**Non-controlling interest**
		Securities premium	**Share option outstanding reserve**	**General reserve**	**Retained earnings**	**Money received against share warrants**	**Currency fluctuation reserve**	**Cash flow hedge reserve**		
As at 1 April 2019	-	**1,606.04**	**0.62**	**35.95**	**1,446.25**	**9.88**	**-**	**-**	3,098.74	**26.56**
Restated net loss for the year	-	-	-	-	(156.82)	-	-	-	(156.82)	(2.58)
Conversion of warrants into equity shares [Refer note 15(f)]	-	16.21	-	-	-	(1.65)	-	-	14.56	-
Issue of equity shares [Refer note 15(e)]	-	2.53	-	-	-	-	-	-	2.53	-
Share based payment expense	-	-	2.16	-	-	-	-	-	2.16	-
Restated other comprehensive income / (loss) for the year	-	-	-	-	(3.43)	-	-	-	(3.43)	0.03
Payment of dividend (including dividend distribution tax) (Refer note 49)	-	-	-	-	(108.72)	-	-	-	(108.72)	-
Balance as at 31 March 2020	**-**	**1,624.78**	**2.78**	**35.95**	**1,177.28**	**8.23**	**-**	**-**	**2,849.02**	**24.01**
Restated net profit for the year	-	-	-	-	29.89	-	-	-	29.89	0.25
Conversion of warrants into equity shares [Refer note 15(f)]	-	17.05	-	-	-	(1.74)	-	-	15.31	-
Issue of equity shares [Refer note 15(e)]	-	1.43	-	-	-	-	-	-	1.43	-
Share based payment expense	-	-	3.90	-	-	-	-	-	3.90	-
Restated other comprehensive income / (loss) for the year	-	-	-	-	(2.62)	-	-	(0.21)	(2.83)	0.05
Currency Translation difference	-	-	-	-	-	-	(0.13)	-	(0.13)	
Transfer to liabilities of a disposal group classified as held for sale (Refer note 14.1)	-	-	-	-	-	-	-	-	-	(24.31)
Balance as at 31 March 2021	**-**	**1,643.26**	**6.68**	**35.95**	**1,204.55**	**6.49**	**(0.13)**	**(0.21)**	**2,896.59**	**-**
Restated net profit for the period	-	-	-	-	45.31	-	-	-	45.31	-
Restated other comprehensive income / (loss) for the year/period	-	-	-	-	(8.43)	-	-	-	(8.43)	-
Conversion of warrants into equity shares [refer note 15(f)]	-	337.66	-	-	-	-	-	-	337.66	
Share based payment expense	-	-	5.02	-	-	-	-	-	5.02	-
Exercise of employee stock options	-	-	(1.70)	-	-	-	-	-	(1.70)	
Other comprehensive loss items reclassified	-	-	-	-	(0.21)	-	-	0.21	-	-
Currency translation difference	-	-	-	-	-	-	0.02	-	0.02	-
Share application money received during the period	15.00	-	-	-	-	-	-	-	15.00	-
Balance as at 30 September 2021	**15.00**	**1,980.92**	**10.00**	**35.95**	**1,241.22**	**6.49**	**(0.11)**	**-**	**3,289.47**	**-**
As at 1 April 2021	-	**1,643.26**	**6.68**	**35.95**	**1,204.55**	**6.49**	**(0.13)**	**(0.21)**	**2,896.59**	**-**
Restated net profit for the year	-	-	-	-	521.39	-	-	-	521.39	-
Conversion of warrants into equity shares [Refer note 15(f)]	-	213.10	-	-	-	(4.30)	-	-	208.80	-
Issue of equity shares [Refer note 15(e)]	-	347.58	-	-	-	-	-	-	347.58	-
Share based payment expense	-	-	18.62	-	-	-	-	-	18.62	-
Exercise of employee stock options	-	-	(1.70)	-	-	-	-	-	(1.70)	-
Restated other comprehensive income / (loss) for the year	-	-	-	-	(1.47)	-	-	-	(1.47)	-
Other comprehensive loss items reclassified	-	-	-	-	(0.21)	-	-	0.21	-	-
Currency Translation difference	-	-	-	-	-	-	0.07	-	0.07	-
Payment of dividend (Refer note 49)	-	-	-	-	(194.49)	-	-	-	(194.49)	-
Balance as at 31 March 2022	**-**	**2,203.94**	**23.60**	**35.95**	**1,529.77**	**2.19**	**(0.06)**	**-**	**3,795.39**	**-**
Restated net profit for the period	-	-	-	-	305.06	-	-	-	305.06	-
Restated other comprehensive income / (loss) for the year/period	-	-	-	-	(2.26)	-	-	-	(2.26)	-
Conversion of warrants into equity shares [Refer note 15(f)]	-	504.47	-	-	-	(2.19)	-	-	502.28	-
Share based payment expense	-	-	9.70	-	-	-	-	-	9.70	-
Cancellation of employee stock options			(0.72)	-	0.72				-	
Payment of dividend (Refer note 49)	-	-	-	-	(281.52)	-	-	-	(281.52)	-
Balance as at 30 September 2022	**-**	**2,708.41**	**32.58**	**35.95**	**1,551.77**	**-**	**(0.06)**	**-**	**4,328.65**	**-**

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

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

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

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

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

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

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

The above statement should be read with Statement of Notes to the Restated Consolidated Financial Information

This is the Restated Consolidated Statement of Other Equity in
our report of even date

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

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

Rakesh R. Agarwal
Partner
Membership No.109632

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

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Place: Mumbai
Date : 23 November 2022

Date : 23 November 2022

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 having CIN **U15549MH2003PLC139352** is located at 901 Hubtown Solaris N.S. Phadke Marg, Andheri East, Mumbai-400069.

The Holding Company and its subsidiaries are herein after referred to as the 'Group'. The Group is principally engaged in the business of manufacture, purchase and sale of wine and spirits.

Note 2.1 Significant Accounting Policies

i. Statement of compliance and Basis of preparation:

The Restated Consolidated Financial Information comprise of the Restated Consolidated Statement of Asset and Liabilities as at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity for the periods/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 and the Summary Statement of Significant Accounting Policies and other explanatory information (hereinafter referred to as 'Restated Consolidated Financial Information').

The Restated Consolidated Financial Information has been approved by the Board of Directors of Sula Vineyards Limited at their meeting held on 23 November 2022 and has been specifically prepared for inclusion in the draft red herring prospectus, red herring prospectus and prospectus to be filed by Sula Vineyards Limited with the Securities and Exchange Board of India ('SEBI') pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure requirements), Regulations 2018, as amended (the 'ICDR Regulations'), and with BSE Limited and National Stock Exchange of India Limited in connection with the proposed Initial Public Offer of equity shares ('IPO') of Sula Vineyards Limited (referred to as the 'Issue'). The Restated Consolidated Financial Information has been prepared by the management of Sula Vineyards Limited to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the 'Act') as amended from time to time;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date ('SEBI ICDR Regulations'); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information has been compiled by the management from audited consolidated financial statements of the Group as at and for the periods/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 23 November 2022, 23 November 2022, 19 May 2022, 15 July 2021 and 18 September 2020, respectively.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of interim consolidated financial statements for the period ended 30 September 2022. This Restated consolidated financial information do not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the consolidated financial statements as at and for the periods/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier periods/years and of the period/year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods/years would have been if a uniform accounting policy was followed in each of these periods/years, if any;

b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the consolidated financial statements of the Group for the period ended 30 September 2022 and the requirements of the SEBI ICDR Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

All amounts included in the Restated Consolidated Financial Information are reported in Indian Rupees (`),which is also the Group's functional currency, and all the values are reported in ` million (INR 000,000), except otherwise indicated.

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

ii. Principles of Consolidation

The Restated Consolidated Financial Information 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 period / year are included in the Restated 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 Company and its subsidiaries 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 Restated Consolidated Financial Information have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

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

d. The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Restated Consolidated 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 Restated Consolidated 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.

e. The Restated Consolidated Financial Information has been 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 Restated Consolidated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

f. Notes to the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information.

g. Following subsidiary companies have been considered in the preparation of the Restated Consolidated Financial Information.

Name of the entities	Country of incorporation	Ownership interest held by the group as at					Ownership interest held by non-controlling interests as at					Principal business activity
		30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020	
Artisan Spirits Private Limited	India	100%	100%	100%	100%	100%	-	-	-	-	-	Business of manufacturing of wines and Trading of alcoholic beverages
Progressive Alcobev Distributors Private Limited	India	-	-	-	51%	51%	-	-	-	49%	49%	Business of Trading of wines and spirits
Sula International Limited	United Kingdom	-	100%	100%	100%	-	-	-	-	-	-	Business of Trading of alcoholic beverages

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 Restated Consolidated Financial Information, 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 and the results of operation. 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. Estimates and underlying assumptions are reviewed on ongoing basis.

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 Restated Consolidated Financial Information 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 Restated Consolidated Financial Information.

Critical estimates and judgements

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

Estimates

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

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

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

(b) Useful lives of various assets

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

(c) Current Income Taxes

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

(d) Provision and Contingencies

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

(e) Accounting for defined benefit plans

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

(f) Impairment of financial/ non-financial assets

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

vi. Fair Value Measurement

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

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

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information 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, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

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

viii. Capital work-in-progress

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

ix. Goodwill and Other Intangible Assets

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

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

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

x. Investment Property

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

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

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

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

xii. Depreciation and Amortisation

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

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

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

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

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

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

Amortisation on Intangible Assets

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

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

xiii. Financial Instruments

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

a. Financial Assets

(i) Initial Recognition

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

(ii) Subsequent Measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

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

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

(iii) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

There is no recycling of the amounts from OCI to restated consolidated statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

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

(iv) Impairment of Financial Assets

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

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

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

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

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

(v) De-recognition of Financial Assets

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

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

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

b) Equity Instruments and Financial Liabilities

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

Equity Instruments

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

Financial Liabilities

- **Initial Recognition**

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

- **Subsequent Measurement**

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

  Financial liabilities at FVPL:

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

  Financial liabilities at amortised cost

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

- **De-recognition of Financial Liabilities**

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

c) Cash flow hedge

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

d) Offsetting Financial Instruments

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

xiv. Employee Benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

xv. Inventories

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

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

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

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

xvi. Cash and Cash Equivalents

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

xvii. Segment Reporting

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

xviii. Foreign currency transactions and balances

(a) Initial Recognition

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

(b) Conversion

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

(c) Treatment of Exchange Difference

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

xix. Revenue Recognition

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

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

(a) Revenue from sale of products

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

(b) Revenue from services

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

(c) Interest Income

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

(d) Dividend Income

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

(e) Other Income

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

xx. Government Grants

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions are complied with. Government grants related to revenue under Wine Industry Promotion Subsidy linked with Value Added Tax, are recognised in the Statement of Profit and Loss in the period/year in which they become receivable. Where the grant or subsidy relates to an asset, 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, the payments are received on lump-sum basis instead of an invoice-by-invoice settlement. Accordingly, the collections/ realisations from corporation trade receivables are accounted against the earliest outstanding invoice.

xxii. Trade payables

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

xxiii. Income Tax

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

a) Current Income Tax

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

b) Deferred Income Tax

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

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

xxiv. Share Based Payments

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

xxv. Leases

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

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

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

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

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

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

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

xxvi. Business Combinations

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

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

xxvii. Impairment of Non-Financial Assets

As at each reporting period, 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 years If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

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

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

xxviii. Provisions, Contingent Liabilities and Contingent Assets

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

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

xxix. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period/year attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period/year. The weighted average number of equity shares outstanding during the period/year and for all periods/years presented is adjusted for events, such as bonus shares, share split, etc. 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/year attributable to the equity shareholders of the Holding 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 and Exceptional item (EBIDTAE)

Earnings Before Interest, Tax, Depreciation and amortisation and Exceptional item (EBIDTAE) 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/year, the nature and amount of such material items are disclosed separately as exceptional items.

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)
Statement of Notes to the Restated Consolidated Financial Information
(Amounts in ₹ million, unless otherwise stated)

Note 3 Property, plant and equipment

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Oak barrels	Bearer plant	Total
Gross carrying value (at deemed cost)											
As at 1 April 2019	**652.47**	**1,294.54**	**0.83**	**1,173.66**	**128.74**	**72.03**	**70.51**	**30.94**	**53.55**	**3.85**	**3,481.12**
Additions	3.48	242.25	-	107.06	25.23	9.94	13.07	7.29	7.63	-	415.95
Disposals/ write-off	(29.25)	(3.27)	(0.83)	(23.77)	(0.08)	(6.38)	(0.58)	(0.74)	(1.68)	-	(66.58)
As at 31 March 2020	**626.70**	**1,533.52**	**-**	**1,256.95**	**153.89**	**75.59**	**83.00**	**37.49**	**59.50**	**3.85**	**3,830.49**
Additions	57.23	16.41	-	30.64	7.41	6.94	7.53	4.74	10.65	-	141.55
Transfer to assets of a disposal group classified as held for sale (Refer note 14.1)	-	(18.80)	-	-	(0.35)	(6.40)	(0.20)	(0.20)	-	-	(25.95)
Transfer to non-current assets classified as held for sale (Refer note 14.2)	-	(111.86)	-	(3.34)	(6.58)	-	-	-	-	-	(121.78)
Disposals/ write-off	-	(0.09)	-	(47.86)	(22.05)	(9.98)	(15.93)	(8.54)	(3.48)	-	(107.93)
As at 31 March 2021	**683.93**	**1,419.18**	**-**	**1,236.39**	**132.32**	**66.15**	**74.40**	**33.49**	**66.67**	**3.85**	**3,716.38**
Additions	15.50	20.56	-	38.60	1.11	1.20	2.89	0.99	-	-	80.85
Acquisition through business combination (Refer note 48)	-	49.68	-	20.93	0.68	0.33	1.13	0.04	1.86	-	74.65
Disposals	-	-	-	(7.54)	-	(5.83)	(0.46)	(0.48)	(0.09)	-	(14.40)
As at 30 September 2021	**699.43**	**1,489.42**	**-**	**1,288.38**	**134.11**	**61.85**	**77.96**	**34.04**	**68.44**	**3.85**	**3,857.48**
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 through business combination (Refer note 48)	-	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	1.63	14.66	-	20.22	4.82	12.71	11.69	1.70	-	-	67.43
Disposals	-	-	-	(1.76)	-	-	(0.02)	-	(0.73)	-	(2.51)
As at 30 September 2022	**951.80**	**1,547.62**	**-**	**1,385.84**	**150.30**	**77.30**	**99.13**	**37.96**	**91.20**	**2.87**	**4,344.02**
Accumulated depreciation											
As at 1 April 2019	**-**	**111.22**	**0.79**	**154.10**	**34.26**	**26.06**	**30.95**	**16.97**	**19.33**	**1.47**	**395.15**
Depreciation charge	-	55.66	-	75.26	14.61	10.13	12.67	6.68	10.54	0.16	185.71
Accumulated depreciation on disposals/ write-off	-	(0.21)	(0.79)	(6.93)	(0.03)	(3.30)	(0.42)	(0.62)	(0.58)	-	(12.88)
As at 31 March 2020	**-**	**166.67**	**-**	**222.43**	**48.84**	**32.89**	**43.20**	**23.03**	**29.29**	**1.63**	**567.98**
Depreciation charge	-	62.67	-	78.11	16.38	9.31	12.79	6.50	12.11	0.16	198.03
Accumulated depreciation on assets of a disposal group classified as held for sale (Refer note 14.1)	-	(3.41)	-	-	(0.24)	(4.98)	(0.19)	(0.19)	-	-	(9.01)
Accumulated depreciation on non-current assets classified as held for sale (Refer note 14.2)	-	(9.00)	-	(1.65)	(2.63)	-	-	-	-	-	(13.28)
Accumulated depreciation on disposals/ write-off	-	(0.02)	-	(23.62)	(15.31)	(5.93)	(13.66)	(7.20)	(1.83)	-	(67.57)
As at 31 March 2021	**-**	**216.91**	**-**	**275.27**	**47.04**	**31.29**	**42.14**	**22.14**	**39.57**	**1.79**	**676.15**
Depreciation charge	-	25.93	-	40.70	7.42	3.51	5.84	3.13	5.49	0.08	92.10
Accumulated depreciation on disposals	-	-	-	(2.13)	-	(3.65)	(0.42)	(0.45)	(0.03)	-	(6.68)
As at 30 September 2021	**-**	**242.84**	**-**	**313.84**	**54.46**	**31.15**	**47.56**	**24.82**	**45.03**	**1.87**	**761.57**

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Oak barrels	Bearer plant	Total
As at 1 April 2021	-	216.91	-	275.27	47.04	31.29	42.14	22.14	39.57	1.79	676.15
Depreciation charge	-	52.57	-	80.78	14.38	7.03	11.81	6.15	10.82	0.16	183.70
Accumulated depreciation on disposals	-	(11.94)	-	(3.64)	(0.06)	(4.94)	(0.82)	(2.47)	(0.03)	(0.98)	(24.88)
As at 31 March 2022	**-**	**257.54**	**-**	**352.41**	**61.36**	**33.38**	**53.13**	**25.82**	**50.36**	**0.97**	**834.97**
Depreciation charge	-	28.41	-	43.43	7.70	3.78	6.08	2.51	6.71	0.08	98.70
Accumulated depreciation on disposals	-	-	-	(1.04)	-	-	(0.02)	-	(0.56)	-	(1.62)
As at 30 September 2022	**-**	**285.95**	**-**	**394.80**	**69.06**	**37.16**	**59.19**	**28.33**	**56.51**	**1.05**	**932.05**
Net carrying value											
As at 31 March 2020	626.70	1,366.85	-	1,034.52	105.05	42.70	39.80	14.46	30.21	2.22	3,262.51
As at 31 March 2021	683.93	1,202.27	-	961.12	85.28	34.86	32.26	11.35	27.10	2.06	3,040.23
As at 30 September 2021	699.43	1,246.58	-	974.54	79.65	30.70	30.40	9.22	23.41	1.98	3,095.91
As at 31 March 2022	950.17	1,275.42	-	1,014.97	84.12	31.21	34.33	10.44	41.57	1.90	3,444.13
As at 30 September 2022	**951.80**	**1,261.67**	**-**	**991.04**	**81.24**	**40.14**	**39.94**	**9.63**	**34.69**	**1.82**	**3,411.97**

Notes:

(i) Refer note 16 for information of Property, plant and equipment pledged as security against borrowings of the Group.
(ii) Refer note 33(B) for disclosure of contractual commitments for acquisition of property, plant and equipment.

Note 3A Right-of-use assets (ROU)

Particulars	Land	Buildings	Vehicles	Total
Gross carrying value (at deemed cost)				
Impact of adoption of Ind AS 116 as at 1 April 2019	**42.57**	**79.99**	**0.61**	**123.17**
Additions	19.38	137.45	2.82	159.65
Disposals	-	(0.61)	-	(0.61)
As at 31 March 2020	**61.95**	**216.83**	**3.43**	**282.21**
Additions	0.95	0.95	-	1.90
Disposals	(9.24)	(77.96)	(1.81)	(89.01)
As at 31 March 2021	**53.66**	**139.82**	**1.62**	**195.10**
Additions	7.06	9.97	-	17.03
Disposals	(0.96)	(0.84)	-	(1.80)
As at 30 September 2021	**59.76**	**148.95**	**1.62**	**210.33**
As at 1 April 2021	**53.66**	**139.82**	**1.62**	**195.10**
Additions	6.66	12.01	-	18.67
Disposals	(5.94)	(1.07)	-	(7.01)
As at 31 March 2022	**54.38**	**150.76**	**1.62**	**206.76**
Additions	37.87	0.02	0.27	38.16
Disposals	-	(3.12)	-	(3.12)
As at 30 September 2022	**92.25**	**147.66**	**1.89**	**241.80**

Particulars	Land	Buildings	Vehicles	Total
Accumulated depreciation				
Impact of adoption of Ind AS 116 as at 1 April 2019				
Depreciation charge	12.79	30.98	1.53	45.30
Accumulated depreciation on disposals	-	-	-	-
As at 31 March 2020	**12.79**	**30.98**	**1.53**	**45.30**
Depreciation charge	13.88	34.83	1.14	49.85
Accumulated depreciation on disposals	(3.39)	(20.50)	(1.41)	(25.30)
As at 31 March 2021	**23.28**	**45.31**	**1.26**	**69.85**
Depreciation charge	6.84	15.47	0.06	22.37
Accumulated depreciation on disposals	-	-	-	-
As at 30 September 2021	**30.12**	**60.78**	**1.32**	**92.22**
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	6.27	15.27	0.13	21.67
Accumulated depreciation on disposals	-	(1.31)	-	(1.31)
As at 30 September 2022	**42.22**	**90.35**	**1.51**	**134.08**
Net carrying value				
As at 31 March 2020	49.16	185.85	1.90	236.91
As at 31 March 2021	30.38	94.51	0.36	125.25
As at 30 September 2021	29.64	88.17	0.30	118.11
As at 31 March 2022	18.43	74.37	0.24	93.04
As at 30 September 2022	**50.03**	**57.31**	**0.38**	**107.72**

Also refer note 45 for the impact of transition to Ind AS 116 Leases and the related disclosures

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

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Less than 1 year	119.44	24.70	9.78	0.98	1.23
1-2 years	-	-	-	0.09	-
2-3 years	0.02	0.09	0.02	-	-
More than 3 years	-	-	-	-	-
Total	**119.46**	**24.79**	**9.80**	**1.07**	**1.23**

Note: CWIP does not include any project temporarily suspended

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 2019	**161.63**	**45.64**	**207.27**	**31.91**	**239.18**
Additions	-	7.43	7.43	-	7.43
As at 31 March 2020	**161.63**	**53.07**	**214.70**	**31.91**	**246.61**
Additions	-	1.17	1.17	-	1.17
Disposals	-	(3.11)	(3.11)	-	(3.11)
Transfer to assets of a disposal group classified as held for Sale (Refer note 14.1)	-	-	-	(26.80)	(26.80)
As at 31 March 2021	**161.63**	**51.13**	**212.76**	**5.11**	**217.87**
Additions	-	-	-	-	-
Acquisition through business combination (Refer note 48)	60.30	-	60.30	8.43	68.73
Disposals	-	-	-	-	-
As at 30 September 2021	**221.93**	**51.13**	**273.06**	**13.54**	**286.60**
As at 1 April 2021	161.63	51.13	212.76	5.11	217.87
Additions	-	2.64	2.64	-	2.64
Acquisition through business combination (Refer note 48)	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	-	2.30	2.30	-	2.30
Disposals	-	-	-	-	-
As at 30 September 2022	**221.93**	**54.18**	**276.11**	**13.54**	**289.65**
Accumulated amortisation and impairment					
As at 1 April 2019	**56.31**	**24.33**	**80.64**	**-**	**80.64**
Amortisation charge	37.17	8.64	45.81	-	45.81
Impairment charge (Refer note below)	68.15	-	68.15	5.00	73.15
As at 31 March 2020	**161.63**	**32.97**	**194.60**	**5.00**	**199.60**
Amortisation charge	-	9.11	9.11	-	9.11
Disposals	-	(2.90)	(2.90)	-	(2.90)
As at 31 March 2021	**161.63**	**39.18**	**200.81**	**5.00**	**205.81**
Amortisation charge	1.41	1.61	3.02	-	3.02
Disposals	-	-	-	-	-
As at 30 September 2021	**163.04**	**40.79**	**203.83**	**5.00**	**208.83**
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
Disposals	-	(1.89)	(1.89)	-	(1.89)
As at 31 March 2022	**166.49**	**40.54**	**207.03**	**5.00**	**212.03**
Amortisation charge	3.64	1.81	5.45	-	5.45
Disposals	-	-	-	-	-
As at 30 September 2022	**170.13**	**42.35**	**212.48**	**5.00**	**217.48**
Net carrying value					
As at 31 March 2020	-	20.10	20.10	26.91	47.01
As at 31 March 2021	-	11.95	11.95	0.11	12.06
As at 30 September 2021	58.89	10.34	69.23	8.54	77.77
As at 31 March 2022	55.44	11.34	66.78	8.54	75.32
As at 30 September 2022	**51.80**	**11.83**	**63.63**	**8.54**	**72.17**

Notes:

(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 of brand is determined based on the Royalty Relief Method. Based on the above, during the year ended 31 March 2020, impairment provision of ₹ 68.15 million with respect of Brand of Heritage winery was recognised as the recoverable value was lower than the carrying value.

(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 Based on the above, during the year ended 31 March 2020, impairment provision of ₹ 5.00 million with respect of Goodwill on acquisition of Heritage winery was recognised as the recoverable value was lower than the carrying value.

(c) Key assumptions used for value in use :

- Rate of royalty
- Discount rate
- Growth rate used to extrapolate cash flows
- Terminal growth rate

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 5 Investments					
Non-current					
Investments in equity shares at fair value through other comprehensive income, unquoted fully paid					
The Saraswat Co-operative Bank 2,500 (30 September 2021: 2,500, 31 March 2022: 2,500, 31 March 2021: 2,500, 31 March 2020: 2,500) equity shares of ₹ 10 each	0.03	0.03	0.03	0.03	0.03
	0.03	**0.03**	**0.03**	**0.03**	**0.03**
Current					
Investments in mutual funds at fair value through profit and loss, quoted					
Axis Blue Chip Mutual Fund Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: Nil, 31 March 2020: 25,871 units)	-	-	-	-	0.75
Total investments	**0.03**	**0.03**	**0.03**	**0.03**	**0.78**
Details:					
Aggregate investments:					
(i) Aggregate value of quoted investments and market value thereof	-	-	-	-	0.75
(ii) Aggregate value of unquoted investments	0.03	0.03	0.03	0.03	0.03
(iii) Aggregate value of impairment of investments	-	-	-	-	-
	0.03	**0.03**	**0.03**	**0.03**	**0.78**
(i) Investments carried at amortised cost	-	-	-	-	-
(ii) Investments carried at fair value through other comprehensive income	0.03	0.03	0.03	0.03	0.03
(iii) Investments carried at fair value through profit and loss	-	-	-	-	0.75
	0.03	**0.03**	**0.03**	**0.03**	**0.78**

Note 6 Loans

Non-current					
Loans					
- to employees	18.23	13.33	16.19	10.90	11.12
- to others	3.02	-	3.02	-	-
Total non-current loans	**21.25**	**13.33**	**19.21**	**10.90**	**11.12**
Current					
Loans to employees	14.59	11.85	11.51	11.35	23.87
Total current loans	**14.59**	**11.85**	**11.51**	**11.35**	**23.87**
Total loans	**35.84**	**25.18**	**30.72**	**22.25**	**34.99**
Breakup of security details:					
Loans receivable considered good - secured	-	-	-	-	-
Loans receivable considered good - unsecured^	35.84	25.18	30.72	22.25	34.99
Loans receivable which have significant increase in credit risk	-	-	-	-	-
Loans receivable - credit impaired	-	-	-	-	-
Total	**35.84**	**25.18**	**30.72**	**22.25**	**34.99**

^ represents loan granted to Flamingo Wines Company Private Limited as on 30 September 2022 and 31 March 2022 have been secured by way of personal guarantee from the Director of Flamingo Wines Company Private Limited

Note 6.1 Disclosure under Section 186(4) of the Companies Act, 2013

(a) Details of investments made by the Group (Refer note 5)	0.03	0.03	0.03	0.03	0.78
(b) Details of loan given by the Group to others:	-	-	-	-	-
Flamingo Wines Company Private Limited *	3.02	-	3.02	-	-
(c) Details of guarantees issued by the Group	-	-	-	-	-
(d) Details of security provided by the Group	-	-	-	-	-

*The above loan given is for the purpose of meeting the working capital requirement.

Note 7 Other financial assets

Non-current					
Government grants receivable (Refer note 44)	312.29	127.65	163.72	189.75	152.89
Security deposits	50.48	30.37	29.54	27.97	28.25
Banks deposits with maturity of more than 12 [Includes ₹ 16.90 million (30 September 2021: ₹ 2.36 million, 31 March 2022: ₹ 16.42 million, 31 March 2021: ₹ 0.52 million, 31 March 2020: ₹ 6.90 million) pledged with excise authorities or earmarked against bank guarantees taken by the Group or security against borrowings]	16.90	2.36	16.42	0.52	7.76
Total non-current financial assets	**379.67**	**160.38**	**209.68**	**218.24**	**188.90**
Current					
Government grants receivable (Refer note 44)	625.81	629.20	713.16	464.19	643.77
Security deposits	1.08	1.10	1.14	1.02	6.29
Interest accrued	2.12	4.73	2.19	3.66	1.68
Others ^	74.35	-	19.72	-	-
Total current financial assets	**703.36**	**635.03**	**736.21**	**468.87**	**651.74**
Total other financial assets	**1,083.03**	**795.41**	**945.89**	**687.11**	**840.64**

^ As of 30 September 2022, the Holding Company has incurred expenses aggregating ₹ 74.35 million (30 September 2021: Nil, 31 March 2022: ₹ 19.72 million, 31 March 2021: Nil and 31 March 2020: Nil) towards the Initial Public Offer ('IPO') of the equity shares held by the selling shareholders. Pursuant to the agreement with the selling shareholders, upon the successful completion of the IPO the aforementioned amounts are fully recoverable from the selling shareholders by adjustment against the cashflows received from exit of the selling shareholders and consequently these have been presented under Other financial assets.

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 8 Income tax liabilities/(assets) [net]					
i. The following table provides the details of income tax liabilities and assets					
(a) Income tax liabilities	426.29	168.14	313.05	12.70	130.76
(b) Income tax assets	(426.57)	(181.38)	(300.63)	(1.39)	(218.37)
Net Income liabilities/(assets)	**(0.28)**	**(13.24)**	**12.42**	**11.31**	**(87.61)**
Current income tax liabilities in case of an entity	1.39	-	14.53	12.70	-
Non-current tax assets in case of some entities	(1.67)	(13.24)	(2.11)	(1.39)	(87.61)
Net Income tax liabilities / (assets)	**(0.28)**	**(13.24)**	**12.42**	**11.31**	**(87.61)**

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

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Net current income tax liabilities / (assets) at the beginning	12.42	11.31	11.31	(87.61)	22.37
Income tax refund received / (tax paid) [net]	(125.94)	(47.39)	(166.67)	71.56	(114.20)
Current tax expense	113.24	22.84	165.12	16.37	4.22
Interest on tax payable	-	-	2.66	1.17	-
Transferred to assets of a disposal group classified as held for sale (Refer note 14.1)	-	-	-	9.82	-
Net income tax liabilities/(assets) at the end	**(0.28)**	**(13.24)**	**12.42**	**11.31**	**(87.61)**
iii. Income tax expense / (credit) in the Restated Consolidated Statement of Profit and Loss					
Current tax expense	113.24	22.84	165.12	16.37	4.22
Deferred tax expense/(credit)	(5.75)	(11.86)	8.86	(14.65)	(18.79)
Income tax expense / (credit) [net]	**107.49**	**10.98**	**173.98**	**1.72**	**(14.57)**
Deferred tax credit in other comprehensive Income	(0.72)	-	-	(0.90)	(1.14)
Income tax expenses/ (credit) [net]	**106.77**	**10.98**	**173.98**	**0.82**	**(15.71)**
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:					
Restated profit/ (loss) before income tax	412.55	56.29	695.37	31.86	(173.97)
Applicable income tax rate	25.17%	25.17%	25.17%	25.17%	25.17%
Computed expected tax expense / (credit)	**103.84**	**14.17**	**175.02**	**8.02**	**(43.79)**
Effect of expenses that are not deductible for determining taxable profits	1.01	2.12	1.94	2.24	2.64
Effect of deferred tax asset written-off	-	-	5.32	-	-
Effect of deferred tax assets on loss of subsidiaries	5.27	0.01	(4.32)	(6.18)	14.15
Effect of difference in tax rates of subsidiaries	-	-	-	-	(0.41)
Impact of change in tax rate (Refer note 8.1 below)	-	-	-	-	13.12
Tax Impact on consolidation adjustment	(0.17)	(3.66)	(3.98)	(2.36)	(0.28)
Others	(2.46)	(1.66)	-	-	-
Income tax expense charged/ (credited) to the Restated Consolidated Statement of Profit and Loss	**107.49**	**10.98**	**173.98**	**1.72**	**(14.57)**
v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:					
(a) Deferred tax liabilities					
- Timing difference on tangible and intangible assets depreciation and amortisation	276.27	279.93	277.59	275.75	305.04
(b) Deferred tax assets					
- Expenses allowable on payment basis	42.22	59.11	40.39	47.87	123.54
- Business loss /unabsorbed depreciation	-	-	3.22	-	-
- Impairment allowance on payment basis	28.75	28.74	28.75	27.14	6.25
- Others	43.16	44.20	36.63	41.00	0.14
Total Deferred tax liabilities (net)	**114.13**	**132.05**	**108.99**	**116.01**	**129.93**
Total Deferred tax liabilities (net)	**162.14**	**147.88**	**168.60**	**159.74**	**175.11**
Deferred tax liabilities in case of some entities	162.14	147.88	168.60	159.74	175.53
Deferred tax assets in case of an entity	-	-	-	-	(0.42)

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

	Timing difference on tangible and intangible assets depreciation and	Expenses allowable on payment basis	Business loss/ unabsorbed depreciation	Impairment allowance on financials assets	Others	Total deferred tax liabilities (net)
	(A)	(B)	(C)	(D)	(E)	F=(A)-(B)-(C)-(D)-(E)
As at 1 April 2019	**247.39**	**48.15**	**3.52**	**2.77**	**0.19**	**192.76**
- to profit or loss	57.65	76.53	(3.52)	3.48	(0.05)	(18.79)
- to other comprehensive income	-	(1.14)	-	-	-	1.14
As at 31 March 2020	**305.04**	**123.54**	**-**	**6.25**	**0.14**	**175.11**
- to profit or loss	(29.15)	(76.25)	-	20.89	40.86	(14.65)
- to other comprehensive income	-	0.91	-	-	-	(0.91)
- transferred to asset held for sale	(0.14)	(0.33)	-	-	-	0.19
As at 31 March 2021	**275.75**	**47.87**	**-**	**27.14**	**41.00**	**159.74**
- to profit or loss	4.18	11.24	-	1.60	3.20	(11.86)
As at 30 September 2021	**279.93**	**59.11**	**-**	**28.74**	**44.20**	**147.88**
As at 1 April 2021	**275.75**	**47.87**	**-**	**27.14**	**41.00**	**159.74**
- to profit or loss	1.84	(7.48)	3.22	1.61	(4.37)	8.86
At 31 March 2022	**277.59**	**40.39**	**3.22**	**28.75**	**36.63**	**168.60**
- to profit or loss	(1.32)	1.12	(3.22)	-	6.53	(5.75)
- to other comprehensive income	-	0.71	-	-	-	(0.71)
At 30 September 2022	**276.27**	**42.22**	**-**	**28.75**	**43.16**	**162.14**

Note 8.1: During the year ended 31 March 2020, the Holding Company and Progressive Alcobev Distributors Private Limited elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company and its subsidiary i.e. Progressive Alcobev Distributors Private Limited recognised provision for income tax basis the rate prescribed in the said section and the deferred tax assets/liabilities were remeasured basis the revised rate and the impact of this change was recognised in the statement of profit and loss during the year ended 31 March 2020. Further, Artisan Spirits Private Limited, a wholly owned subsidiary, has elected the option permitted during the year ended 31 March 2022.

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 9 Other assets					
Non-current					
Capital advances	51.36	13.28	2.64	0.78	2.17
Balances with government authorities	25.94	25.47	23.70	34.01	39.27
Prepaid gratuity (Refer note 34)	-	-	-	0.42	0.23
Prepaid expenses	0.65	1.75	0.51	2.22	1.90
Total other non-current assets	**77.95**	**40.50**	**26.85**	**37.43**	**43.57**
Current					
Advances to suppliers	32.32	181.11	131.82	161.72	169.50
Less: Impairment provision	(1.23)	(122.36)	(123.72)	(122.36)	(125.91)
	31.09	58.75	8.10	39.36	43.59
Balance with government authorities	13.27	20.10	13.27	9.74	52.40
Prepaid expenses	32.23	23.62	23.94	26.09	25.21
Total other current assets	**76.59**	**102.47**	**45.31**	**75.19**	**121.20**
Total other assets	**154.54**	**142.97**	**72.16**	**112.62**	**164.77**
Note 10 Inventories					
Raw materials	-	-	-	-	5.70
Work-in-progress / Semi-finished goods	1,063.68	939.65	1,202.42	1,045.99	1,090.64
Finished goods	171.68	176.93	212.69	150.87	206.22
Stock-in-trade [including goods-in-transit of ₹ 3.89 million (30 September 2021: ₹19.58 million, 31 March 2022: ₹ 11.68 million, 31 March 2021: ₹ 7.43 million, 31 March 2020: ₹ 55.79 million)]	91.76	121.43	86.46	157.30	297.77
Consumables, chemical, stores and spares [Including goods-in-transit Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: ₹ 0.99 million, 31 March 2020: Nil)]	44.14	27.01	42.91	27.23	46.18
Packing materials [Including goods-in-transit Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: ₹ 0.99 million, 31 March 2020: Nil)]	101.39	68.32	78.14	57.94	66.89
Total Inventories	**1,472.65**	**1,333.34**	**1,622.62**	**1,439.33**	**1,713.40**
Note 10.1 Stock-in-trade	91.76	121.43	86.46	222.06	297.77
Less: Transfer to assets of a disposal group classified as held for sale (Refer note 14.1)	-	-	-	(64.76)	-
	91.76	121.43	86.46	157.30	297.77
Less: Intercompany stock margin elimination (Refer note 14.1)	-	-	-	(14.26)	-
	91.76	**121.43**	**86.46**	**143.04**	**297.77**

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 11 Trade receivables					
Trade receivables	1,025.42	1,204.76	1,093.94	1,236.17	1,517.35
Total trade receivables	**1,025.42**	**1,204.76**	**1,093.94**	**1,236.17**	**1,517.35**
Breakup of security details:					
Trade receivables considered good - secured	-	-	-	-	-
Trade receivables considered good - unsecured	1,025.42	1,204.76	1,093.94	1,236.17	1,517.35
Trade receivables which have significant increase in credit risk	-	-	-	-	-
Trade receivables - credit impaired	97.31	44.87	78.35	33.32	30.38
Total	**1,122.73**	**1,249.63**	**1,172.29**	**1,269.49**	**1,547.73**
Impairment allowance:					
Trade receivables which have significant increase in credit risk	-	-	-	-	-
Trade receivables - credit impaired	(97.31)	(44.87)	(78.35)	(33.32)	(30.38)
Total trade receivables	**1,025.42**	**1,204.76**	**1,093.94**	**1,236.17**	**1,517.35**

Notes:

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

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

11.3 Trade receivable ageing schedule

	Outstanding for following periods from the transaction date						
As at 30 September 2022	**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	-	938.94	54.85	14.87	13.01	3.75	1,025.42
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	6.76	0.35	0.10	0.74	0.05	8.00
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	5.74	23.78	10.40	26.65	22.74	89.31
	-	**951.44**	**78.98**	**25.37**	**40.40**	**26.54**	**1,122.73**

Note: There are no unbilled dues at the end of reporting period

	Outstanding for following periods from the transaction date						
As at 30 September 2021	**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables- considered good	-	1,064.18	73.90	52.35	11.12	3.21	1,204.76
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	3.30	0.40	0.21	0.03	0.02	3.96
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	6.63	0.48	10.39	8.44	14.97	40.91
	-	**1,074.11**	**74.78**	**62.95**	**19.59**	**18.20**	**1,249.63**

Note: There are no unbilled dues at the end of reporting period

	Outstanding for following periods from the transaction date						
As at 31 March 2022	**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables- considered good	-	972.58	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 reporting period

	Outstanding for following periods from the transaction date						
As at 31 March 2021	**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables- considered good	-	1,065.95	82.55	77.34	8.13	2.20	1,236.17
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	3.26	0.37	0.28	0.03	-	3.94
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	1.44	0.18	3.73	11.70	12.33	29.38
	-	**1,070.65**	**83.10**	**81.35**	**19.86**	**14.53**	**1,269.49**

Note: There are no unbilled dues at the end of reporting period

	Outstanding for following periods from the transaction date						
As at 31 March 2020	**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables- considered good	-	1,417.08	44.39	43.98	6.86	5.04	1,517.35
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	3.77	0.34	0.43	0.29	0.10	4.93
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	2.20	0.99	9.45	6.39	6.42	25.45
	-	**1,423.05**	**45.72**	**53.86**	**13.54**	**11.56**	**1,547.73**

Note: There are no unbilled dues at the end of reporting period

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 12 Cash and cash equivalents					
Balances with banks in current accounts	136.83	157.85	101.67	407.59	374.04
Cash on hand	0.23	1.41	0.32	0.32	0.68
	137.06	**159.26**	**101.99**	**407.91**	**374.72**

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

Note 13 Bank balances other than cash and cash equivalents					
Balances with banks:					
- deposit with banks for maturity more than 3 months but less than 12 months	-	-	-	-	10.80
- in earmarked accounts (held as margin money or security against borrowings, guarantee and other commitments)	87.95	88.00	93.85	109.71	17.22
Total bank balances other than cash and cash equivalents	**87.95**	**88.00**	**93.85**	**109.71**	**28.02**
Note 14 Non-current assets and assets of a disposal group classified as held for sale					
Assets of a disposal group classified as held for sale (Refer note 14.1 below)	-	-	-	224.14	-
Office premises along with plant and equipment and furniture/ fixtures (Refer note 14.2 below)	-	96.70	-	96.70	-
	-	**96.70**	**-**	**320.84**	**-**

Note 14.1: The Holding Company in March 2021 entered into a Memorandum of Understanding ('MOU') for sale of investment in its subsidiary i.e. Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') were classified as held for sale and the resultant impairment loss of ₹ 22.41 million was recognised against the goodwill as at 31 March 2021. On 1 April 2021, the sale was concluded and sale consideration was received.

Particulars	**As at 30 September 2022**	**As at 30 September 2021**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Assets					
Property, plant and equipment	-	-	-	16.94	-
Loans and advances	-	-	-	1.78	-
Investments	-	-	-	0.76	-
Inventories	-	-	-	79.02	-
Trade receivable	-	-	-	112.58	-
Cash and cash equivalents	-	-	-	0.40	-
Bank balances other than cash and cash	-	-	-	11.25	-
Non-current tax assets	-	-	-	9.82	-
Deferred tax assets	-	-	-	0.18	-
Other current assets	-	-	-	1.28	-
Goodwill (Net of loss on disposal group classified as held for sale aggregating ₹ 22.41 million.	-	-	-	4.39	-
Total	-	-	-	238.40	-
Less: Intercompany elimination	-	-	-	(14.26)	-
Assets of a disposal group classified as held for sale	-	-	-	**224.14**	-
Liabilities					
Trade and other payables	-	-	-	102.42	-
Short-term borrowings	-	-	-	81.98	-
Non-controlling interest	-	-	-	24.31	-
Total	-	-	-	208.71	-
Less: Intercompany elimination	-	-	-	(72.86)	-
Liabilities of a disposal group classified as held for sale	-	-	-	**135.85**	-

Note 14.2: Considering the intention to dispose an office premises alongwith related certain plant and equipment and furniture/ fixtures with an aggregate carrying value ₹ 108.50 million, were classified as "Non-current asset as held for sale" as at 31 March 2021. Based on valuation of the aforesaid assets by an independent valuer, the fair value less cost to sell was determined as ₹ 96.70 million. Accordingly, an impairment loss of ₹ 11.80 million was recognized during year ended 31 March 2021.

Particulars	**As at 30 September 2022**	**As at 30 September 2021**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Building		102.86	102.86	102.86	-
Plant and equipment		1.69	1.69	1.69	-
Furniture and fixtures		3.95	3.95	3.95	-
Carrying value (WDV) of asset held for sale	-	**108.50**	**108.50**	**108.50**	-
Impairment loss on classification of assets classified as held for sale (Refer note 28)		(11.80)	(28.85)	(11.80)	-
Less: Sales consideration (net off cost to sales)		-	(79.65)	-	-
Fair value less cost to sell	**-**	**96.70**	**-**	**96.70**	**-**

Subsequent to 30 September 2021, the Holding Company has completed the sale of the premises for an aggregate consideration of ₹ 79.65 million (net of cost to sell) and the resultant additional loss of ₹ 17.05 million was recognised in the audited financial statements for the year ended 31 March 2022

	As at 30 September 2022		As at 30 September 2021		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
Note 15 Equity share capital	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Authorised share capital										
Equity shares of										
Equity shares of ₹ 2 each (30 September 2021 ₹ 2 each, 31 March 2022 ₹ 2 each, 31 March 2021 ₹ 10 each, 31 March 2020 ₹ 10 each)	101,030,000	202.06	20,206,000	202.06	101,030,000	202.06	20,206,000	202.06	20,206,000	202.06
Total authorised share capital	**101,030,000**	**202.06**	**20,206,000**	**202.06**	**101,030,000**	**202.06**	**20,206,000**	**202.06**	**20,206,000**	**202.06**
Issued, subscribed and fully paid up										
Equity shares of ₹ 2 each (30 September 2021 ₹ 2 each, 31 March 2022 ₹ 2 each, 31 March 2021 ₹ 10 each, 31 March 2020 ₹ 10 each)	81,600,875	163.20	76,885,203	153.77	78,598,091	157.20	15,080,374	150.80	15,044,188	150.44
Total issued, subscribed and paid-up equity share capital	**81,600,875**	**163.20**	**76,885,203**	**153.77**	**78,598,091**	**157.20**	**15,080,374**	**150.80**	**15,044,188**	**150.44**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year/period

	As at 30 September 2022		As at 30 September 2021		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Balance as at the beginning of the period /year	78,598,091	157.20	15,080,374	150.80	15,080,374	150.80	15,044,188	150.44	15,008,942	150.09
Employee stock options exercised during the period /year (Refer note 41)	-	-	30,000	0.30	30,000	0.30	-	-	-	-
Add : Impact of share split [Refer note 15(h)]	-	-	60,441,496	-	60,441,496	-	-	-	-	-
Add : Equity shares issued during the period/ year [Refer note 15(e) and note below]	-	-	1,333,333	2.67	1,375,000	2.75	2,012	0.02	2,746	0.02
Shares warrants converted during the period/year [(Refer note 15(f))]	3,002,784	6.00	-	-	1,671,221	3.35	34,174	0.34	32,500	0.33
Balance at the end of the period/ year	**81,600,875**	**163.20**	**76,885,203**	**153.77**	**78,598,091**	**157.20**	**15,080,374**	**150.80**	**15,044,188**	**150.44**

Note: During the period ended 30 September 2022, the Holding Company has issued Nil (30 September 2021: 1,333,333, 31 March 2022: 1,375,000, 31 March 2021: Nil, 31 March 2020: Nil) equity shares of ₹ 2 each issued at premium of ₹ 238 per share on preferential basis.

(b) Terms/rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share (₹ 10 each 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 Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% of the equity shares in the Holding Company:

	As at 30 September 2022*		As at 30 September 2021*		As at 31 March 2022*		As at 31 March 2021		As at 31 March 2020	
	Number of shares	**% of holding**	**Number of shares**	**% of holding**	**Number of shares**	**% of holding**	**Number of shares**	**% of holding**	**Number of shares**	**% of holding**
Rajeev Samant	22,858,619	28.01%	18,396,439	23.93%	20,091,660	25.56%	3,612,621	23.96%	3,578,447	23.79%
Verlinvest Asia Pte Ltd.	17,642,275	21.62%	17,642,275	22.95%	17,642,275	22.45%	3,528,455	23.40%	3,528,455	23.45%
Verlinvest S.A	7,191,835	8.81%	7,191,835	9.35%	7,191,835	9.15%	1,438,367	9.54%	1,438,367	9.56%
Cofintra S.A.	7,191,835	8.81%	7,191,835	9.35%	7,191,835	9.15%	1,438,367	9.54%	1,438,367	9.56%
Verlinvest France S.A	6,579,565	8.06%	6,579,565	8.56%	6,579,565	8.37%	1,315,913	8.73%	1,315,913	8.75%
Ruta Samant	4,477,240	5.49%	4,461,740	5.80%	4,477,240	5.70%	487,724	3.23%	487,724	3.24%

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

* after considering impact of share split [Refer note 15(h)]

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

As at 30 September 2022, the Holding Company has granted 2,813,680 (30 September 2021: 2,833,760, 31 March 2022: 2,811,510, 31 March 2021: 166,291, 31 March 2020: 111,479) employee stock options under the Employee stock option scheme of the Holding Company to its employees. (Refer note 41)

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

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
FY 2020-21: 2,012 equity shares (of face value ₹ 10 per share) at a premium of ₹ 716.93 per share
FY 2019-20 : 2,746 equity shares (of face value ₹ 10 per share) at a premium of ₹ 921.76 per share
FY 2018-19 : 2,441and 2,118 equity shares (of face value ₹ 10 per share) at a premium of ₹ 750 and ₹ 840 per share, respectively.

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

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

(f) Share warrants issued and converted:

(i) As at 30 September 2022, the Holding Company had issued convertible equity shares 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 period	No of warrants outstanding as at 30 September 2022	No of equity shares to be issued post exercise of share warrants by the holder
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**	-	-

(ii) As at 30 September 2021, the Holding Company had issued convertible equity shares as follows:

	Pre share split		Post share split^				
Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2021	Exercise price	Number of warrants outstanding (a)	Exercise price	Number of warrants converted (b)	No of warrants outstanding as at 30 September 2021 [c= (a)-(b)]	No of equity shares to be issued post exercise of share warrants by the holder
2014-15	23,326	509	116,630	102	-	116,630	116,630
2016-17	75,200	584	376,000	117	-	376,000	376,000
2017-18	150,400	631	752,000	126	-	752,000	752,000
2018-19	75,200	760	376,000	152	-	376,000	376,000
2018-19	229,070	850	1,145,350	170	-	1,145,350	1,145,350
Total	**553,196**		**2,765,980**		**-**	**2,765,980**	**2,765,980**

(iii) As at 31 March 2022, the Holding Company had issued convertible equity shares 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)]	No of equity shares to be issued post exercise of share warrants by the holder (d)
	Number of warrants outstanding as at 1 April 2021	Exercise price	Number of warrants outstanding (a)	Exercise price			
2014-15	23,326	509	116,630	102	116,630	-	
2016-17	75,200	584	376,000	117	376,000	-	-
2017-18	150,400	631	752,000	126	752,000	-	-
2018-19	75,200	760	376,000	152	376,000	-	-
2018-19	229,070	850	1,145,350	170	50,591	10,94,759	10,94,759
2021-22	-	-	1,908,025	170	-	1,908,025	1,908,025
Total	**553,196**		**4,674,005**		**1,671,221**	**3,002,784**	**3,002,784**

^ after considering impact of share split [Refer note 15(h)]

(iv) As at 31 March 2021, the Holding Company had issued convertible equity shares as follows:

Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2020 (a)	Exercise price	Number of warrants converted during the year (b)	No of warrants outstanding as at 31 March 2021 [(c) = (a) - (b)]	No of equity shares to be issued post exercise of share warrants by the holder (d)
2014-15	57,500	509	34,174	23,326	23,326
2016-17	75,200	584	-	75,200	75,200
2017-18	150,400	631	-	150,400	150,400
2018-19	75,200	760	-	75,200	75,200
2018-19	229,070	850	-	229,070	229,070
Total	**587,370**		**34,174**	**553,196**	**553,196**

(v) As at 31 March 2020, the Holding Company had issued convertible equity shares as follows:

Financial year in which warrants have been issued	Number of warrants outstanding as at 1 April 2019 (a)	Exercise price	Number of warrants converted during the year (b)	No of warrants outstanding as at 31 March 2020 [(c) = (a) - (b)]	No of equity shares to be issued post exercise of share warrants by the holder (d)
2014-15	90,000	509	32,500	57,500	57,500
2016-17	75,200	584	-	75,200	75,200
2017-18	150,400	631	-	150,400	150,400
2018-19	75,200	760	-	75,200	75,200
2018-19	229,070	850	-	229,070	229,070
Total	**619,870**		**32,500**	**587,370**	**587,370**

(vi) The share warrants for financial year ended 31 March 2015 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.

(vii) The warrants from financial year ended 31 March 2017 to financial year ended 31 March 2019 have been issued at ₹ 10 each fully paid up at the time of subscription and the balance to be paid on conversion, with a right to convert them into equivalent number of equity shares any time before the Initial Public Offering / Qualified Institutional Placement.

(viii) For the year ended 31 March 2022, share warrants have been issued at Nil at the time of subscription. The entire amount to be paid on conversion, with a right to convert them into equivalent number of equity shares any time before the Initial Public Offering / Qualified Institutional Placement.

(ix) During the period 1 April 2022 to 30 September 2022, 3,002,784 equity share warrants have been converted into equivalent number of equity shares of ₹ 2 each at the exercise price of ₹ 170 per equity share.

(x) 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 at 30 September 2022

Particulars	Promoter's Name	No. of shares at the beginning of the period	% held	No. of shares at the end of the period	% held	% change during the period
Equity shares of ₹ 2 each fully paid	Rajeev Samant	20,091,660	25.56%	22,858,619	28.01%	2.45%

As at 30 September 2021

Particulars	Promoter's Name	No. of shares at the beginning of the period*	% held	No. of shares at the end of the period	% held	% change during the period
Equity shares of ₹ 2 each fully paid	Rajeev Samant	18,063,105	23.96%	18,396,439	23.93%	-0.03%

As at 31 March 2022

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

*after considering impact of share split [Refer note 15(h)]

As at 31 March 2021

Particulars	Promoter's Name	No. of shares at the beginning of the year	% held	No. of shares at the end of the year	% held	% change during the year
Equity shares of ₹ 10 each fully paid	Rajeev Samant	3,578,447	23.79%	3,612,621	23.96%	0.17%

As at 31 March 2020

Particulars	Promoter's Name	No. of shares at the beginning of the year	% held	No. of shares at the end of the year	% held	% change during the year
Equity shares of ₹ 10 each fully paid	Rajeev Samant	3,545,947	23.63%	3,578,447	23.79%	0.16%

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

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 16 Borrowings					
I Non-current borrowings					
Secured					
Term loan from banks (Refer note 16.1 below)	787.29	953.48	820.64	990.91	984.22
Unsecured					
Deferred sales tax liabilities (Refer note 16.2 below)	-	0.37	0.37	2.33	5.43
Term loan from banks (Refer note 16.3 below)	-	-	-	-	0.06
	787.29	953.85	821.01	993.24	989.71
Less: Current maturities of long-term borrowings	(375.12)	(417.17)	(340.34)	(402.05)	(201.47)
	412.17	**536.68**	**480.67**	**591.19**	**788.24**
II Current borrowings					
Secured					
Loans from banks					
-Working capital demand loans (repayable on demand) (Refer note 16.4)	1,112.50	1,394.90	1,287.50	1,671.50	2,141.30
-Current maturities of long-term borrowings	375.12	416.80	339.97	400.09	198.37
-Cash credit facilities from banks (repayable on demand) (Refer note 16.4)	-	-	-	1.44	197.16
-Buyer's credit (Refer note 16.5)	-	-	-	50.62	54.25
	1,487.62	**1,811.70**	**1,627.47**	**2,123.65**	**2,591.08**
Unsecured					
Other bank loans (Refer note 16.6)	246.64	275.73	180.80	295.76	300.00
Current maturities of long-term borrowings	-	0.37	0.37	1.96	3.10
Total current borrowings	**1,734.26**	**2,087.80**	**1,808.64**	**2,421.37**	**2,894.18**
Total borrowings (I+II)	**2,146.43**	**2,624.48**	**2,289.31**	**3,012.56**	**3,682.42**

Note 16.1 Details of security and terms of repayment of secured term loan from banks

As at 30 September 2022

Particulars	Number of instalments outstanding	Amount per instalment	Rate of Interest	Security
Rupee Term loan	6 quarterly installments	12.50	7.75%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	4 quarterly installments	11.24	7.65% - 8.15%	First pari passu on Holding Company's existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	16 quarterly installments	10.94	7.80%	First Pari Passu on the Holding Company's assets funded out of 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	8 quarterly installments	10.31	7.75% - 8.60%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	8 quarterly installments	7.50	7.75% - 8.60%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	8 quarterly installments	6.88	7.80% - 8.65%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	6 quarterly installments	6.25	7.30% - 8.30%	0.35x of Holding Company's Fixed Deposit
Rupee Term loan	15 quarterly installments	5.56	7.20% - 7.95%	Exclusive charge on Holding Company's immovable assets and Wine Industry Promotion Subsidy receivable ageing more than 180 days
Rupee Term loan	48 monthly installments	4.17	7.95%	First Pari Passu on the Holding Company's assets funded out of term loan and first pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets. Exclusive charge on assets created out of term loan
Rupee Term loan	48 monthly installments	0.03 to 0.52	7.69% to 7.96%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	15 quarterly installments	0.20	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	15 quarterly installments	0.39	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	16 quarterly installments	1.53	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	16 quarterly installments	5.21	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.

As at 30 September 2021

Particulars	Number of instalments outstanding	Amount per instalment	Rate of Interest	Security
Rupee Term loan	3 quarterly installments	14.44	7.75% to 7.85%	Exclusive charge on Holding Company's immovable assets - commercial unit premises (building).
Rupee Term loan	10 quarterly installments	12.50	7.7% to 7.80%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	4 quarterly installments	12.50	6.80% to 7.80%	Fixed deposit of 0.35x and subservient charge on current assets of Holding Company.
Rupee Term loan	8 quarterly installments	11.24	7.40%	First pari passu on Holding Company's existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	12 monthly installments	11.11	7.70% to 7.75%	Exclusive charge on Holding Company's immovable assets and Wine Industry Promotion Subsidy receivable ageing more than 180 days
Rupee Term loan	16 quarterly installments	10.94	7.80%	First Pari Passu on the Holding Company's assets funded out of term loans and first pari passu charge on all the existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	12 quarterly installments	10.31	7.70% to 8.00%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets

Particulars	Number of instalments outstanding	Amount per instalment	Rate of Interest	Security
Rupee Term loan	12 quarterly installments	7.50	8.00%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	12 quarterly installments	6.88	8.05%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	5 quarterly installments	5.21	7.40%	Exclusive charge on Holding Company's immovable assets - commercial unit premises (building).
Rupee Term loan	16 quarterly installments	0.20	8.95%	First pari passu on Subsidiary Company's entire fixed assets and current assets, including book debts both present and future.
Rupee Term loan	16 quarterly installments	0.39	8.95%	First pari passu on Subsidiary Company's entire fixed assets and current assets, including book debts both present and future.
Rupee Term loan	16 quarterly installments	1.53	8.95%	First pari passu on Subsidiary Company's entire fixed assets and current assets, including book debts both present and future.
Rupee Term loan	16 quarterly installments	5.21	8.95%	First pari passu on Subsidiary Company's entire fixed assets and current assets, including book debts both present and future.

As at 31 March 2022

Particulars	Number of instalments outstanding	Amount per instalment	Rate of Interest	Security
Rupee term loan	1 quarterly installment	14.44	7.75% to 7.85%	Exclusive charge on Holding Company's immovable assets - commercial unit premises (building).
Rupee term loan	8 quarterly installments	12.50	7.7% to 7.80%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets.
Rupee term loan	6 quarterly installments	11.24	7.35% to 7.40%	First pari passu on Holding Company's existing and future movable property, plant and equipment and exclusive charge on immovable assets - commercial unit premises (building).
Rupee term loan	2 monthly installments	11.11	7.30% to 7.75%	Exclusive charge on Holding Company's immovable assets and Wine Industry Production Subsidy receivable ageing more than 180 days.
Rupee term loan	10 quarterly installments	10.31	7.70% to 8.00%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee term loan	10 quarterly installments	7.50	7.75% to 8.00%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets.
Rupee term loan	10 quarterly installments	6.88	7.80% to 8.05%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets.
Rupee term loan	8 quarterly installments	6.25	6.80% to 7.80%	Fixed Deposit of 0.35x and subservient charge on current assets of Holding Company.
Rupee term loan	18 monthly installments	5.56	7.20%	Exclusive charge on Holding Company's immovable assets and Wine Industry Production Subsidy receivable ageing more than 180 days.
Rupee term loan	2 quarterly installments	5.21	7.35% to 7.40%	Exclusive charge on immovable assets - commercial unit premises (building) of Holding Company.
Rupee term loan	16 quarterly installments	10.94	7.80%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets.
Rupee term loan	16 quarterly installments	0.20	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 quarterly installments	0.39	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 quarterly installments	1.53	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.
Rupee term loan	16 quarterly installments	5.21	8.95%	First pari passu on Subsidiary Company's entire property, plant and equipment, current assets, including Trade receivables both present and future.

As at 31 March 2021

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

As at 31 March 2020

Particulars	Number of instalments outstanding	Amount per instalment	Rate of Interest	Security
Rupee Term loan	8 quarterly installments	14.44	8.85% to 9.35%	Exclusive charge on immovable assets - commercial unit premises (building) of Holding Company.
Rupee Term loan	9 quarterly installments	12.50	8.40% to 8.85%	Fixed Deposit of 0.35x and subservient charge on current assets of Holding Company
Rupee Term loan	16 quarterly installments	12.50	9.25%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	13 quarterly installments	11.24	9.10%	First pari passu on Holding Company's existing and future movable property, plant and equipment. and exclusive charge on immovable assets - commercial unit premises (building).
Rupee Term loan	16 quarterly installments	10.31	9.25%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	16 quarterly installments	7.50	9.25%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	16 quarterly installments	6.88	9.25%	First pari passu charge on Holding Company's existing and future movable property, plant and equipment and charge on immovable assets
Rupee Term loan	9 quarterly installments	5.21	9.10%	Exclusive charge on immovable assets - commercial unit premises (building) of Holding Company.

Note 16.2: Deferred sales tax loan is interest free and has been fully repaid during the period ended 30 September 2022 (30 September 2021: ₹ 0.37 million, 31 March 2022: ₹ 0.37 million, 31 March 2021: ₹ 2.33 million, 31 March 2020: ₹ 5.43 million) is interest free and as at 30 September 2022 is fully repaid.

Note 16.3: Loan of Subsidiary Company of Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: Nil, 31 March 2020: ₹ 0.06 million) carried an interest rate of 15% was fully repaid during the year ended 31 March 2021.

Note 16.4: Details of security and terms of repayment of current borrowings

Cash credit/Working capital demand loans

As at period/ year end	Rate of Interest
30 September 2022	7.25% to 8.85%
30 September 2021	7.50% to 12.00%
31 March 2022	7.20% to 12.00%
31 March 2021	7.50% to 11.00%
31 March 2020	8.05% to 10.00%

For all the periods covered above, loans are secured by first pari passu charge on all existing and future current assets, movable and immovable property, plant and equipment and are repayable on demand.

Working capital demand loans of Subsidiary Company are repayable on demand. They carry interest rate of 8.60 to 8.80 % (30 September 2021 : 9.50%, 31 March 2022: 8.60%, 31 March 2021: Nil, 31 March 2020: Nil) p.a. and are secured by first pari passu on entire Property, Plant and Equipment and current assets, including trade receivables both present and future of the Subsidiary Company.

Note 16.5: Buyers Credit

As at year end / period	Rate of Interest
30 September 2022	-
30 September 2021	-
31 March 2022	-
31 March 2021	6% to 7.35%
31 March 2020	6% to 7%

Buyers credit of Holding Company secured by the existing and future current assets, movable and immovable property, plant and equipment and are repayable on demand.

Buyers credit of Subsidiary Company carries an effective interest rate of Nil (30 September 2021:Nil, 31 March 2022: Nil, 31 March 2021: 7.35%, 31 March 2020: 7.00%) p.a. and is repayable in 180 days. This is secured by first charge on current assets and collateral of 0.4x fixed deposit placed with the bank of the Subsidiary Company.

Note 16.6: Other Bank loans of Holding Company carry interest ranging from 7.20% to 7.40% p.a. (30 September 2021: 7.20% to 7.30%, 31 March 2022: 7.20% to 7.30%, 31 March 2021: 7.20% to 7.30%, 31 March 2020: 7.60% p.a.) and are repayable within 1 year. Other bank loans includes short-term loan of Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: ₹ 110.00 million, 31 March 2020: Nil) carrying an interest rate of Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: 9.25%, 31 March 2020: Nil) and are repayable within 180 days. These have been fully repaid during the year ended 31 March 2022.

Note 16.7 Net debt reconciliation

An analysis of net debt of the Group and the movement in net debt for the period/years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 is as follows:

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(A) Cash and cash equivalents	(137.06)	(159.26)	(101.99)	(407.91)	(374.72)
(B) Non-current borrowings	412.17	536.68	480.67	591.19	788.24
(C) Current borrowings	1,734.26	2,087.80	1,808.64	2,421.37	2,894.18
(D) Interest payable	13.82	21.86	13.74	16.03	30.76
Net debt (E)=(A-B-C-D)^	**2,023.19**	**2,487.08**	**2,201.06**	**2,620.68**	**3,338.46**

^ Excluding debt in respect of a disposal group classified as held for sale (Refer note 14.1 for further details)

	Other assets	Liabilities from financial activities			Total
	Cash and cash equivalents (A)	Non-current borrowings (B)	Current borrowings (C)	Interest payable (D)	(E)= (A)-(B)-(C)-(D)
Net debt as at 1 April 2019	**(34.23)**	**594.57**	**2,327.31**	**18.17**	2,905.82
Net increase in cash and cash equivalents	(340.49)	-	-	-	(340.49)
Proceeds from long-term borrowings	-	395.00	-	-	395.00
Repayment of long-term borrowings	-	(201.33)	-	-	(201.33)
Proceeds from short-term borrowings	-	-	566.87	-	566.87
Interest expense	-	-	-	295.75	295.75
Interest paid	-	-	-	(283.16)	(283.16)
Net debt as at 31 March 2020	**(374.72)**	**788.24**	**2,894.18**	**30.76**	**3,338.46**
Net increase in cash and cash equivalents	(33.59)	-	-	-	(33.59)
Proceeds from long-term borrowings	-	217.52	-	-	217.52
Repayment of long-term borrowings	-	(414.57)	-	-	(414.57)
Net repayment of short-term borrowings	-	-	(391.20)	-	(391.20)
Exchange rate fluctuations	-	-	0.37	-	0.37
Interest expense	-	-	-	300.66	300.66
Interest paid	-	-	-	(315.39)	(315.39)
Less: Transferred to assets/ liabilities of a disposal group classified as held for sale (Refer note 14.1)	0.40	-	(81.98)	-	(81.58)
Net debt as at 31 March 2021	**(407.91)**	**591.19**	**2,421.37**	**16.03**	**2,620.68**
Net decrease in cash and cash equivalents	248.78	-	-	-	248.78
Proceeds from long-term borrowings		152.20			152.20
Repayment of long-term borrowings	-	(206.71)	-	-	(206.71)
Net repayment of short-term borrowings	-	-	(333.57)	-	(333.57)
Interest expense	-	-	-	110.40	110.40
Interest paid	-	-	-	(104.57)	(104.57)
Add: Cash and cash equivalents acquired in business combination (Refer note 48)	(0.13)	-	-	-	(0.13)
Net debt as at 30 September 2021	**(159.26)**	**536.68**	**2,087.80**	**21.86**	**2,487.08**

	Other assets	Liabilities from financial activities			Total
	Cash and cash equivalents (A)	Non-current borrowings (B)	Current borrowings (C)	Interest payable (D)	(E)= (A)-(B)-(C)-(D)
Net debt as at 1 April 2021	**(407.91)**	**591.19**	**2,421.37**	**16.03**	**2,620.68**
Net decrease in cash and cash equivalents	306.05	-	-	-	306.05
Proceeds from long-term borrowings	-	306.67	-	-	306.67
Repayment of long-term borrowings	-	(417.19)	-	-	(417.19)
Net repayment of short-term borrowings	-	-	(612.73)	-	(612.73)
Interest expense	-	-	-	200.07	200.07
Interest paid	-	-	-	(202.36)	(202.36)
Add: Cash and cash equivalents acquired in business combination (Refer note 48)	(0.13)	-	-	-	(0.13)
Net debt as at 31 March 2022	**(101.99)**	**480.67**	**1,808.64**	**13.74**	**2,201.06**
Net increase in cash and cash equivalents	(35.07)	-	-	-	(35.07)
Proceeds from long-term borrowings	-	137.01	-	-	137.01
Repayment of long-term borrowings	-	(205.51)	-	-	(205.51)
Net repayment of short-term borrowings	-	-	(74.38)	-	(74.38)
Interest expense	-	-	-	87.70	87.70
Interest paid	-	-	-	(87.62)	(87.62)
Net debt as at 30 September 2022	**(137.06)**	**412.17**	**1,734.26**	**13.82**	**2,023.19**

Note 16.8: Reconciliation of stock statement submitted to bank and books of accounts where borrowings have been availed based on security of current assets.

Sula Vineyards Limited

Quarter ended	Name of bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/statement	Amount of difference	Reason for material variances
March 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,353.82	1,351.41	(2.41)	The difference is due to the submissions to the Banks were made before financial reporting closure process / audit
	Axis Bank Yes Bank	Trade Receivables	1,098.41	1187.09	88.68	
June 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,306.12	1304.12	(2.00)	The difference is due to the submissions to the Banks were made before financial reporting closure process / audit
	Axis Bank Yes Bank	Trade Receivables	911.45	904.30	(7.15)	
September 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,227.14	1163.02	(64.12)	The difference is due to the declarations with Banks are made before financial reporting closure process
	Axis Bank Yes Bank	Trade Receivables	1,011.72	1099.06	87.34	
December 2021	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	915.94	925.69	9.75	The difference is due to the submissions to the Banks were made before financial reporting closure process / audit
	Axis Bank Yes Bank	Trade Receivables	1,514.11	1,515.00	0.89	

Quarter ended	Name of bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/statement	Amount of difference	Reason for material variances
March 2022	HDFC Bank Kotak Mahindra Bank Saraswat Bank	Inventory	1,508.51	1,508.51	-	-
	Axis Bank Yes Bank	Trade Receivables	905.92	905.92	-	-
June 2022	HDFC Bank Axis Bank	Inventory	1,437.72	1,404.14	(33.58)	The difference is due to the submissions to the Banks were made before financial reporting closure process/audit.
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	743.78	753.19	9.41	
September 2022	HDFC Bank Axis Bank	Inventory	1,329.25	1,329.25	-	-
	Kotak Mahindra Bank Saraswat Bank Yes Bank	Trade Receivables	917.97	917.97	-	-

Artisan Spirits Private Limited

Quarter ended	Name of bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/statement	Amount of difference	Reason for material variances
March 2021	ICICI Bank	Inventory	86.13	80.24	(5.89)	The difference is primarily on account of Goods in transit included in the quarterly return.
		Trade Receivables	210.37	224.02	13.65	The difference is due to the declaration to the Banks are made before financial reporting closure process / audit
June 2021	ICICI Bank	Inventory	71.08	57.63	(13.45)	The difference is due to the submissions to the Banks were made before financial reporting closure process/audit.
		Trade Receivables	184.84	186.57	1.73	The difference is mainly due to provision for doubtful debt not considered while submitting stock statement
September 2021	SBM Bank	Inventory	106.54	103.52	(3.02)	The difference is due to the declaration to the Banks are made before financial reporting closure process
		Trade Receivables	193.04	189.92	(3.12)	
December 2021	SBM Bank	Inventory	118.04	118.65	0.61	The difference is due to the declaration to the Banks are made before financial reporting closure process / audit
		Trade Receivables	199.71	211.04	11.33	
March 2022	SBM Bank	Inventory	115.53	115.53	-	-
		Trade Receivables	188.02	188.02	-	
June 2022	SBM Bank	Inventory	126.72	123.96	(2.76)	The difference is due to the submissions to the Banks were made before financial reporting closure process/audit.
		Trade Receivables	164.87	164.87	-	-
September 2022	SBM Bank	Inventory	144.15	144.15	-	-
		Trade Receivables	112.82	112.82	-	-

Notes:

a) For the quarters ended 30 June 2019, 30 September 2019, 31 December 2019, 30 June 2020, 30 September 2020 and 31 December 2020; the Group submitted quarterly reports to banks based on internal operational reports since the they were not required to prepare financial statements on a quarterly basis. Accordingly, Group management has carried out reconciliation of the statements submitted to banks with the books of accounts only for the year ended 31 March 2021 and not in respect of the quarters within the year. For the year ended 31 March 2020 the Company is unable to perform reconciliation between stock statement and books of accounts in lieu of unavailability of stock statement amid shutdown as a result of COVID-19 pandemic.

b) No loans have been availed by Sula International Limited.

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 17 Lease Liabilities					
Non-current	78.44	87.47	62.43	100.06	186.86
Current	46.16	45.65	47.39	38.95	58.13
	124.60	**133.12**	**109.82**	**139.01**	**244.99**

Also refer note 45 for Ind AS 116 Leases and related disclosures

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 18 Provisions					
Non-current					
Provision for employee benefits (Refer note 34)					
- Gratuity	30.70	117.91	19.92	99.61	81.45
Total non-current provisions	**30.70**	**117.91**	**19.92**	**99.61**	**81.45**
Current					
Provision for employee benefits (Refer note 34)					
- Gratuity	6.00	6.00	6.00	6.00	6.11
- Compensated absences	24.30	15.66	21.23	6.98	12.90
	30.30	**21.66**	**27.23**	**12.98**	**19.01**
Total provisions	**61.00**	**139.57**	**47.15**	**112.59**	**100.46**
Note 19 Trade payables					
Total outstanding dues of micro enterprises and small enterprises ('MSME') (Refer note 19.2)	15.06	8.06	4.78	9.71	11.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	373.65	387.41	669.67	573.64	815.60
	388.71	**395.47**	**674.45**	**583.35**	**826.77**

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 enterprises and small enterprises to the extent information available with the Group is given below:

(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of period /year:					
- Principal amount due to micro and small enterprises	15.06	8.06	4.78	9.71	11.17
- Interest due	0.09	0.03	0.07	0.09	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 period / 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 / period but without adding the interest specified under the MSMED Act, 2006.	0.38	0.23	0.35	0.64	0.45
(d) The amount of interest accrued and remaining unpaid at the end of each accounting period/ year.	0.47	0.26	0.42	0.73	0.52
(e) The amount of further interest remaining due and payable even in the succeeding period / years, until such date when the interest dues as above are actually paid to the micro enterprises and small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	2.95	2.35	2.49	2.07	1.34

Note 19.3: Trade payable ageing schedule

	Outstanding from following period from the transaction date						
As at 30 September 2022	**Not due**	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	14.90	0.01	0.15	-	15.06
(ii) Others	-	184.65	165.09	15.77	2.31	5.52	373.34
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	0.31	0.31
	-	**184.65**	**179.99**	**15.78**	**2.46**	**5.83**	**388.71**

	Outstanding from following period from the transaction date						
As at 30 September 2021	**Not due**	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	7.89	0.17	-	-	8.06
(ii) Others	-	187.57	178.79	9.61	3.19	7.88	387.04
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	0.24	0.13	0.37
	-	**187.57**	**186.68**	**9.78**	**3.43**	**8.01**	**395.47**

	Outstanding from following period from the transaction date						
As at 31 March 2022	**Not due**	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	4.62	0.11	0.05	-	4.78
(ii) Others	-	191.38	467.99	4.26	1.82	3.91	669.36
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	0.18	0.13	0.31
	-	**191.38**	**472.61**	**4.37**	**2.05**	**4.04**	**674.45**

	Outstanding from following period from the transaction date						
As at 31 March 2021	**Not due**	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	9.30	0.27	0.12	0.02	9.71
(ii) Others	-	98.78	426.32	33.59	4.66	9.92	573.27
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	0.18	0.06	0.13	0.37
	-	**98.78**	**435.62**	**34.04**	**4.84**	**10.07**	**583.35**

	Outstanding from following period from the transaction date						
As at 31 March 2020	**Not due**	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	11.17	-	-	-	11.17
(ii) Others		119.67	668.28	13.94	1.91	11.61	815.41
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others		-	-	0.06	-	0.13	0.19
	-	**119.67**	**679.45**	**14.00**	**1.91**	**11.74**	**826.77**

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Note 20 Other current financial liabilities					
Interest accrued but not due	13.82	21.86	13.74	16.03	30.76
Interest accrued and due	2.95	2.35	2.49	2.07	1.34
Others					
- Liability for capital goods	33.52	10.35	21.92	35.00	58.34
- Due to employees	74.10	57.36	58.75	61.66	50.12
- Security deposits	36.09	34.69	35.39	29.95	32.72
- Balance purchase consideration payables towards business combination (Refer note 48)	10.00	10.00	10.00	-	-
Total other current financial liabilities	**170.48**	**136.61**	**142.29**	**144.71**	**173.28**
Note 21 Other current liabilities					
Advance from customers	18.18	14.84	11.87	10.36	4.75
Statutory dues payable	144.73	140.26	174.99	157.71	78.69
Total other current liabilities	**162.91**	**155.10**	**186.86**	**168.07**	**83.44**

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	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Note 22 Revenue from operations					
(a) Sale of products (including excise duty)	1,838.24	1,358.13	3,812.82	3,710.82	4,640.77
(b) Sale of services	198.00	120.88	346.21	181.38	281.67
(c) Other operating revenues	204.44	112.49	380.13	287.39	293.90
Total revenue from operations	**2,240.68**	**1,591.50**	**4,539.16**	**4,179.59**	**5,216.34**

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

(A) Based on nature of product or service:

(a) Sale of products					
- Manufactured goods	1,581.15	1,220.80	3,379.41	2,599.58	3,026.01
- Traded goods	257.09	137.33	433.41	1,111.24	1,614.76
	1,838.24	**1,358.13**	**3,812.82**	**3,710.82**	**4,640.77**
(b) Sale of services	198.00	120.88	346.21	181.38	281.67
(c) Other operating revenues					
- Government grant	194.62	96.24	353.45	273.42	290.21
- Provisions/ balances no longer required written back	8.42	15.96	23.02	6.81	1.63
- Others	1.40	0.29	3.66	7.16	2.06
	204.44	**112.49**	**380.13**	**287.39**	**293.90**
Total revenue from operations	**2,240.68**	**1,591.50**	**4,539.16**	**4,179.59**	**5,216.34**

(B) Based on timing of revenue recognition:

Products transferred at a point of time	1,838.24	1,358.13	3,812.82	3,710.82	4,640.77
Services transferred at a point of time	198.00	120.88	346.21	181.38	281.67

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

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

Contract price	2,513.22	1,819.09	5,109.45	4,669.67	5,376.20
Less: Rebate and discount	(476.98)	(340.08)	(950.42)	(777.47)	(453.76)
	2,036.24	**1,479.01**	**4,159.03**	**3,892.20**	**4,922.44**

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

Revenue from top customer	273.15	242.79	695.51	629.39	620.23
Revenue from top five customers	793.90	657.20	1,690.76	1,494.43	1,685.19

For the period ended 30 September 2022 (one) 1 customer [30 September 2021: two (2) customers, 31 March 2022: (one) 1 customer, 31 March 2021: one (1) customer, 31 March 2020: (1) customer], individually accounted for more than 10% of the total revenue.

Note 22.3: Refer note 44 for disclosure on government grants.

Note 23 Other income

(a) Interest income:					
- on bank deposits	4.31	2.43	4.20	4.37	1.95
- on financial assets carried at amortised cost	6.98	6.80	14.48	13.53	0.71
- income tax refund	0.08	-	0.38	4.28	-
- on others	1.81	1.22	2.47	4.32	4.43
	13.18	**10.45**	**21.53**	**26.50**	**7.09**
(b) Other non-operating income					
- Insurance claim	0.95	0.40	2.49	1.05	0.94
- Exchange gain (net)	2.50	-	-	-	-
- Rent income	0.11	1.98	2.97	2.40	-
- Profit on disposal of lease agreement	0.05	0.12	0.40	2.31	-
- Miscellaneous income	0.12	0.15	0.45	3.27	7.57
	3.73	**2.65**	**6.31**	**9.03**	**8.51**
	16.91	**13.10**	**27.84**	**35.53**	**15.60**

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Note 24 Cost of materials consumed					
(a) Opening Stock at the beginning of the period / year					
- Raw materials	-	-	-	5.70	9.86
- Packing materials	78.14	57.94	57.94	66.89	82.45
	78.14	**57.94**	**57.94**	**72.59**	**92.31**
(b) Add: Purchases					
- Raw materials	11.99	83.36	717.50	390.10	685.48
- Packing materials	217.21	139.92	416.88	264.37	387.61
	229.20	**223.28**	**1,134.38**	**654.47**	**1,073.09**
(c) Less: Stock at the end of the period / year					
- Raw materials	-	-	-	-	5.70
- Packing materials	101.39	68.32	78.14	57.94	66.89
	101.39	**68.32**	**78.14**	**57.94**	**72.59**
(d) Total cost of materials consumed (a+b-c)					
- Raw materials	11.99	83.36	717.50	395.80	689.64
- Packing materials	193.96	129.54	396.68	273.32	403.17
Total cost of materials consumed	**205.95**	**212.90**	**1,114.18**	**669.12**	**1,092.81**
Note 25 Changes in inventories of finished goods, work-in-progress/ semi-finished goods and stock-in-trade					
(a) Opening stock					
- Finished goods	212.69	150.87	150.87	206.22	67.23
- Work-in-progress /semi-finished goods	1,202.42	1,045.99	1,045.99	1,090.64	1,104.28
- Stock-in-trade	86.46	143.04	143.04	297.77	254.54
	1,501.57	**1,339.90**	**1,339.90**	**1,594.63**	**1,426.05**
(b) Closing stock					
- Finished goods	171.68	176.93	212.69	150.87	206.22
- Work-in-progress /semi-finished goods	1,063.68	939.65	1,202.42	1,045.99	1,090.64
- Stock-in-trade	91.76	121.43	86.46	222.06	297.77
	1,327.12	**1,238.01**	**1,501.57**	**1,418.92**	**1,594.63**
(c) Increase / (decrease) in excise duty on finished goods	(9.86)	16.69	14.67	(22.02)	25.41
	(9.86)	**16.69**	**14.67**	**(22.02)**	**25.41**
Total changes in inventories of finished goods, work-in-progress/ semi-finished and stock-in-trade (a-b+c)	**164.59**	**118.58**	**(147.00)**	**153.69**	**(143.17)**
Note 26 Employee benefits expense					
Salaries, wages and bonus	331.59	273.31	580.56	510.29	600.84
Gratuity (Refer note 34)	7.77	9.71	19.53	17.85	16.13
Share based payment expenses	9.70	5.02	18.62	3.90	2.16
Contribution to provident and other fund (Refer note 34)	9.31	8.95	18.03	12.45	20.92
Staff welfare	12.59	5.70	16.66	10.32	17.22
	370.96	**302.69**	**653.40**	**554.81**	**657.27**
Note 27 Selling, distribution and marketing expense					
Sales promotion expenses	182.95	111.99	324.02	342.04	331.55
Commission expenses	35.82	28.77	73.59	82.97	106.55
Marketing expense	27.12	19.37	47.84	41.94	86.49
Total selling, distribution and marketing expense	**245.89**	**160.13**	**445.45**	**466.95**	**524.59**

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Note 28 Other expenses					
Consumables, stores and spares consumed	43.00	24.35	99.38	64.35	101.73
Power and fuel	44.84	32.92	76.05	52.35	49.48
Insurance	4.26	4.89	9.46	9.40	6.00
Rent (Refer note 45)	6.07	9.18	11.53	27.18	48.05
Repairs and maintenance					
- Buildings	4.07	3.69	12.37	8.59	6.35
- Others	33.18	25.64	69.88	55.17	59.96
Rates and taxes	28.55	69.58	118.58	91.87	105.45
Restaurant expenses	36.24	19.88	62.49	27.46	46.45
Resort maintenance expenses	21.43	12.84	46.51	28.74	39.57
Sulafest expenses	-	-	-	-	36.35
Freight and handling charges	40.20	31.36	90.57	80.07	110.16
Exchange loss (net)	-	0.60	0.72	2.05	1.54
Loss on disposal of property, plant and equipment (net)	0.21	0.09	0.47	31.93	39.06
Impairment loss on assets classified as held for sale (Refer note 14.2)	-	-	17.05	11.80	-
Impairment allowance on financial and non-financial assets (net) (Refer notes 9 and 11)	18.96	11.55	46.38	2.94	21.91
Security expenses	12.54	6.97	17.58	13.37	16.94
Legal and professional fees (Refer note 28.1)	33.75	13.36	39.96	53.95	56.91
Director sitting fees (Refer note 36)	3.20	2.17	4.06	3.03	2.58
Travelling and conveyance	23.33	10.25	34.35	29.01	83.59
Corporate social responsibility expenses	3.55	8.13	8.82	4.15	4.17
Payment to auditors:					
- for statutory audit	4.07	3.17	4.83	5.13	5.49
- for other services (certification)	0.10	0.04	0.20	0.20	0.20
- for reimbursement of expenses	0.01	0.04	0.05	0.04	0.15
Royalty	-	-	-	-	0.48
Printing, stationary, postage and telephone expenses	7.40	7.06	15.12	10.65	14.93
Office expenses	5.89	4.95	17.86	10.79	11.27
Miscellaneous expenses	17.57	15.98	36.65	29.01	37.57
Total other expenses	**392.42**	**318.69**	**840.92**	**653.23**	**906.34**

Note 28.1: Includes Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: Nil, 31 March 2020: ₹ 2.56 million) settled through issue of equity shares for consideration other than cash. [Refer note 15(e)]

Note 29 Finance costs					
Interest on:					
- loan from banks	83.87	104.70	192.83	276.00	265.49
- lease liabilities (Refer note 45)	5.89	6.22	11.47	14.69	13.71
- cash credit facilities	-	4.16	4.18	12.93	15.72
- income tax	-	-	2.66	1.17	-
- others	3.83	1.54	3.06	11.73	14.54
	93.59	**116.62**	**214.20**	**316.52**	**309.46**
Other borrowing cost	11.10	10.15	15.03	17.34	19.47
Total finance costs	**104.69**	**126.77**	**229.23**	**333.86**	**328.93**
Note 30 Depreciation, amortisation and impairment expense					
Depreciation on property, plant and equipment (Refer note 3)	98.70	92.10	183.70	198.03	185.71
Depreciation on right-of-use assets (Refer note 3A)	21.67	22.37	44.30	49.85	45.30
Amortisation of intangible assets (Refer note 4)	5.45	3.02	8.11	9.11	45.81
Impairment of intangible assets (Refer note 4)	-	-	-	-	73.15
Total depreciation, amortisation and impairment expense	**125.82**	**117.49**	**236.11**	**256.99**	**349.97**
Note 31 Exceptional item					
Impairment loss on disposal group classified as held for sale	-	-	-	22.41	-
	-	**-**	**-**	**22.41**	**-**

The Holding Company in March 2021 entered into a Memorandum of Understanding ('MOU') for sale of its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') were classified as held for sale as at 31 March 2021. Also, the resultant impairment loss of ₹ 22.41 million was recognised against the goodwill as at 31 March 2021 as mentioned below:

	As at 31 March 2021
(a) Net assets of PADPL as at 31 March 2021	49.61
(b) Non-controlling interest in PADPL	(24.31)
(c) Net identifiable assets apportioned to holding company (51%) (c = a-b)	25.30
(d) Goodwill on acquisition of PADPL	26.80
(e) Net assets of a disposal group classified as held for sale as at 31 March 2021 (e = c+d)	**52.10**
(f) Fair value less cost to sell	(29.69)
(g) Impairment loss on disposal group classified as held for sale (g = e-f)	**22.41**

Also, refer note 14.1

Note 32 Earnings / (loss) per share (EPS)

Basic and diluted EPS

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Restated profit / (loss) computation for both Basic and Diluted Earnings per share:					
A. Restated net profit / (loss) attributable to owners of parent :					
Restated net profit / (loss) as per the Statement of Profit and Loss available for equity shareholders (₹ million)	305.06	45.31	521.39	29.89	(156.82)
B. Weighted average number of equity shares for EPS computation (Nos.) [Refer notes below]	81,077,945	75,774,092	76,771,141	75,275,764	75,136,525
Nominal Value	2	2	2	2	2
C. EPS - Basic EPS(₹)	3.76	0.60	6.79	0.40	(2.09)
- Diluted EPS(₹)	3.76	0.60	6.79	0.40	(2.09)

Notes :

(a) Pursuant to the approval of the members at the 18th Annual General Meeting of the Holding Company held on 30 July 2021 to the sub-division of the Equity Shares of the Holding Company, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was 30 July 2021. Consequent to the share split, earnings per share for the comparative periods have been retrospectively adjusted in accordance with Ind AS 33 Earning Per Share (EPS)

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

Note 33 Contingent liabilities and Commitments

A. Contingent liabilities	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
i) Guarantees issued by banks on behalf of the Group	168.73	206.90	177.56	164.03	142.34
ii) Income tax liability that may arise in respect of which the Group is in appeal	-	-	-	46.89	46.89
iii) Stamp duty liability that may arise in respect of matter for which the Group is in appeal	15.41	15.41	15.41	15.41	15.41
iv) Others	1.01	1.01	1.01	1.01	1.01

v) Provident Fund:

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

Notes:

(i) 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. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums/ authorities.
(ii) The amounts represent the best possible estimates arrived at on the basis of available information.
(iii) The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Other Commitments

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Capital commitment (net of capital advances)	291.94	112.95	14.87	4.66	13.85

Note 34 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

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

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
a) Changes in defined benefit obligations					
Present value of the obligation as at the beginning of the period /year	141.54	120.51	120.51	110.06	95.42
Current service cost	6.98	6.48	13.01	12.37	11.23
Past service cost	-	-	-	-	0.00 *
Interest cost	4.51	3.51	7.07	6.53	6.69
Remeasurements - Net actuarial losses	1.68	8.69	2.50	3.78	4.08
Benefits paid	(1.57)	(1.82)	(4.26)	(10.46)	(7.36)
Liability of a disposal group classified as held for sale	-	-	-	(1.77)	-
Liability assumed on account of group transfer	-	2.71	2.71	-	-
Present value of the obligation as at the end of the period/ year	**153.14**	**140.08**	**141.54**	**120.51**	**110.06**
b) Changes in fair value of plan assets of the gratuity plan					
Plan assets at the beginning of the period/ year	115.59	15.35	15.35	23.00	27.23
Interest income	3.72	0.28	0.55	1.05	1.79
Contribution by employer	-	2.14	100.16	1.70	1.69
Benefits paid	(1.57)	(1.82)	(4.26)	(10.46)	(7.36)
Remeasurements - Net actuarial gain/ (loss)	(1.30)	0.23	0.97	0.06	(0.35)
Plan assets acquired on group transfer	-	-	2.82	-	-
Actual return on plan assets (excluding interest income)	-	-	-	0.00 *	0.00 *
Fair value of the plan assets at the end of the period/ year	**116.44**	**16.18**	**115.59**	**15.35**	**23.00**
c) Expenses recognised in the Statement of Restated profit and Loss					
Interest cost (net)	0.79	3.23	6.52	5.48	4.90
Current service cost	6.98	6.48	13.01	12.37	11.23
Past service cost	-	-	-	-	(0.00) *
	7.77	**9.71**	**19.53**	**17.85**	**16.13**

* represents amounts less than ₹ 10,000.

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
d) Remeasurement losses recognised in other comprehensive income					
Remeasurement - Net actuarial losses on defined benefit obligations	1.68	8.69	2.50	3.78	4.08
Remeasurement - Net actuarial (return)/ loss on planned assets	1.30	(0.23)	(0.97)	(0.05)	0.35
Adjustment to recognize asset ceiling	-	(0.03)	(0.06)	(0.26)	0.11
	2.98	**8.43**	**1.47**	**3.47**	**4.54**
Income tax effect on above	(0.72)	-	-	(0.90)	(1.14)
Total	**2.26**	**8.43**	**1.47**	**2.57**	**3.40**
e) Movement in asset ceiling					
Opening value of asset ceiling	-	0.03	0.03	0.27	0.15
Interest on opening balance of asset ceiling	-	-	0.00*	0.02	0.01
Remeasurements due to changes in surplus / (deficit)	-	(0.03)	(0.06)	(0.26)	0.11
Closing value of asset ceiling	**-**	**-**	**(0.03)**	**0.03**	**0.27**

* represents amounts less than ₹ 10,000.

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
f) Actuarial assumptions					
Discount rate	7.50%	6.25%	6.90%	6.50% to 6.90%	6.50% to 6.90%
Salary escalation rate	Staff: 12%, Director: 0.00%	Staff: 11.00%, Director: 0.00%	Staff: 12%, Director: 0.00%	Staff: 7% to 9.50%, Director: 0.00% until year 4 inclusive, then 9.50%	Staff: 7% to 9.50%, Director: 0.00% until year 4 inclusive, then 9.50%
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate
Attrition rate:					
- For ages 21-30 years	13.50% p.a.	13.50% p.a.	13.50% p.a.	19.00% p.a.	16.00% p.a.
- For ages 31-40 years	8.50% p.a.	8.50% p.a.	8.50% p.a.	9.00% p.a.	8.00% p.a.
- For ages 41-50 years	8.50% p.a.	8.50% p.a.	8.50% p.a.	9.00% p.a.	11.00% p.a.
- For ages 51-57 years	12.00% p.a.	12.00% p.a.	12.00% p.a.	13.00% p.a.	16.00% p.a.

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

g) Investment details of plan assets

Major Categories of Plan Assets:					
Insurer managed funds	100%	100%	100%	100%	100%

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

h) Quantities sensitivity analysis for significant assumption is as below:
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
			0.50% increase		
i. Discount rate	(4.39)	(4.29)	(4.29)	(3.58)	(3.15)
ii. Salary escalation rate	3.80	3.96	3.66	3.40	3.22
			0.50% decrease		
i. Discount rate	4.69	4.47	4.55	3.79	3.34
ii. Salary escalation rate	(3.65)	(3.91)	(3.54)	(3.29)	(2.75)

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

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
i) Maturity analysis of defined benefit obligation					
Within the next 12 months	23.98	21.30	21.64	19.42	19.91
Between 2 and 5 years	81.91	72.11	73.71	66.11	58.64
Beyond 5 years	174.85	132.17	146.18	107.51	96.91
Total expected payments	**280.74**	**225.58**	**241.53**	**193.04**	**175.46**

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

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
a) Following amounts have been charged in the Restated Consolidated Statement of Profit and Loss for the period / year:					
(i) Contribution to provident fund	9.10	8.57	17.19	11.17	19.20
(ii) Contribution to ESIC	0.21	0.38	0.84	1.28	1.72
	9.31	**8.95**	**18.03**	**12.45**	**20.92**

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
III Current/ non-current classification					
a) **Gratuity**					
(i) Current	6.00	6.00	6.00	6.00	6.11
(ii) Non-current	30.70	117.91	19.92	99.61	81.45
(iii) Non-current prepaid gratuity	-	-	-	(0.42)	(0.23)
Total Gratuity liability (net)	**36.70**	**123.91**	**25.92**	**105.19**	**87.33**
b) **Compensated absences**					
Current	24.30	15.66	21.23	6.98	12.90
	24.30	**15.66**	**21.23**	**6.98**	**12.90**

The compensated absences cover the Group's liability for sick and privilege leaves. The amount of provision with respect to leave obligation of ₹ 24.30 million (30 September 2021 : ₹ 15.66 million, 31 March 2022: ₹ 21.23 million, 31 March 2021 : ₹ 6.98 million, 31 March 2020 : ₹ 12.90 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 period/year towards leave encashment is ₹ 6.84 million [30 September 2021 : ₹ 7.41 million, 31 March 2022: ₹ 15.09 million, 31 March 2021: ₹ (5.67) million, 31 March 2020 : ₹ 7.69 million].

Note 35 Financial Instruments

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

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

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

A Financial instruments by category:

The carrying value and fair value of financial instruments by categories as at 30 September 2022 were as follows:

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments	5	-	-	0.03	-	0.03
Loans	6	35.84	-	-	-	35.84
Trade receivables	11	1,025.42	-	-	-	1,025.42
Cash and cash equivalents	12	137.06	-	-	-	137.06
Bank balances other than cash and cash equivalents	13	87.95	-	-	-	87.95
Other financial assets	7	1,083.03	-	-	-	1,083.03
Liabilities:						
Borrowings (including current maturities of long-term debt)	16	2,146.43	-	-	-	2,146.43
Lease liabilities	17	124.60	-	-	-	124.60
Trade payables	19	388.71	-	-	-	388.71
Other financial liabilities	20	170.48	-	-	-	170.48

The carrying value and fair value of financial instruments by categories as at 30 September 2021 were as follows:

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments	5	-	-	0.03	-	0.03
Loans	6	25.18	-	-	-	25.18
Trade receivables	11	1,204.76	-	-	-	1,204.76
Cash and cash equivalents	12	159.26	-	-	-	159.26
Bank balances other than cash and cash equivalents	13	88.00	-	-	-	88.00
Other financial assets	7	795.41	-	-	-	795.41
Liabilities:						
Borrowings (including current maturities of long-term debt)	16	2,624.48	-	-	-	2,624.48
Lease liabilities	17	133.12	-	-	-	133.12
Trade payables	19	395.47	-	-	-	395.47
Other financial liabilities	20	136.61	-	-	-	136.61

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

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments	5	-	-	0.03	-	0.03
Loans	6	30.72	-	-	-	30.72
Trade receivables	11	1,093.94	-	-	-	1,093.94
Cash and cash equivalents	12	101.99	-	-	-	101.99
Bank balances other than cash and cash equivalents	13	93.85	-	-	-	93.85
Other financial assets	7	945.89	-	-	-	945.89
Liabilities:						
Borrowings (including current maturities of long-term debt)	16	2,289.31	-	-	-	2,289.31
Lease liabilities	17	109.82	-	-	-	109.82
Trade payables	19	674.45	-	-	-	674.45
Other financial liabilities	20	142.29	-	-	-	142.29

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

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments	5	-	-	0.03	-	0.03
Loans	6	22.25	-	-	-	22.25
Trade receivables	11	1,236.17	-	-	-	1,236.17
Cash and cash equivalents	12	407.91	-	-	-	407.91
Bank balances other than cash and cash equivalents	13	109.71	-	-	-	109.71
Other financial assets	7	687.11	-	-	-	687.11
Liabilities:						
Borrowings (including current maturities of long-term debt)	16	2,964.15	-	-	48.41	3,012.56
Lease liabilities	17	139.01	-	-	-	139.01
Trade payables	19	583.35	-	-	-	583.35
Other financial liabilities	20	144.71	-	-	-	144.71

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

Particulars	Refer note	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Derivative instruments in hedging relationship	Total carrying value
Assets:						
Investments	5		0.75	0.03		0.78
Loans	6	34.99	-	-	-	34.99
Trade receivables	11	1,517.35	-	-	-	1,517.35
Cash and cash equivalents	12	374.72	-	-	-	374.72
Bank balances other than cash and cash equivalents	13	28.02	-	-	-	28.02
Other financial assets	7	840.64	-	-	-	840.64
Liabilities:						
Borrowings (including current maturities of long-term debt)	16	3,682.42	-	-	-	3,682.42
Lease liabilities	17	244.99	-	-	-	244.99
Trade payables	19	826.77	-	-	-	826.77
Other financial liabilities	20	173.28	-	-	-	173.28

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	30 September 2022			30 September 2021			31 March 2022			31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets															
Investments in mutual funds and equity shares	-	-	0.03	-	-	0.03	-	-	0.03	-	-	0.03	0.75	-	0.03

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C Impact of hedging activities

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

a) Disclosure of effects of hedge accounting in the Group's restated consolidated financial statements of assets and liabilities

Particulars	Nominal value in USD	Carrying amount (₹ in million)		Maturity Date	Hedge ratio	Strike price/ rate	Change in fair value of hedging instrument (₹ in million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ in million)
		Assets	Liabilities					
As at 30 September 2022								
Cash flow hedge	-	-	-	-	-	-	-	-
As at 30 September 2021								
Cash flow hedge	-	-	-	-	-	-	-	-
As at 31 March 2022								
Cash flow hedge	-	-	-	-	-	-	-	-
As at 31 March 2021								
Cash flow hedge - Foreign currency forward contract								
USD/ INR	6,50,000	-	48.41	May 21	1:1	73.93	0.35	0.21
As at 31 March 2020								
Cash flow hedge	-	-	-	-	-	-	-	-

b) Disclosure of effects of hedge accounting in the Group's restated consolidated statements of profit and loss and other comprehensive income

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in restated consolidated statement of profit and loss
As at 31 March 2021		
Cash flow hedge	(0.21)	(0.14)

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Note 36 Disclosure in accordance with Ind AS 24 Related Party Disclosures

A. Names of related parties and nature of relationship

Name of the entity	Group's holding as at (%) 30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
(a) Ultimate Parent Company (having control over the entity)					
Verlinvest Group SA					
(b) Subsidiary company					
Artisan Spirits Private Limited	100%	100%	100%	100%	100%
Progressive Alcobev Distributors Private Limited (w.e.f 14 November 2018 until 1 April 2021)	-	-	-	51%	51%
Sula International Limited (w.e.f 3 August 2020 until 19 April 2022)	-	100%	100%	100%	-

(c) Entities under common control (with whom transactions have taken place during the period/ year or in the previous periods/ years)

Verlinvest Asia Pte Ltd.
Verlinvest S.A
Cofintra S.A.
Verlinvest France S.A

(d) Key management personnel (KMP)

Rajeev Samant	Chairman, Chief Executive Officer and Managing Director (resigned as Chairman w.e.f 31 January 2020)
Chetan Desai	Chairman and Independent Director (appointed as Chairman w.e.f 31 January 2020)
Nicholas Peter Y Cator	Director (resigned w.e.f. 03 December 2020)
Deepak Shahdapuri	Director (resigned w.e.f. 1 July 2021)
Hank Uberoi	Director (resigned w.e.f. 1 July 2021)
J. A. Moos	Director (resigned w.e.f. 14 May 2020)
Kerry Damskey	Director (resigned w.e.f. 29 September 2021)
Alok Vajpeyi	Independent Director (appointed w.e.f 2 December 2020)
Gayatri Yadav	Director (appointed w.e.f. 14 May 2020 and resigned w.e.f. 19 July 2020)
Shagun Tiwari	Director (appointed w.e.f. 03 December 2020 and resigned w.e.f. 5 October 2021)
Arjun Anand	Independent Director
Roberto Italia	Director (appointed w.e.f. 15 July 2021)
Sangeeta Pendurkar	Independent Director (appointed w.e.f. 15 December 2021)
Bittu Varghese*	Chief Financial Officer
Ruchi Sathe*	Company Secretary
Chaitanya Rathi*	Chief Operating Officer

(e) Relatives of Key Management Personnel: ^

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

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

Summerlab Private Limited	Margarita Andronova, Director (wife of Managing Director)
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 year ended 31 March 2022, 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. Transactions during the periods/ years with related parties :

Particulars	For the period 1 April 2022 to 30 September 2022				For the period 1 April 2021 to 30 September 2021				For the year ended 31 March 2022				For the year ended 31 March 2021					For the year ended 31 March 2020			
	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*	Entities under Common control**	Key Management Personnel	Relatives of Key Management Personnel	Entities in which relative of Key Managerial Personnel have control	Subsidiary Companies*	Entities under Common control**	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*
Sale of products	-	-	-	35.12	-	-	-	9.06	-	0.43	0.34	39.61	36.71	0.14	0.23	-	217.90	4.71	-	-	199.79
Interest income	-	-	-	11.24	-	-	-	10.07	-	-	-	20.70	-	-	-	-	23.88	-	-	-	14.60
Rent income	-	-	-	0.22	-	-	-	0.12	-	-	-	0.39	-	-	-	-	0.24	-	-	-	0.13
Purchase of raw materials	-	-	-	-	-	-	-		-	5.01	6.40	4.62	-	6.74	7.67	-	-	-	4.35	7.29	-
Purchase of stock-in-trade/finished goods	-	-	-	57.38	-	-	-	2.06	-	-	-	44.04	-	-	-	-	9.95	-	-	-	20.60
Purchase of property, plant and equipment	-	-	-	-	-	-	-	0.01	-	166.93	23.65	0.01	-	55.00	-	-	0.91	-	12.00	-	0.98
Sale of property, plant and equipment	-	-	-	-	-	-	-	6.36	-	-	-	6.74	-	-	-	-	-	-	-	-	-
Conversion of warrants into equity shares	-	508.77	-	-	-	-	-	-	-	216.45	-	-	-	17.38	-	-	-	-	16.53	-	-
Director's sitting fees paid/payable	-	3.20	-	-	-	2.17	-	-	-	4.06	-	-	-	3.03	-	-	-	-	2.58	-	-
Lease rentals	-	1.53	-	-	-	1.00	1.08	-	-	2.00	1.49	-	-	2.16	2.46	-	-	-	1.75	1.88	-
Commission expense/Legal & Professional fees	-	0.71	-	-	-	-	-	-	-	1.20	-	-	-	-	-	1.10	-	-	6.61 ^	-	-
Dividend	133.19	80.11	3.75	-	-	-	-	-	96.51	48.63	6.39	-	-	-	-	-	-	46.33	21.43	3.10	-
Loan given	-	-	-	59.93	-	-	-	263.04	-	-	-	504.53	-	-	-	-	519.43	-	-	-	402.97
Repayment of loan	-	-	-	89.28	-	-	-	171.93	-	-	-	458.97	-	-	-	-	559.13	-	-	-	331.03
Repayment of interest on loan	-	-	-	9.89	-	-	-	29.07	-	-	-	40.54	-	-	-	-	47.83	-	-	-	-
Compensation to key managerial person^^	-	34.63	-	-	-	13.88	-	-	-	31.66	-	-	-	30.00	-	-	-	-	37.46	-	-
Interest Expense	-	-	-	-	-	0.05	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	20.00	-	-	-	20.00	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	20.00	-	-	-	20.00	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	44.65	-	-	-	68.85	-	-	-	173.76	-	-	-	-	76.43	-	-	-	12.56
Corporate Guarantee issued	-	-	-	9.32	-	-	-	164.59	-	-	-	159.57	-	-	-	-	75.04	-	-	-	125.00

C. Balance outstanding as at the period/ year end

Particulars	As at 30 September 2022				As at 30 September 2021				As at 31 March 2022				As at 31 March 2021					As at 31 March 2020			
	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Entities in which relative of Key Managerial Personnel have control	Subsidiary Companies*	Entities under Common control	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies*
Trade payables	-	1.01	-	-	-	0.93	3.27	-	-	2.54	2.63	-	-	6.54	7.43	-	-	-	5.82	7.35	-
Money received against share warrants	-	-	-	-	-	6.49	-	-	-	2.19	-	-	-	6.49	-	-	-	-	8.22	-	-
Trade receivable	-	-	-	5.37	-	-	-	-	-	-	-	-	15.86	-	-	-	56.69	5.93	-	-	26.97
Loans given	-	-	-	250.34	-	-	-	327.75	-	-	-	282.29	-	-	-	-	236.86	-	-	-	275.98
Interest accrued	-	-	-	0.22	-	-	-	2.08	-	-	-	-	-	-	-	-	22.09	-	-	-	47.83
Corporate guarantee given on behalf of subsidiary	-	-	-	183.95	-	-	-	188.58	-	-	-	174.63	-	-	-	-	75.04	-	-	-	125.00
Advances given	-	1.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation to key managerial person^^	-	13.20	-	-	-	1.44	-	-	-	6.67	-	-	-	1.24	-	-	-	-	-	-	-

* These transactions / balances are eliminated on consolidation
^^ Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

D. Additional disclosures in respect of material transactions
i) Transactions during the periods/ years

Name of related parties	Nature of transactions	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Subsidiary Companies *						
Artisan Spirits Private Limited	Sale of products	35.12	9.06	39.61	64.28	31.52
Artisan Spirits Private Limited	Interest income	11.24	10.07	20.51	23.88	13.87
Artisan Spirits Private Limited	Rent income	0.22	0.12	0.39	0.24	0.13
Artisan Spirits Private Limited	Purchase of stock-in-trade	57.38	2.06	44.04	9.73	18.88
Artisan Spirits Private Limited	Purchase of raw materials	-	-	4.62	-	-
Artisan Spirits Private Limited	Purchase of property, plant and equipment	-	0.01	0.01	0.91	0.98
Artisan Spirits Private Limited	Loan given	59.93	263.04	504.28	517.26	393.22
Artisan Spirits Private Limited	Repayment of loan	89.28	171.93	458.97	558.60	321.53
Artisan Spirits Private Limited	Repayment of interest on loan	9.89	29.07	40.54	47.83	-
Artisan Spirits Private Limited	Sale of property, plant and equipment	-	6.36	6.74	-	-
Artisan Spirits Private Limited	Reimbursement of expenses	44.65	68.85	173.76	76.43	12.56
Artisan Spirits Private Limited	Corporate Guarantee issued	9.32	164.59	159.57	75.04	-
Sula International Limited	Loan given	-	-	0.25	2.17	-
Sula International Limited	Repayment of loan	-	-	-	0.53	-
Sula International Limited	Interest income	-	-	0.19	-	-
Progressive Alcobev Distributors Private Limited	Sale of products	-	-	-	153.63	168.27
Progressive Alcobev Distributors Private Limited	Interest income	-	-	-	-	0.73
Progressive Alcobev Distributors Private Limited	Purchase of stock-in-trade	-	-	-	0.22	1.72
Progressive Alcobev Distributors Private Limited	Loan given	-	-	-	-	9.75
Progressive Alcobev Distributors Private Limited	Repayment of loan	-	-	-	-	9.50
Progressive Alcobev Distributors Private Limited	Corporate Guarantee issued	-	-	-	-	125.00
(b) Key Management Personnel						
Rajeev Samant	Sale of products	-	-	0.43	0.14	-
Rajeev Samant	Purchase of raw materials	-	-	5.01	6.74	4.35
Rajeev Samant	Purchase of property, plant and equipment	-	-	166.93	55.00	12.00
Rajeev Samant	Conversion of warrants into equity shares	470.38	-	216.45	17.38	16.53
Rajeev Samant	Compensation to key managerial person^^	17.00	13.88	28.27	30.00	37.46
Rajeev Samant	Dividend	78.86	-	48.23	-	21.39
Rajeev Samant	Lease rentals	1.53	1.00	2.00	2.16	1.75
Rajeev Samant	Interest expenses	-	0.05	0.05	-	-
Rajeev Samant	Loan taken	-	20.00	20.00	-	-
Rajeev Samant	Loan repaid	-	20.00	20.00	-	-
Deepak Shahdadpuri	Director's sitting fees paid/payable	-	-	-	0.15	0.24
Kerry Damskey	Director's sitting fees paid/payable	-	0.07	0.07	0.15	0.34
Kerry Damskey (^)	Legal and professional expenses	-	-	-	-	6.61
Kerry Damskey	Dividend	-	-	0.09	-	0.03
J. A. Moos	Director's sitting fees paid/payable	-	-	-	0.04	0.40
Hank Uberoi	Director's sitting fees paid/payable	-	-	-	0.15	0.20
Nicholas Cator	Director's sitting fees paid/payable	-	-	-	0.08	0.30
Arjun Anand	Director's sitting fees paid/payable	0.80	0.29	0.89	0.30	0.50
Chetan Desai	Director's sitting fees paid/payable	0.80	0.80	1.30	1.04	0.60
Chetan Desai	Commission expenses	0.71	-	1.20	-	-
Alok Vajpeyi	Director's sitting fees paid/payable	0.80	0.70	1.20	0.60	-
Alok Vajpeyi	Conversion of warrants into equity shares	38.39	-	-	-	-
Alok Vajpeyi	Dividend	0.78	-	-	-	-
Ashit Lilani	Director's sitting fees paid/payable	-	-	-	0.28	-
Gayatri Yadav	Director's sitting fees paid/payable	-	-	-	0.04	-
Shagun Tiwari	Director's sitting fees paid/payable	-	0.30	0.30	0.20	-
Roberto Italia	Director's sitting fees paid/payable	0.30	-	-	-	
J A Moos	Dividend	-	-	-	-	0.01
Sangeeta Pendurkar	Dividend	0.43	-	0.31	-	-
Sangeeta Pendurkar	Director's sitting fees paid/payable	0.50	-	0.30	-	-
Bittu Varghese	Compensation to key managerial person^^	5.35	-	0.98	-	-
Ruchi Sathe	Compensation to key managerial person^^	1.33	-	0.20	-	-
Chaitanya Rathi	Compensation to key managerial person^^	10.95	-	2.21	-	-
Chaitanya Rathi	Dividend	0.04	-	-	-	-

^ includes Nil (30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: Nil, 31 March 2020: ₹ 2.56 million) settled through issue of sweat equity shares
* These balances are eliminated on consolidation

i) Transactions during the periods/ years

Name of related parties	Nature of transactions	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
(c) Relatives of Key Management Personnel						
Suresh Samant	Sale of products	-	-	0.34	0.19	-
Suresh Samant	Purchase of property, plant and equipment	-	-	23.65	-	-
Suresh Samant	Lease rentals	-	1.08	1.49	2.46	1.88
Suresh Samant	Dividend	-	-	1.69	-	0.81
Suresh Samant	Purchase of raw materials	-	-	4.98	5.58	5.34
Sulabha Samant	Dividend	-	-	3.74	-	1.79
Sulabha Samant	Purchase of raw materials	-	-	0.03	0.47	0.96
Bharat Samant	Sales of products	-	-	-	0.04	-
Bharat Samant	Purchase of raw materials	-	-	1.40	1.62	0.99
Bharat Samant	Dividend	-	-	-	-	0.03
Daisy Damskey	Dividend	-	-	0.95	-	0.46
Mia Samant	Dividend	3.75	-	-	-	-
(d) Entities in which relative of Key Managerial Personnel have control						
Summerlab Private Limited	Legal and professional expenses	-	-	-	1.10	-
Rasa Holdings	Dividend	0.00 #	-	-	-	-
(e) Entities under Common control						
Verlinvest Asia Pte Ltd.	Dividend	60.87	-	44.11	-	21.17
Verlinvest S.A	Dividend	31.72	-	17.98	-	8.63
Cofintra S.A.	Dividend	24.81	-	17.98	-	8.63
Verlinvest France S.A	Dividend	15.79	-	16.45	-	7.90
Progressive Alcobev Distributors Private Limited**	Sale of products	-	-	-	36.71	4.71

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

Represents less than ₹ 10,000

ii) Balances outstanding as at the period/ year end:

Name of related parties	Nature of Balance	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(a) Subsidiary Companies						
Artisan Spirits Private Limited	Loans given	250.34	325.55	279.70	234.39	275.73
Artisan Spirits Private Limited	Interest accrued	0.22	2.08	-	22.09	47.83
Artisan Spirits Private Limited	Corporate guarantee given on behalf of subsidiary	183.95	188.58	174.63	75.04	-
Artisan Spirits Private Limited	Trade payables	-	-	-	-	-
Artisan Spirits Private Limited	Trade receivable	5.37	-	-	-	-
Progressive Alcobev Distributors Private Limited	Trade receivable	-	-	-	56.69	26.97
Progressive Alcobev Distributors Private Limited	Loans given	-	-	-	0.25	0.25
Progressive Alcobev Distributors Private Limited	Corporate guarantee given on behalf of subsidiary	-	-	-	-	125.00
Sula International Limited	Loans given ##	-	2.20	2.59	2.22	-
(b) Key Management Personnel						
Kerry Damskey	Trade payables	-	-	-	-	1.46
Rajeev Samant	Trade payables	-	0.93	1.46	6.54	4.35
Rajeev Samant	Money received against share warrants	-	6.49	2.19	6.49	8.22
Rajeev Samant	Advance to creditors / supplier	1.79	-	-	-	-
Chetan Desai	Trade payables	0.71	-	1.08	-	-
Roberto Italia	Trade payables	0.30	-	-	-	-
Rajeev Samant	Compensation to key managerial person^^	8.54	1.44	1.76	1.24	-
Bittu Varghese	Compensation to key managerial person^^	1.43	-	1.81	-	-
Ruchi Sathe	Compensation to key managerial person^^	0.35	-	0.34	-	-
Chaitanya Rathi	Compensation to key managerial person^^	2.88	-	2.76	-	-

^^ Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.
During the current year, loan given to Sula International has been fully provided (Refer note 6).

Name of related parties	Nature of Balance	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(c) Relatives of Key Management Personnel						
Suresh Samant	Trade payables	-	2.63	2.13	5.38	5.40
Sulabha Samant	Trade payables	-	-	0.01	0.47	0.96
Bharat Samant	Trade payables	-	0.63	0.49	1.58	0.99
(d) Entities under common control						
Progressive Alcobev Distributors Private Limited**		-	-	-	15.86	5.93

** Includes transaction between Artisan Spirits Private Limited and Progressive Alcobev Distributors Private Limited (fellow subsidiary of Artisan Spirits Private Limited)

Note 37 Financial risk management objectives and policies

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

i Market Risk

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

a. Interest rate risk

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

Interest rate sensitivity

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

Sensitivity analysis

	Impact on restated profit / (loss) before tax for the period / year				
	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	31 March 2022	31 March 2021	31 March 2020
Increase by 50 bps	5.37	6.56	10.54	13.56	16.87
Decrease by 50 bps	(5.37)	(6.56)	(10.54)	(13.56)	(16.87)

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

b. Foreign currency risk

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

The following table presents the foreign currency risk from financial instruments as at 30 September 2022:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	AED	Others *
Assets						
Trade receivables	26.85	9.28	0.78	-	-	-
Capital advances	-	11.85	-	1.18	-	-
Advance to suppliers	3.83	0.31	-	-	-	-
	30.68	**21.44**	**0.78**	**1.18**	**-**	**-**
Liabilities						
Trade payables	5.60	12.47	0.90	3.84	0.32	-
Liability for capital goods	-	0.12	-	-	-	-
	5.60	**12.59**	**0.90**	**3.84**	**0.32**	**-**
Net assets / (liabilities)	**25.08**	**8.85**	**(0.12)**	**(2.66)**	**(0.32)**	**-**

The following table presents the foreign currency risk from financial instruments as at 30 September 2021:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	AED	Others *
Assets						
Trade receivables	25.57	4.72	0.83	-	-	-
Advance to suppliers	1.39	1.47	0.00 ^	-	-	-
	26.96	**6.19**	**0.83**	**-**	**-**	**-**
Liabilities						
Liability for capital goods	-	0.15	-	-	-	-
Trade Payables	7.49	4.78	0.01	-	0.00	0.03
	7.49	**4.93**	**0.01**	**-**	**0.00**	**0.03**
Net assets / (liabilities)	**19.47**	**1.26**	**0.82**	**-**	**(0.00)**	**(0.03)**

The following table presents the foreign currency risk from financial instruments (excluding those covered through hedged instruments) as at 31 March 2022:

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	AED	Others *
Assets						
Trade receivables	25.48	5.38	0.83	-	-	-
Capital advances	-	0.43	-	-	-	-
Advance to suppliers	0.27	-	-	-	-	-
	25.75	**5.81**	**0.83**	**-**	**-**	**-**
Liabilities						
Trade payables	19.18	20.01	-	0.03	0.46	0.02
Liability for capital goods	-	0.16	-	-	-	-
	19.18	**20.17**	**-**	**0.03**	**0.46**	**0.02**
Net assets / (liabilities)	**6.57**	**(14.36)**	**0.83**	**(0.03)**	**(0.46)**	**(0.02)**

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

₹ equivalent in million

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	29.80	3.62	0.83	-	-
Capital advances	-	0.54	-	-	-
Advance to suppliers	0.77	0.21	-	-	-
	30.57	**4.37**	**0.83**	**-**	**-**
Liabilities					
Borrowings	2.21	-	-	-	-
Trade payables	11.98	47.80	0.01	-	1.08
Liability for capital goods	-	8.08	-	-	-
	14.19	**55.88**	**0.01**	**-**	**1.08**
Net assets / (liabilities)	**16.38**	**(51.51)**	**0.82**	**-**	**(1.08)**

The following table presents the foreign currency risk from financial instruments (excluding those covered through hedged instruments) as at 31 March 2020:

Particulars	USD	EUR	GBP	AUD	Others *
Assets					
Trade receivables	134.02	9.59	1.65	-	-
Advance to suppliers	2.51	1.74	-	-	-
	136.53	**11.33**	**1.65**	**-**	**-**
Liabilities					
Borrowings	53.02	-	-	-	-
Advance from customers	0.26	-	-	-	-
Trade payables	46.39	10.65	5.38	3.70	0.10
	99.67	**10.65**	**5.38**	**3.70**	**0.10**
Net assets / (liabilities)	**36.86**	**0.68**	**(3.73)**	**(3.70)**	**(0.10)**

* Includes Canadian Dollar, Russian Ruble, Emirates Dirham and Swiss Francs
^ represents amount less than ₹ 10,000

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

	Impact on restated profit/(loss) before tax for the period / year ended				
Currencies	**30 September 2022**	**30 September 2021**	**31 March 2022**	**31 March 2021**	**31 March 2020**
USD	1.25	0.97	0.33	0.82	1.84
EUR	0.44	0.06	0.72	2.58	0.03

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

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

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

	As at 30 September 2022		**As at 30 September 2021**		**As at 31 March 2022**		**As at 31 March 2021**		**As at 31 March 2020**	
	₹ million	**%**	**₹ million**	**%**	**₹ million**	**%**	**₹ million**	**%**	**₹ million**	**%**
Trade receivables										
- from government corporation	468.52	45.69%	663.63	55.08%	611.34	55.88%	763.58	61.77%	847.65	55.86%
- from private parties	556.90	54.31%	541.13	44.92%	482.60	44.12%	472.59	38.23%	669.70	44.14%
Total trade receivables (Refer note 11)	**1,025.42**	**100.00%**	**1,204.76**	**100.00%**	**1,093.94**	**100.00%**	**1,236.17**	**100.00%**	**1,517.35**	**100.00%**

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

	As at 30 September 2022	**As at 30 September 2021**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Balance at the beginning of the period/ year	78.35	33.32	33.32	30.38	8.47
Impairment allowance on financial assets (net) (Refer note 28)	18.96	11.55	45.03	2.94	21.91
Balance at the end of the period/ year	**97.31**	**44.87**	**78.35**	**33.32**	**30.38**

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:

As at 30 September 2022

Particulars	Repayable on demand	Less than 1 year	1 - 5 years	More than 5 years	Total
	Contractual maturities				
Financial Liabilities					
Borrowings	1,112.50	621.76	412.17	-	2,146.43
Lease liabilities	-	55.05	86.67	-	141.72
Trade payables	-	388.71	-	-	388.71
Other financial liabilities	-	170.48	-	-	170.48
Total	**1,112.50**	**1,236.00**	**498.84**	**-**	**2,847.34**

As at 30 September 2021

Particulars	Repayable on demand	Less than 1 year	1 - 5 years	More than 5 years	Total
	Contractual maturities				
Financial Liabilities					
Borrowings	1,394.90	692.90	536.68	-	2,624.48
Lease liabilities	-	55.29	95.57	0.06	150.92
Trade payables	-	395.47	-	-	395.47
Other financial liabilities	-	136.61	-	-	136.61
Total	**1,394.90**	**1,280.27**	**632.25**	**0.06**	**3,307.48**

As at 31 March 2022

Particulars	Repayable on demand	Less than 1 year	1 - 5 years	More than 5 years	Total
	Contractual maturities				
Financial Liabilities					
Borrowings	1,287.50	521.14	480.67	-	2,289.31
Lease liabilities	-	54.92	67.20	-	122.12
Trade payables	-	674.45	-	-	674.45
Other financial liabilities	-	142.29	-	-	142.29
Total	**1,287.50**	**1,392.80**	**547.87**	**-**	**3,228.17**

As at 31 March 2021

Particulars	Repayable on demand	Less than 1 year	1 - 5 years	More than 5 years	Total
	Contractual maturities				
Financial Liabilities					
Borrowings	1,672.94	748.43	591.19	-	3,012.56
Lease liabilities	-	49.41	113.23	0.33	162.97
Trade payables	-	583.35	-	-	583.35
Other financial liabilities	-	144.71	-	-	144.71
Total	**1,672.94**	**1,525.90**	**704.42**	**0.33**	**3,903.59**

As at 31 March 2020

Particulars	Repayable on demand	Less than 1 year	1 - 5 years	More than 5 years	Total
	Contractual maturities				
Financial Liabilities					
Borrowings	2,338.46	555.72	788.24	-	3,682.42
Lease liabilities	-	77.18	215.56	1.71	294.45
Trade payables	-	826.77	-	-	826.77
Other financial liabilities	-	173.28	-	-	173.28
Total	**2,338.46**	**1,632.95**	**1,003.80**	**1.71**	**4,976.92**

Note 38 Capital Management

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

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

The amount managed as capital by the Group are summarised as follows:

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Debt (excluding interest accrued)	2,146.43	2,624.48	2,289.31	3,012.56	3,682.42
Total Equity	4,491.85	3,443.24	3,952.59	3,047.39	2,999.46
Total debt to equity ratio (Gearing ratio)	**0.48**	**0.76**	**0.58**	**0.99**	**1.23**

The Group is exposed to certain externally imposed capital requirements for its borrowings i.e. debt-equity ratio, debt-service coverage ratio, etc. In respect of fixed rate borrowing, the Group is in compliance with all the debt covenants as of the reporting date. In respect of vehicle loans and loan from promoter group company, the Group does not carry any debt covenant.

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

Note 39 Components related information

The Group's subsidiaries as at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entities	Country of incorporation	Ownership interest held by the group					Ownership interest held by non-controlling interests					Principal business activity
		30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020	
Artisan Spirits Private Limited	India	100%	100%	100%	100%	100%	-	-	-	-	-	Business of manufacturing of wines and Trading of alcoholic beverages
Progressive Alcobev Distributors Private Limited ^	India	-	-	-	51%	51%	-	-	-	49%	49%	Business of Trading of wines and spirits
Sula International Limited^^ (w.e.f. 03 August 2020)	United Kingdom	-	100%	100%	100%	100%	-	-	-	-	-	Business of Trading of alcoholic beverages

^ The Holding company has sold its Investment in Progressive Alcobev Distributors Private Limited (51%), effective 1 April 2021 at a total consideration of ₹ 29.69 million. Consequently, PADPL ceased to be its subsidiary company [Refer note 48.1]

^^Sula International Limited, a wholly owned subsidiary has been struck off w.e.f 19 April 2022 .

Note 40 Statement of restatement adjustments

A) Material restatement adjustments to consolidated audited financial statements

Impact on restated consolidated Total Comprehensive Income (TCI)

Particulars	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
a) Total comprehensive income/ (loss) as per audited consolidated statement of profit and loss	**302.80**	**36.88**	**519.92**	**25.28**	**(138.48)**
b) Restatement adjustments:					
Tax adjustment of earlier years	-	-	-	2.08	(24.32)
Total impact of restatement adjustments	**-**	**-**	**-**	**2.08**	**(24.32)**
Restated total comprehensive income/ (loss)	**302.80**	**36.88**	**519.92**	**27.36**	**(162.80)**

Impact on total equity

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Total equity as per audited consolidated balance sheet	4,491.85	3,443.24	3,952.59	3,047.39	3,025.55
(ii) **Other material adjustments**					
Cumulative impact on Statement of Profit and loss	-	-	-	(2.08)	22.24
Impact on Statement of profit and loss for current year	-	-	-	2.08	(24.32)
Restated total equity	**4,491.85**	**3,443.24**	**3,952.59**	**3,047.39**	**3,023.47**

Notes to adjustments:

Impact of tax adjustment of earlier years/periods:
In audited consolidated financial statements, tax pertaining to earlier years were accounted based on assessment by Income-tax authorities. For the purpose of the Restated Consolidated Financial Information, such taxes have been appropriately adjusted in the respective financial year to which they relate.

(B) Material regrouping/ reclassification

Appropriate adjustments have been made in the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group as at and for the year ended 30 September 2022, prepared in accordance with Schedule III to the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

(C) Non-adjusting events

(i) Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated financial information are as follows:

There are no audit qualification in auditor's reports on the consolidated financial statements for six-months period ended 30 September 2022 and 30 September 2021, and financial years ended 31 March 2022, 31 March 2021 and 31 March 2020.

(ii) Emphasis of matters not requiring adjustments to restated consolidated summary financial information:

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)

<u>As at and for the year ended 31 March 2022:</u>

Auditor's report on Standalone Financial Statements

We draw attention to note 44 to the accompanying standalone financial statements regarding the Company's non-current investment in a subsidiary Artisan Spirits Private Limited and non-current loans due from such subsidiary amounting to ₹ 269.86 million and ₹ 279.70 million, respectively, as at 31 March 2022. The subsidiary has incurred losses in the earlier years and its net-worth has been substantially eroded. However, the net-worth of this subsidiary does not represent its true market value as the value of the entity on a going concern basis, based on valuation report of an independent valuer, is higher. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the valuation report from an independent valuer, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the non-current investments loans due to which these are considered as good and recoverable. Our opinion is not modified in respect of this matter.

Auditor's report on Consolidated Financial Statements

There are no emphasis of matter in the Auditor's report on Consolidated Financial Statement as at and for the year ended 31 March 2022

<u>As at and for the year ended 31 March 2021</u>:

Auditor's report on Standalone Financial Statements

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

(b) We draw attention to Note 43 to the accompanying standalone financial statements regarding the Company's non-current investment in a subsidiary Artisan Spirits Private Limited, non-current loans and other non-current financial assets due from such subsidiary aggregating ₹ 209.86 million, ₹ 234.39 million, ₹ 22.09 million, respectively, as at 31 March 2021. The net-worth of the aforesaid subsidiary is negative as at 31 March 2021, however, based on a valuation report from an independent valuer which is dependent on the achievement of the subsidiary's future business plans prepared using certain estimates, growth prospects and other factors, the management believes that the realizable amount is higher than the carrying value of the non-current investments, non-current loans and other non-current financial assets due to which these are considered as good and recoverable. Our opinion is not modified in respect of this matter.

Auditor's report on Consolidated Financial Statements

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

Note 40 Statement of restatement adjustments

(C) Non-adjusting events (cont'd)

As at and for the year ended 31 March 2020:

Auditor's report on Standalone Financial Statements

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

(b) We draw attention to Note 40 to the accompanying standalone financial statements regarding the Company's non-current investment in a subsidiary Artisan Spirits Private Limited, non-current loans and other non-current financial assets due from such subsidiary aggregating ₹ 209.86 million, ₹ 275.73 million, ₹ 47.82 million, respectively, as at 31 March 2020. The net-worth of the aforesaid subsidiary is negative as at 31 March 2020, however, based on a valuation report from an independent valuer which is dependent on the achievement of the subsidiary's future business plans prepared using certain estimates, growth prospects and other factors, the management believes that the realizable amount is higher than the carrying value of the non-current investments, non-current loans and other non-current financial assets due to which these are considered as good and recoverable. Our opinion is not modified in respect of this matter.

Auditor's report on Consolidated Financial Statements

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

(iii) Other matters reported in the Annexure to the Auditors' Reports issued under Companies (Auditor's Report) Order, 2020 (hereinafter referred as "CARO 2020 Order") on the financial statements of the Holding Company and its subsidiaries for the year ended 31 March 2022 and Companies (Auditor's Report) Order, 2016 (hereinafter referred as "CARO 2016 Order") on the financial statements of the Holding Company and its subsidiaries for the years ended 31 March 2021 and 31 March 2020 which do not require any adjustment to the Restated Consolidated Summary Statement are as follows:

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - For the year ended 31 March 2022

Clause ii (b) of CARO 2020 Order

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

(₹ in million)

<table>
<tr><th rowspan="2">Name of the Banks (Nature of current assets offered as security)</th><th rowspan="2">Working capital limit sanctioned</th><th rowspan="2">Quarter ended</th><th rowspan="2">Particulars</th><th colspan="2">Amount</th><th rowspan="2">Remarks/ reason</th></tr>
<tr><th>Disclosed as per statement</th><th>As per books of accounts</th></tr>
<tr><td>HDFC Bank
(Entire current assets)</td><td>550</td><td rowspan="3">30 June 2021</td><td rowspan="2">Inventory</td><td rowspan="2">1,304.12</td><td rowspan="2">1,306.12</td><td rowspan="2">The difference is due to the submissions to the Banks were made before financial reporting closure process</td></tr>
<tr><td>Kotak Bank
(Entire current assets)</td><td>200</td></tr>
<tr><td>Axis Bank
(Entire current assets)</td><td>600</td><td>Trade Receivables</td><td>904.3</td><td>911.45</td><td rowspan="5">The difference is due to the submissions to the Banks were made before financial reporting closure process</td></tr>
<tr><td rowspan="2">Yes Bank
(Entire current assets)</td><td rowspan="2">210</td><td rowspan="2">30 September 2021</td><td>Inventory</td><td>1,163.02</td><td>1,197.90</td></tr>
<tr><td>Trade Receivables</td><td>1,099.06</td><td>1,102.21</td></tr>
<tr><td rowspan="2">Saraswat Bank
(Entire current assets)</td><td rowspan="2">750</td><td rowspan="2">31 December 2021</td><td>Inventory</td><td>925.69</td><td>915.94</td></tr>
<tr><td>Trade Receivables</td><td>1,515.00</td><td>1,514.11</td></tr>
</table>

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Note 40 Statement of restatement adjustments

(C) Non-adjusting events (cont'd)

Clause vii (b) of CARO 2020 Order

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

(₹ in million)

Name of the statute	Nature of dues	Gross amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
State Excise	Duty of Excise	1,158.95	-	F.Y. 2006-07 to F.Y. 2013-14	Commissioner of State Excise, Maharashtra
Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	39.71	10.06	F.Y. 2016-17	Revenue Minister, Maharashtra
Karnataka Stamp Act, 1957	Stamp duty	15.41	6.55	F.Y. 2017-18	High Court, Karnataka
Finance Act, 1994	Service Tax	12.51	-	F.Y. 2016-17	Joint Commissioner CGST & Central Excise, Nashik
Delhi VAT	DVAT	3.35	0.20	F.Y. 2015-16	Special Commissioner - DVAT, New Delhi
Customs Act, 1962	Basic Duty including cess and IGST	3.08	-	Dec-17	Commissioner of Customs (Appeals)
Finance Act, 1994	Service Tax	3.01	-	October 2016 to September 2017	Assistant Commissioner, GST Audit Commissionerate
Sales Tax – Maharashtra	MVAT	2.04	-	F.Y. 2012-13	Joint Commissioner of Sales Tax – Maharashtra
Sales Tax – Maharashtra	MVAT	1.14	-	F.Y. 2013-14	Joint Commissioner of Sales Tax – Maharashtra
State Tax – Maharashtra	MVAT	0.89	-	F.Y. 2015-16	Deputy Commissioner of State Tax – Maharashtra
Maharashtra State Electricity Board	Maharashtra State Electricity Board	2.62	-	January 2014 to October 2021	Maharashtra State Electricity Distribution Co Ltd - Office of Superintending engineer, Nashik Circle, Nashik
Maharashtra State Electricity Board	Maharashtra State Electricity Board	0.76	-	March 2017 to October 2021	Maharashtra State Electricity Distribution Co Ltd - Gangapur Sub Division Nashik
Excise Tax-Rajasthan	Excise Tax-Rajasthan	1.25	-	F.Y. 2007-08	Rajasthan High Court
Finance Act, 1994	Service Tax	36.70	-	F.Y. 2015-16 and 2016-17	Commissioner CGST & Central Excise, Nashik

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - For the year ended 31 March 2021

Clause vii (b) of CARO 2016 Order

There are no dues in respect of provident fund, employees' state insurance, goods and service tax, sales tax, service tax, duty of customs and value added tax that have not been deposited with appropriate authorities on account of any dispute. The due outstanding in respect of income-tax, duty of excise, entertainment tax and stamp duty are as follows:

(₹ in million)

Name of statute	Nature of dues	Amount	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Income tax	Tax Deducted at Source	46.89	9.41	FY 2011-12 to FY 2017-18	Assistant Commissioner of Income Tax,TDS,
State Excise	Duty of Excise	203.29	-	F.Y. 2001-02 to F.Y. 2007-08	Collector of State Excise, Maharashtra
		1,158.95	-	F.Y. 2005-06 to F.Y. 2013-14	Collector of State Excise, Maharashtra
Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	39.71	10.06	FY 2016-17	Revenue Minister, Maharashtra
Karnataka Stamp Act,1957	Stamp Duty	15.41	6.55	FY 2017-18	High Court, Karnataka

Sula Vineyards Limited (Formerly Sula Vineyards Private Limited) - For the year ended 31 March 2020

Clause vii(b) of CARO, 2016 Order

There are no dues in respect of provident fund, employees' state insurance, goods and service tax, sales tax, service tax, duty of customs and value added tax that have not been deposited with appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, duty of excise, entertainment tax and stamp duty are as follows:

(₹ in million)

Name of statute	Nature of dues	Amount	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Income tax	Tax Deducted at Source	46.89	9.41	FY 2011-12 to FY 2017-18	Assistant Commissioner of Income Tax,TDS,
State Excise	Duty of Excise	203.29	-	F.Y. 2001-02 to F.Y. 2007-08	Collector of State Excise, Maharashtra
		1,158.95	-	F.Y. 2005-06 to F.Y. 2013-14	Collector of State Excise, Maharashtra
Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	39.71	-	FY 2016-17	Revenue Minister, Maharashtra
Karnataka Stamp Act,1957	Stamp Duty	15.41	6.55	FY 2017-18	High Court, Karnataka

Note 40 Statement of restatement adjustments

(C) Non-adjusting events (cont'd)

Artisan Spirits Private Limited - For the year ended 31 March 2022

Clause vii (b) of CARO 2020 Order

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

(₹ in million)

Name of the Bank [Nature of current assets offered as security]	Working capital limit sanctioned	Quarter ended	Particulars	Amount disclosed as per	Amount as per books of	Remarks/ reason, if any
SBM Bank (India) Limited [Entire Current Assets]	₹ 80 million	30 September 2021	Trade Receivables	186.57	184.15	The difference is mainly due to provision for doubtful debt not considered while submitting stock statement
		30 September 2021	Inventory	103.52	106.54	The difference is due to the declaration to the Bank are made before financial reporting closure process
			Trade Receivables	189.92	191.25	
		31 December 2021	Inventory	118.65	118.04	
			Trade Receivables	211.04	199.71	

Clause vii (b) of CARO 2016 Order

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

(₹ in million)

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Sales Tax - Maharashtra	MVAT	0.24	-	F.Y.16-17	Assistant Commissioner of State Tax - Maharashtra
Employees State Insurance Act, 1948	ESIC	0.53	-	January 2015 to December 2019	Sub Regional Office Marol Employees State Insurance Corporation
Maharashtra Irrigation Act 1976	Water Tax	0.73	-	F.Y. 2011-12 to F.Y. 2020-21	Nashik Irrigation Division, Nashik
Sales Tax - Maharashtra	MVAT	0.23	-	F.Y. 2018-19	Assistant Commissioner of Sales Tax-Maharashtra

Progressive Alcobev Distributors Private Limited - For the year ended 31 March 2021

Clause vii (b) of CARO 2016 Order

According to the information and explanation given to us and based on the records of the Company, there are no dues outstanding as at the end of the year of Sales Tax, Service tax, Customs duty, Excise duty, and any other statutory dues which have not been deposited on account of any dispute. The particulars of dues of Income Tax as at 31 March, 2021 which have not been deposited on account of a dispute are as follows:

(₹ in million)

Name of statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income Tax	7.72	F.Y 2017-18	Commissioner of Income tax -Appeals

Note 41 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 30 September 2022, employee stock option scheme (ESOS 2018(2)), employee stock option scheme (ESOS COO and CFO 2019), Employee stock option scheme (ESOS 2020) and Employee stock option scheme (ESOS 2021) are in existence. These options would vest based on the vesting conditions as per letter of grant executed between the Holding Company and the employee of the Holding Company or its subsidiaries. Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Holding Company. The relevant details of the scheme, grant and activity under ESOS scheme are summarized below:

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

Particulars	No. of options	Weighted average price
Outstanding as at 1 April 2019	60,000	740.50
Options granted during the year	61,479	950.00
Options forfeited/lapsed/expired during the year	(10,000)	850.00
Options outstanding as at 31 March 2020^	**1,11,479**	**846.21**
Less: Impact of change in exercise price^^	-	(55.15)
Total Options outstanding post change in exercise price	**1,11,479**	**791.06**
Options granted during the year	64,812	850.00
Options forfeited/lapsed/expired during the year	(10,000)	850.00
Options outstanding as at 31 March 2021^	**1,66,291**	**810.49**
Options exercised during the period 1 April 2021 to 30 July 2021	(30,000)	631.00
Total outstanding options before share split	**1,36,291**	**850.00**
Add: Impact of share split on 30 July 2021 [refer note 15(h)]	5,45,164	(680.00)
Total outstanding options post share split	**6,81,455**	**170.00**
Options granted during the period 31 July 2021 to 30 September 2021	21,53,055	170.00
Options forfeited/lapsed/expired during the period 31 July 2021 to 30 September 2021	(750)	170.00
Options outstanding as at 30 September 2021	**28,33,760**	170.00
Options outstanding as at 1 April 2021	**1,66,291**	**810.49**
Options exercised during the period *	(30,000)	(631.00)
Total outstanding options before share split	1,36,291	850.00
Add: Impact of share split on 30 July 2021	5,45,164	(680.00)
Total outstanding options post share split	**6,81,455**	**170.00**
Options granted during the period	2,153,055	170.00
Options forfeited/lapsed/expired during the period 31 July 2021 to 30 September 2021	(23,000)	170.00
Options outstanding as at 31 March 2022^	**2,811,510**	**170.00**
Options granted during the period	51,870	170.00
Options forfeited/lapsed/expired during the period 1 April 2022 to 30 September 2022	(49,700)	170.00
Options outstanding as at 30 September 2022^	**2,813,680**	**170.00**

* The weighted average share price at the date of exercise of option was ₹ 122.80 per share.

^The options outstanding as at 30 September 2022 are with the weighted average exercise price of ₹ 170 (31 September 2021: ₹ 170, 31 March 2022: ₹ 170, 31 March 2021: ₹ 810.49, 31 March 2020: ₹ 791.06) per share. The weighted average of the remaining contractual life is 0.5 years (30 September 2021: 1.5 years, 31 March 2022: 1 year, 31 March 2021: 2 years, 31 March 2020: 3.04 years).

^^ During the year ended 31 March 2021 the exercise price for ESOS scheme 2019 was revised from ₹ 950 per option to ₹ 850 per option. Accordingly the weighted average price has been recomputed

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

Particulars	ESOS 2018 (2)	ESOS 2019		ESOS 2019 (2)		ESOS 2019 (3)	
	3 years vesting period	CFO - 24 months vesting period	COO - 15 months vesting period	CFO - 12 months vesting period	COO - 12 months vesting period	CFO - 12 months vesting period	COO - 12 months vesting period
Date of Grant	07 June 2018	07 June 2019	07 June 2019	14 May 2020	14 May 2020	15 July 2021	15 July 2021
Market Price (₹)	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 (₹)	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)
	1 Year vesting period	1 Year vesting period	1 Year vesting period	1 Year vesting period	1 Year vesting period
Date of Grant	29 September 2020	15 July 2021	19 May 2022	30 July 2021	19 May 2022
Market Price (₹)	76.25	122.8	155.10	122.8	155.10
Expected life (in years)	3	1.17	1.25	1.61	1.25
Volatility*	46.00%	43.03%	46.91%	43.07%	46.91%
Risk Free rate (%)	5.41%	3.78%	5.43%	4.15%	5.43%
Exercise Price	170	170	170	170	170
Dividend Yield (%)	1.31%	2.44%	3.16%	2.44%	3.16%
Option Fair Value (₹)	7.06	9.68	27.20	13.54	27.20

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

Note 42 There is a disputed excise duty demand of ₹ 1,158.95 million, against which a stay has been granted. The outcome of the Holding Company's appeal is pending. The Holding Company has been legally advised that the matter is reasonable likely to be settled in favour of the Holding Company. Consequently, the possibility of any outflow of resources embodying economic benefits is remote.

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Note 43 Segment reporting

a) The Group 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 Group as a whole and hence the management considers Group's business activities as a single operating segment (viz. Beverage alcohol).

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.

Particulars	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations					
Domestic	2,183.70	1,550.79	4,444.38	3,906.75	4,893.60
Overseas	56.98	40.71	94.78	272.84	322.74

(c) There are no non current assets located outside India

Note 44 Government grants

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

	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Government Grants at the beginning of the period/ year	876.88	653.94	653.94	796.66	752.23
Add: Government grant accrued during the period/ year	194.62	96.24	353.45	273.42	290.21
Less: Government Grant received during the period/ year	(140.26)	-	(144.50)	(429.31)	(245.78)
Add: Interest on financial assets carried at amortised cost	6.86	6.67	13.99	13.17	-
Government Grants at the end of the period/ year	**938.10**	**756.85**	**876.88**	**653.94**	**796.66**
Current	625.81	629.20	713.16	464.19	643.77
Non-current	312.29	127.65	163.72	189.75	152.89

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

Note 45 Leases - Ind AS 116

1. Impact on transition to Ind AS 116

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

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

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

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

(c) Applied exemption not to recognise ROU assets and lease liabilities within 12 months of lease terms on date of initial application.

(d) Excluded the initial direct costs from measurement of the RoU asset at the date of initial application.

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

On transition, the Group had recognized right-of-use assets and lease liabilities aggregating ₹ 123.17 million.

2. Disclosure for the periods /years ended 30 September 2022, 30 September 2021, 31 March 2022 , 31 March 2021 and 31 March 2020 as required in Ind AS 116

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Restated consolidated statement of assets and liabilities					
Assets					
Non-current assets					
Right-of-use assets	107.72	118.11	93.04	125.25	236.91
Liabilities					
Non-current lease liabilities	78.44	87.47	62.43	100.06	186.86
Current lease liabilities	46.16	45.65	47.39	38.95	58.13
	124.60	**133.12**	**109.82**	**139.01**	**244.99**

The following is the movement in lease liabilities :

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Transition adjustment of Ind AS 116	-	-	-	-	123.17
Opening Balance	109.82	139.01	139.01	244.99	-
Additions during the period /year	38.16	17.03	18.68	1.91	158.26
Finance cost accrued during the period /year	5.89	6.22	11.47	14.69	13.71
Payment of lease liabilities	(27.39)	(27.21)	(53.50)	(56.78)	(50.15)
Termination/cancellation of lease during the period /year	(1.88)	(1.93)	(5.84)	(65.80)	-
Closing Balance	**124.60**	**133.12**	**109.82**	**139.01**	**244.99**

Amount recognised in Restated consolidated statement of profit and loss

Particulars	For the period 1 April 2022 to 30 September 2022	For the period 1 April 2021 to 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation expenses on right-of-use assets (Refer notes 3A and 30)	21.67	22.37	44.30	49.85	45.30
Finance cost on lease liabilities (Refer note 29)	5.89	6.22	11.47	14.69	13.71
Rent expense pertaining to leases with less than 12 months of lease included under rent expenses (Refer note 28)	6.07	9.18	11.53	27.18	48.05
Gain on termination of lease assets and liabilities	0.05	0.12	0.40	2.31	-
Amount recognised in statement of cash flows					
Cash flow from Financing activities					
Payment of Lease liabilities	27.39	27.21	53.50	56.78	50.15
Maturity analysis of contractual undiscounted cash flows					
Less than one year	55.05	55.29	54.92	49.41	77.18
One to five years	86.67	95.57	67.20	113.23	215.56
More than five years	-	0.06	-	0.33	1.71
Total undiscounted lease liabilities	**141.72**	**150.92**	**122.12**	**162.97**	**294.45**

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

As at 30 September 2022

Name of entity consolidated	Country of incorporation	% of voting power as at 30 September 2022	Net assets i.e. total assets less total liabilities	Share in Profit / (Loss)	Share in other Comprehensive Income/(loss)	Share in total Comprehensive income
Parent Company						
Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)	India	-				
% of the consolidated amounts			104.84%	106.64%	94.69%	106.73%
Amount			4,709.16	325.3	(2.14)	323.16
Subsidiaries						
Artisan Spirits Private Limited	India	100%				
% of the consolidated amounts			1.18%	-6.87%	5.31%	-6.97%
Amount			53.09	(20.97)	(0.12)	(21.09)
Sula International Limited *	United Kingdom	100%				
% of the consolidated amounts			-	-	-	-
Amount			-	-	-	-
Adjustments arising out of consolidation						
% of the consolidated amounts			-6.02%	0.24%	-	0.24%
Amount			(270.40)	0.73	(0.00)	0.73
Total (%)			**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total Amount			**4,491.85**	**305.06**	**(2.26)**	**302.80**

* For the period 1 April 2022 to 19 April 2022

As at 30 September 2021

Name of entity consolidated	Country of incorporation	% of voting power as at 30 September 2021	Net assets i.e. total assets less total liabilities	Share in Profit / (Loss)	Share in other Comprehensive Income/(loss)	Share in total Comprehensive income
Parent Company						
Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)	India	-				
% of the consolidated amounts			105.98%	71.37%	85.29%	68.59%
Amount			3,649.05	36.15	(7.19)	28.96
Subsidiaries						
Artisan Spirits Private Limited	India	100%				
% of the consolidated amounts			-0.09%	-0.04%	14.71%	-2.98%
Amount			(3.24)	(0.02)	(1.24)	(1.26)
Sula International Limited	United Kingdom	100%				
% of the consolidated amounts			-0.07%	-0.03%	0.00%	-0.02%
Amount			(2.31)	(0.01)	-	(0.01)
Adjustments arising out of consolidation						
% of the consolidated amounts			-5.82%	28.69%	0.00%	34.41%
Amount			(200.26)	9.19	-	9.19
Total (%)			**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total Amount			**3,443.24**	**45.31**	**(8.43)**	**36.88**

As at 31 March 2022

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2022	Net assets i.e. total assets less total liabilities	Share in Profit / (Loss)	Share in other Comprehensive Income/(loss)	Share in total Comprehensive income
Parent Company						
Sula Vineyards Limited (Formerly Sula Vineyards Private Limited)	India	-				
% of the consolidated amounts			104.98%	93.71%	43.54%	93.85%
Amount			4,149.27	488.57	(0.64)	487.93
Subsidiaries						
Artisan Spirits Private Limited	India	100%				
% of the consolidated amounts			1.88%	3.26%	56.46%	3.11%
Amount			74.18	16.99	(0.83)	16.16
Sula International Limited	United Kingdom	100%				
% of the consolidated amounts			-0.07%	-0.07%	0.00%	-0.07%
Amount			(2.61)	(0.35)	-	(0.35)
Adjustments arising out of consolidation						
% of the consolidated amounts			-6.79%	3.10%	0.00%	3.11%
Amount			(268.25)	16.18	-	16.18
Total (%)			**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total Amount			**3,952.59**	**521.39**	**(1.47)**	**519.92**

As at 31 March 2021

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2021	Net assets i.e. total assets less total liabilities	Share in Profit / (Loss)	Share in other Comprehensive Income/(loss)	Share in total Comprehensive income
Parent Company						
Sula Vineyards Private Limited	India	-				
% of the consolidated amounts			107.51%	-14.22%	98.23%	-25.98%
Amount			3,276.14	(4.25)	(2.78)	(7.03)
Subsidiaries						
Artisan Spirits Private Limited	India	100%				
% of the consolidated amounts			-0.06%	89.46%	3.18%	98.48%
Amount			(1.98)	26.74	(0.09)	26.65
Progressive Alcobev Distributors Private Limited	India	51%				
% of the consolidated amounts			1.63%	1.74%	-3.53%	2.29%
Amount			49.62	0.52	0.10	0.62
Sula International Limited	United Kingdom	100%				
% of the consolidated amounts			-0.08%	-7.68%	0.00%	-8.48%
Amount			(2.33)	(2.29)	-	(2.29)
Adjustments arising out of consolidation						
% of the consolidated amounts			-8.99%	31.53%	0.35%	34.79%
Amount			(274.06)	9.42	(0.01)	9.41
Non-controlling interest in subsidiary classified with liabilities of disposal group held for sale (Refer note 14)						
% of the consolidated amounts			0.00%	-0.84%	1.77%	-1.11%
Amount			-	(0.25)	(0.05)	(0.30)
Total (%)			**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total Amount			**3,047.39**	**29.89**	**(2.83)**	**27.06**

As at 31 March 2020

Name of entity consolidated	Country of incorporation	% of voting power as at 31 March 2020	Net assets i.e. total assets less total liabilities	Share in Profit / (Loss)	Share in other Comprehensive Income/(loss)	Share in total Comprehensive income
Parent Company						
Sula Vineyards Private Limited	India	-				
% of the consolidated amounts			108.70%	67.53%	100.00%	68.22%
Amount			3,286.49	(105.89)	(3.43)	(109.32)
Subsidiaries						
Artisan Spirits Private Limited	India	100%				
% of the consolidated amounts			-0.95%	31.47%	0.87%	30.81%
Amount			(28.63)	(49.35)	(0.03)	(49.38)
Progressive Alcobev Distributors Private Limited	India	51%				
% of the consolidated amounts			1.62%	3.37%	-1.75%	3.26%
Amount			49.01	(5.28)	0.06	(5.22)
Adjustments arising out of consolidation						
% of the consolidated amounts			-10.17%	-0.72%	0.00%	-0.69%
Amount			(307.41)	1.12	0.00	1.12
Non-controlling interest in subsidiary						
% of the consolidated amounts			0.79%	-1.65%	0.87%	-1.59%
Amount			24.01	2.58	(0.03)	2.55
Total (%)			**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total Amount			**3,023.47**	**(156.82)**	**(3.43)**	**(160.25)**

Note 47 Disclosure of ratios

	Particular	Formula for computation	Measures (in times / percentage)	As at and for the period ended 30 September 2022^	As at and for the period ended 30 September 2021^	As at and for the year end 31 March 2022	As at and for the year end 31 March 2021	As at and for the year end 31 March 2020
A	Current Ratio	Current assets / Current liabilities	Times	1.39	1.28	1.28	1.16	1.09
B	Debt Equity Ratio	Debt / Net worth	Times	0.48	0.76	0.58	0.99	1.23
C	Debt Service Coverage Ratio	EBITDAE / (Finance costs + Principal repayment of long term borrowings within one year)	Times	2.20	0.90	2.04	0.88	0.96
D	Return on Equity	Profit after tax / Net worth	Percentage	13.58%	2.63%	13.19%	0.98%	-5.23%
E	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Times	0.63	0.57	0.77	1.00	1.38
F	Trade Receivable Turnover Ratio	[Revenue from Sales of products (including excise duty) + Sales of services] / Average gross trade receivables	Times	3.84	2.32	3.57	2.83	2.98
G	Trade Payable Turnover Ratio	Purchases / Average trade payables	Times	1.30	1.18	2.13	1.99	2.95
H	Net Capital Turnover Ratio	Revenue from operations / working capital	Times	4.56	4.03	5.65	7.58	13.86
I	Net Profit Ratio	Profit after tax / Revenue from operations	Percentage	13.61%	2.85%	11.49%	0.72%	-3.01%
J	Return on Capital Employed (ROCE)	EBIT / Capital employed	Percentage	21.09%	9.20%	20.86%	10.67%	4.09%
K	Return on Investment (ROI)	Not Applicable	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^ annualised

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 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
4 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
5 Working Capital = Current assets - Current liabilities
6 EBIT = Earnings before Interest, tax and exceptional items
7 Capital employed = Total equity + Non-current borrowings

Disclosure of change in ratio by more than 25%

	Particulars	% Variance in ratio between 30 September 2022 and 30 September 2021	Reason for variance
A	Current Ratio	9%	Refer note below
B	Debt Equity Ratio	-37%	Owing to reduction in borrowings and increase in net worth
C	Debt Service Coverage Ratio	145%	Owning to increase in EBIDTA and reduction in finance cost and borrowings
D	Return on Equity	416%	Owing to increase in the Net Profit after tax
E	Inventory Turnover Ratio	11%	Refer note below
F	Trade Receivable Turnover Ratio	66%	Owing to decrease in debtors due to improved collection and increase in revenue
G	Trade Payable Turnover Ratio	11%	Refer note below
H	Net Capital Turnover Ratio	13%	Refer note below
I	Net Profit Ratio	378%	Owing to increase in the Net Profit after tax
J	Return on Capital Employed (ROCE)	129%	Owing to increase in EBIT and decrease in borrowing
K	Return on Investment (ROI)	N.A.	N.A.

	Particulars	% Variance in ratio between 31 March 2022 and 31 March 2021	Reason for variance
A	Current Ratio	10%	Refer note below
B	Debt Equity Ratio	-41%	Owing to reduction in borrowings
C	Debt Service Coverage Ratio	132%	Owing to increase in EBITDAE and reduction in finance cost
D	Return on Equity	1245%	Owing to increase in PAT
E	Inventory Turnover Ratio	-23%	Refer note below
F	Trade Receivable Turnover Ratio	26%	Owing to timely collection of receivable
G	Trade Payable Turnover Ratio	7%	Refer note below
H	Net Capital Turnover Ratio	-26%	Owing to increase in Revenue from operations
I	Net Profit Ratio	1506%	Owing to increase in PAT
J	Return on Capital Employed (ROCE)	96%	Owing to reduction in borrowings

	Particulars	% Variance in ratio between 31 March 2021 and 31 March 2020	Reason for variance
A	Current Ratio	6%	Refer note below
B	Debt Equity Ratio	-19%	Refer note below
C	Debt Service Coverage Ratio	-8%	Refer note below
D	Return on Equity	119%	Owing to increase in PAT
E	Inventory Turnover Ratio	-28%	Owing to reduction in cost of good sold
F	Trade Receivable Turnover Ratio	-5%	Refer note below
G	Trade Payable Turnover Ratio	-32%	Owing to reduction in purchases
H	Net Capital Turnover Ratio	-45%	Owing to reduction in revenue from operation
I	Net Profit Ratio	124%	Owing to increase in PAT
J	Return on Capital Employed (ROCE)	161%	Owing to increase in EBIT and decrease in borrowing

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

Note 48 Business Combination

a) Summary of acquisition

Artisan Spirits Private Limited (ASPL) a wholly owned subsidiary of the Holding Company w.e.f. 1 August 2021, acquired the business operations of York Winery Private Limited ('YWPL'), together with all the brands, infrastructures in relation to the winery and as a going concern on a slump sale basis for a total consideration of ₹ 171.65 million.

York winery is engaged in the business of manufacturing and sale of domestic wines from its winery in Nashik, India. It also has small set up for tasting room and restaurant within winery. The acquisition will help the Group in expanding the market share in Maharashtra and other states. The wine tourism at the winery will help in creating awareness about the wine which will in turn boost the growth in the wine market. The details of net assets acquired and purchase consideration are as follows.

Particulars	As on the date of acquisition
Property plant and equipment	74.65
Intangible assets (Brands)	60.30
Inventories	36.84
Loans and advance	3.71
Trade receivables	9.32
Cash and cash equivalents	0.13
Trade payables	(16.00)
Other current liabilities	(5.73)
Net identifiable assets and liabilities 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	**161.65**

- Pursuant to business transfer agreement, deferred consideration of ₹ 10.00 million is payable after realisation of certain assets acquired.
- There were no contingent consideration arrangement involved in relation to above acquisition.
- The transaction did not involve any inheritance of contingent liability.
- This acquisition gave rise to goodwill amounting to ₹ 8.43 million, being excess of consideration amount over fair value of assets under acquisition. The said goodwill being capital in the nature is not eligible to be deducted for tax purposes.

Revenue and Profit contribution

The acquired business contributed to the Group's revenue from operation to the tune of ₹ 68.54 million and earned profit before tax of ₹ 7.93 million to the Group for the period 1 August 2021 to 31 March 2022.

If the acquisition had taken place on 1 April 2021, then contribution of York to the revenue from operation and profit for the period 1 April 2021 to 31 March 2022 would have been ₹ 102.81 million and ₹ 11.90 million and the resultant pro-forma revenue and profit of the group would have been ₹ 4,573.43 million and ₹ 699.34 million, respectively.

Note 48.1 Loss of control in subsidiary

The Holding Company in March 2021 had entered into an MOU to sell its investment in Progressive Alcobev Distributors Limited ('PADPL') for a total consideration of ₹ 29.69 million. Accordingly, the associated assets and liabilities of PADPL along with the goodwill on acquisition (the 'disposal group') were classified as held for sale and the resultant impairment loss of ₹ 22.41 million had been recognised during the year ended 31 March 2021. The Holding Company had completed the sale of its investment in PADPL effective 1 April 2021. Consequently, with effect from 1 April 2021, PADPL ceased to be its subsidiary company.

Note 49 Dividend on equity shares	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Dividend on equity shares declared and paid during the period/ year					
Dividend of ₹ 2.4 per equity share of face value ₹ 2 each (30 September 2021: Nil, 31 March 2022: ₹ 2.5 per share, 31 March 2021: Nil, 31 March 2020 : ₹ 6 per equity share of face value ₹ 10 each)	195.84	-	194.49	-	90.18
Interim dividend of ₹ 1.05 per equity share of face value ₹ 2 each (Period ended 30 September 2021: Nil, 31 March 2022: Nil, 31 March 2021: Nil, 31 March 2020 : Nil)	85.68	-	-	-	-
Dividend Distribution tax on final dividend	-	-	-	-	18.54
	281.52	**-**	**194.49**	**-**	**108.72**
Proposed dividend on equity shares not recognised as liability*					
Final dividend* of Nil per equity share of face value ₹ 2 each (Period/ year ended 30 September 2021: Nil, 31 March 2022 : ₹ 2.4, 31 March 2021 : Nil, 31 March 2020 : Nil)	**-**	**-**	**195.84**	**-**	**-**
Interim dividend of ₹ 2.05 per equity share of face value ₹ 2 each	**172.61**	**-**	**-**	**-**	**-**

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

Note 50 Events after the reporting period
Subsequent to the period ended 30 September 2022, 1,675,693 fully paid up equity shares of face value of ₹ 2 each have been alloted against the exercise of options under Employees stock option scheme [ESOS 2021(1)) and Employee stock option scheme (ESOS 2018(2)].

Note 51 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/ year.
(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company shall:
  a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period/ 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) None of the Group entities have been declared wilful defaulter by any bank or financial institution or government or any government authority.
(ix) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

Note 52 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

This is the Statement of Notes to the Restated Consolidated Financial Information referred to in our report of even date

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

Rakesh R. Agarwal
Partner
Membership No.109632

Place: Mumbai
Date : 23 November 2022

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

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

Chetan Desai
Chairman and Director
DIN: 03595319
Place: Mumbai

Arjun Anand
Director
DIN: 07639288
Place: Singapore

Bittu Varghese
Chief Financial Officer
ACA: 117278
Place: Mumbai

Ruchi Sathe
Company Secretary
Membership No. A33566
Place: Mumbai

Date : 23 November 2022

OTHER FINANCIAL INFORMATION

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, except share data and ratios)

Particulars	For the six month period ended September 30, 2022	For the six month period ended September 30, 2021	As at and for the year ended 31 March 2022	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020
(a) Restated net profit/(loss) attributable to owners of the parent	305.06	45.31	521.39	29.89	(156.82)
(b) Weighted average number of equity shares outstanding during the year	81,077,945	75,774,092	76,771,141	75,275,764	75,136,525
(c) Weighted average number of diluted equity shares outstanding during the year	81,077,945	75,774,092	76,771,141	75,275,764	75,136,525
Restated earnings/ (loss) per equity share of face value ₹ 2 each, attributable to owners of the parent					
(d) Basic earnings/ (loss) per equity share (in ₹) (d= a/b)* *	3.76	0.60	6.79	0.40	(2.09)
(e) Diluted earning / profit /(loss) per equity share (in ₹) (e= a/c) **	3.76	0.60	6.79	0.40	(2.09)
(f) Restated net worth	4,491.85	3,443.24	3,952.59	3,047.39	2,999.46
(g) Return on restated net worth (in %) (g= a/f) **	6.79%	1.32%	13.19%	0.98%	(5.23)%
(h) Number of equity shares outstanding at end of the year	81,600,875	76,885,203	78,598,091	75,401,870	75,220,940
(i) Net asset value per equity share (i= g/h)	55.05	44.78	50.29	40.42	39.88
(j) EBITDAE	643.06	300.55	1,160.71	645.12	504.93

**The above ratios have been computed on the basis of the Restated Consolidated Financial Information.*

*** Not annualised for the six month period ended September 30 2022 and September 30 2021.*

Notes:

(1) *The accounting ratios have been computed as below:*

- *Basic earnings/(loss) per share (₹) = Net profit / (loss) after tax attributable to owners of the parent / Weighted average number of equity shares outstanding during the year*
- *Diluted earnings/(loss) per share (₹) = Net profit / (loss) after tax attributable to owners of the parent / Weighted average number of dilutive equity shares outstanding during the year*
- *Return on net worth (%) = Net profit / (loss) after tax attributable to owners of the parent / Restated net worth as at year end*
- *Net asset value per share (₹) = Net worth as at year end/ Number of equity shares outstanding at end of the year*

(2) *Earnings/(loss) per equity share - basic and diluted presented at point (d) and (e) above, respectively, have been calculated in accordance with the Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015 (as amended).*

(3) *Weighted average number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*

Pursuant to the approval of the members at the 18th Annual General Meeting of the Company held on July, 30 2021 to the sub-division of the equity shares of the Company, each equity share of nominal face value of ₹ 10 each was sub-divided to 5 (five) Equity Share of ₹ 2 each. The effective date for the said sub-division was July, 30 2021. Consequent to the share split, earnings per share for the Fiscals ended March 31, 2021 and 2020 have been retrospectively adjusted in accordance with Ind AS 33 Earning Per Share (EPS).

(4) *'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of statement of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off and non-controlling Interest, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth represents the equity attributable to the owners of the parent of the Company and does not include amounts attributable to non-controlling interests.*

(5) *'EBITDAE' has been calculated as Restated profit/ (loss) before tax + finance cost + depreciation, amortization and impairment expense + exceptional items. EBITDAE has been derived from the restated consolidated financial information of the Company.*

In accordance with the requirements of SEBI ICDR Regulations, accounting ratios are required to be adjusted by giving effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options) were exercised in the respective financial years from the date they were convertible/ exercisable. Consequently, the adjusted accounting ratios considering aforementioned effects, as mentioned below, have been determined in accordance with the requirements of SEBI ICDR Regulations and therefore have not been derived from Restated Consolidated Financial Information.

(₹ in million, except except share data and ratios)

Particulars	For the six month period ended September 30, 2022	For the six month period ended September 30, 2021	As at and for the year ended 31 March 2022	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020
(i) Equity share capital as per restated consolidated financial information	163.20	153.77	157.20	150.80	150.44
(ii) Other equity attributable to owners of parent as per restated consolidated financial information	4,328.65	3,289.47	3,795.39	2,896.59	2,849.02
(iii) Restated net worth attributable to owners of parent (iii= i + ii)	4,491.85	3,443.24	3,952.59	3,047.39	2,999.46
(iv) Restated profit/ (loss) attributable to owners of the parent	305.06	45.31	521.39	29.89	(156.82)
(v) Adjusted equity share capital	168.69	160.63	164.57	157.15	156.32
(vi) Adjusted other equity attributable to owners of parent	4,725.25	3,798.17	4,388.55	3,342.31	3,252.07
(vii) Adjusted net worth (g = e + f)	4,925.94	3,958.81	4,553.12	3,499.46	3,408.38
(viii) Adjusted weighted average number of equity shares for basic EPS per equity shares	82,316,294	79,108,316	79,847,626	78,254,282	78,073,375
(ix) Adjusted weighted average number of equity shares for diluted EPS per equity share	82,316,294	79,108,316	79,847,626	78,254,282	78,073,375
(x) Adjusted Number of equity shares outstanding at end of the year	84,346,020	80,315,973	82,282,330	78,575,245	78,157,790
Adjusted accounting ratios*					
(xi) Adjusted basic earnings/ (loss) per equity share (in ₹) (xi= iv/viii) **	3.71	0.57	6.53	0.38	(2.01)
(xii) Adjusted diluted earnings/ (loss) per equity share (in ₹) (xii= iv/ix) **	3.71	0.57	6.53	0.38	(2.01)
(xiii) Adjusted Return on net worth (xiii=iv/ vii) (in %)**	6.20%	1.14%	11.45%	0.85%	(4.60)%
(xiv) Adjusted net assets value per equity share	58.40	49.29	55.34	44.54	43.61

* *Adjusted Basic EPS, adjusted Diluted EPS, adjusted Return on net worth and adjusted net assets value for the years ended March 31, 2022, March 31, 2021 and March 31,2020 are Basic EPS, Diluted EPS, Return on net worth and net assets value adjusted to give effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options) were exercised in the respective financial years from the date they were convertible/ exercisable. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and have not been derived from Restated Consolidated Financial Information.*

** *Not annualised for the six month period ended September 30, 2022 and September 30, 2021*

In accordance with the SEBI ICDR Regulations:

- the standalone audited financial statements of our Company as at and for the years ended March 31, 2022, March 31, 2021, and March 31, 2020 and the reports thereon; and

- the standalone audited financial statements of ASPL, as at and for the Fiscals ended March 31, 2022, 2021and 2020 and the reports thereon,

(collectively the "**Audited Financial Statements**") are available at https://sulavineyards.com/investor-relations.php. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the six month period ended September 30, 2022 and September 30, 2021 and Fiscals ended March 31, 2022, 2021 and 2020, see "***Restated Consolidated Financial Information - Note 36 – Disclosure in accordance with Ind AS 24 Related Party Disclosures***" on page 323. For a summary of the related party transactions for the six month period ended September 30, 2022 and September 30, 2021 and the Fiscals ended March 31, 2022, Fiscal 2021 and Fiscal 2020, see "***Summary of this Red Herring Prospectus – Summary of related party transactions***" on page 24.

FINANCIAL INDEBTEDNESS

Our Company and its Subsidiary avail loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements (excluding deferred sales tax liabilities).

The following table sets forth the details of the aggregate outstanding borrowings (excluding deferred sales tax loan) and bank guarantees of our Company and its Subsidiary as of September 30, 2022:

(₹ in million)

Category of borrowing	Sanctioned amount as on September 30, 2022	Outstanding amount as on September 30, 2022*
Term loans (A)	1,578.40	787.29
Working capital loans (B)		
- Fund based working capital loans	2,250.00	1,359.14
- Non-fund based working capital loans(1)	324.50	145.91
Bank Guarantees (C)	133.94	22.82
Total(2) (A +B+C)	**3,986.84**	**2,315.16**

***** *As certified by N B T and Co, Chartered Accountants pursuant to their certificate dated December 5, 2022.*

(1) Includes sanctioned amount of Non-fund based working capital loans as sublimit to Fund based working capital loans amounting to ₹ 300.00 million

(2) Excluding sanctioned amount of Non-fund based working capital loans as sublimit to Fund based working capital loans amounting to ₹ 300.00 million

For details in relation to financial indebtedness of our Company, see "***Restated Consolidated Financial Information***" beginning on page 264.

In relation to the Offer, our Company and its Subsidiary has obtained the necessary consents from the lenders, required under the relevant loan documentation, for undertaking activities in relation to the Offer and in connection thereto.

Principal terms of the outstanding borrowings availed by our Company and its Subsidiary:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. ***Interest:*** The interest rate for our working capital facilities typically ranges between 7.25% and 8.85% and is tied to a base rate/ MCLR as specified by the lenders with a reset option and subject to prevailing money market conditions. The interest rates for the term loan facilities typically ranges from 7.20% per annum to 9.20% per annum and is tied to a base rate/ MCLR as specified by the lenders with a reset option. The base rate/ MCLR may vary for each facility. Further, for both term loans and working capital facilities availed by us, additional interest rates have been stipulated on the occurrence of default in terms of payment of any dues or any of the terms and conditions.

2. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security by way of first hypothecation or charge on our fixed and current assets (both present and future). Further, certain of our borrowings are secured by fixed deposits, as and when required. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

3. ***Prepayment:*** We have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which is typically 2% . Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice to the lender.

4. ***Repayment:*** The repayment period for the term loans availed by our Company ranges between 3 to 5 years. We are required to repay in such instalments as per the repayment schedule stipulated in the relevant loan documentation. The working capital facilities have a validity of up to 12 months which are typically drawn-down for a period of 7 to 180 days and are repayable demand.

5. ***Key Covenants:***

   In terms of our facility agreements and sanction letters, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender's prior consent and/or intimate the respective lender before carrying out such actions, including, but not limited to the following:

a) enter into any scheme of reorganization, amalgamation, merger, reconstruction, demerger, dissolution, compromise, takeover including creation of any subsidiary or permit any company to become its subsidiary;

b) any change in the ownership or control of our Company or its Subsidiary whereby the effective beneficial ownership of our Company or its Subsidiary shall change;

c) effect any material change in the management of the business of our Company;

d) make any amendments in the Company's constitutional documents;

e) create or permit to subsist any encumbrance or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security), in any form whatsoever on any of the assets of the Company;

f) any changes in the shareholding pattern or management control of our Company or our Subsidiary;

g) effect any dilution or change in the shareholding our Promoter or members of the promoter group or any change in our Promoter resulting in change in management control;

h) effect any change in capital structure in any manner whatsoever or issue securities whether on a preferential basis or otherwise;

i) undertake any further capital expenditure except being funded by our Company's own resources;

j) undertake any change in our Company's name or trade name; and

k) implement any new scheme of expansion or taking up an allied line of business or manufacture.

6. ***Events of Default:***

In terms of our facility agreements and sanction letters, the following, among others, constitute events of default:

(a) failure and inability to pay amounts on the due date by our Company and its Subsidiary;

(b) failure in performance of any obligation, covenant, condition or agreement on the part of our Company;

(c) misrepresentation/providing incorrect or misleading information provided by our Company;

(d) cessation or change in business;

(e) change in control of our Company or of any other person who controls our Company without the approval of the lenders;

(f) the occurrence of any cross-default;

(g) occurrence of any event that may have a material adverse effect;

(h) threatened or actual liquidation, winding up, bankruptcy or insolvency etc. proceedings against our Company;

(i) material change of general nature of the business; and

(j) cessation of business

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

7. ***Consequences of occurrence of events of default:***

In terms of the facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, our lenders may:

(a) declare all parts of the loan together with accrued interest outstanding as immediately due and payable;

(b) enforce their security over the hypothecated / mortgaged assets;

(c) levy penal charges including interest or re-price the facilities;

(d) appoint whole-time directors on the Board or reconstitute the Board;

(e) substitute or restructure the management set up of our Company;

(f) conversion of debt to equity.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by us.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – We may be unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements.***" on page 53.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2022, derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Restated Consolidated Financial Information***" and "***Risk Factors***" beginning on pages 350, 264 and 30, respectively.

(in ₹ million)

Particulars	**Pre-Offer as at September 30, 2022**	**As adjusted for the proposed Offer[(1)]**
Borrowings		
Current borrowings (**I**)*	1,359.14	[●]
Non-current borrowings (including current maturity of long term debt) (**II**)*	787.29	[●]
Total Borrowings (I) + (II) = (A)*#	2,146.43	[●]
Equity		
Equity Share Capital*	163.20	[●]
Other equity*	4,328.65	[●]
Total Equity (B)	4,491.85	[●]
Capitalisation (A) + (B)	6,638.28	[●]
Non-current borrowings (including current maturity of long term debt) /equity ratio	0.18	[●]
Total borrowings/equity ratio	0.48	[●]

**These terms shall carry the meaning as per Schedule III of the Companies Act.*
 # This does not include bank guarantees of ₹ 168.73 million
(1) To be updated upon finalization of the Offer Price.

Notes:

1. *The above statement has been prepared on the basis of the restated consolidated financial information for the six month period ended September 30, 2022.*
2. *The corresponding post offer capitalisation data for each of the amount in the above table is not determinable at this stage pending the completion of book building process and hence the same have not been furnished.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Information on page 264. Unless otherwise indicated or the context otherwise requires, the financial information for the six months ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Red Herring Prospectus, which have been derived from our special purpose audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "**Restated Consolidated Financial Information**" on page 264.*

Unless the context otherwise requires, in this section, references to "we", "us", "the Group" or "our" refers to Sula Vineyards Limited on a consolidated basis and references to "the Company" or "our Company" refers to Sula Vineyards Limited on a standalone basis.

*Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "**Risk Factors — Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as Indian Generally Accepted Accounting Principles ("Indian GAAP"), International Financial Reporting Standards ("IFRS") and United States Generally Accepted Accounting Principles ("U.S. GAAP"), which may be material to investors' assessments of our financial condition, result of operations and cash flows**" on page 67.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Report On Indian Wine Retail" dated November 23, 2022 prepared and issued by Technopak Advisors Private Limited (the "**Technopak Report**"), appointed by our Company pursuant to an engagement letter dated October 22, 2021 and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. A copy of the Technopak Report is available on the website of our Company at https://sulavineyards.com/pdf/Industry-Report-Sula.pdf. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "**Risk Factors – Industry information included in this Red Herring Prospectus has been exclusively derived from an industry report commissioned and paid for by us in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate**" on page 59. Also see, "**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data**" on page 15.*

Overview

We are India's largest wine producer and seller as of March 31, 2022 (*Source: Technopak Report*). We have been a consistent market leader in the Indian wine industry in terms of sales volume and value (on the basis of the total revenue from operations) since Fiscal 2009 crossing 50 per cent. market share by value in the domestic 100 per cent. grapes wine market in Fiscal 2012 (*Source: Technopak Report*). We have consistently gained market share (on the basis of our total revenue from operations) from 33 per cent. in Fiscal 2009 in 100 per cent. grapes wine category to 52 per cent. in value in Fiscal 2022 (*Source: Technopak Report*). Furthermore, we are the market leader across all four price segments, being 'Elite' (INR 950+), 'Premium' (INR 700-950), 'Economy' (INR 400-700) and 'Popular' (<INR 400), with a higher share of approximately 61 per cent. by value in the 'Elite' and 'Premium' categories in Fiscal 2022, as compared to our overall market share of 52 per cent. in the Indian wine industry. Furthermore, we are also recognized as the market leader across wine variants, including red, white and sparkling wines (*Source: Technopak Report*). Sula Shiraz Cabernet is India's largest selling wine by value in Fiscal 2021 (*Source: Technopak Report*). Our gross billings of Sula Shiraz Cabernet amounted to ₹918.26

million, ₹475.64 million and ₹319.73 million in Fiscal 2022 and for the six months period ended September 30, 2021 and September 30, 2022, respectively.

Our business can be broadly classified under two categories (i) the production of wine, the import of wines and spirits, and the distribution of wines and spirits (the "**Wine Business**"); and (ii) the sale of services from ownership and operation of wine tourism venues, including vineyard resorts and tasting rooms (the "**Wine Tourism Business**"). However, since the Wine Tourism Business is incidental and complements the overall Wine Business, the Company's chief operating decision makers (which includes our CEO, CFO, COO and members of the board) monitor and review the operating result of the Group as a single operating segment of manufacture, purchase and sale of alcoholic wines and spirits.

We distribute wines under a bouquet of popular brands. In addition to the flagship brand "Sula," popular brands include "RASA," "Dindori", "The source," "Satori", "Madera" & "Dia" with its flagship brand "Sula" being the "category creator" of wine in India (*Source: Technopak Report*). Currently, we produce 56 different labels of wine at four owned and two leased production facilities located in the Indian states of Maharashtra and Karnataka. Furthermore, we are among the top ten most followed vineyards in the world, with a large following on social media of approximately 118,000 followers on Instagram, approximately 123,000 likes on Facebook and approximately 14,000 followers on Twitter as on September 30, 2022 (*Source: Technopak Report*).

India is one of the fastest growing alcoholic beverage markets in the world, growing from a small base of 1.3 litres per capita of recorded consumption in 2005 to 2.7 litres in 2010 (*Source: Technopak Report*). However, the per capita consumption of wine in India is less than 100 ml, with the contribution of wine to overall alcohol consumption being less than 1 per cent., compared to the world average of close to 13 per cent. In addition to the growth in per capita alcohol consumption, positive demographic factors, including the addition of more than ten million people each year to the population of eligible alcohol consumers, makes India one of the most attractive markets for alcoholic beverages. As India's largest wine producer, we aim to harness our market leadership position for future growth opportunities in the Indian wine market with our wide range of offerings for consumers across various price points *(Source: Technopak Report)*. Our consumer proposition focuses on offering our consumers extensive varieties of wine at varying price points, with 56 labels to choose from a portfolio of 13 distinct brands as of September 30, 2022. Furthermore, our wines are available at various price points between ₹250 to ₹1,895 per 750 ml bottle in Maharashtra, making them accessible for consumers with different budgets appealing to mass markets as well as having a premium product strategy. In particular, our wines are classified under four broad categories, namely the 'Elite' category with 21 labels, followed by the 'Premium' category with 13 labels, and the 'Economy' category with 13 labels, and the 'Popular' category offering 9 labels. Our wines have been segment leaders under each of these four categories in the last six years from Fiscal 2017 to Fiscal 2022 (*Source: Technopak Report*). We also regularly introduce new products, with seven labels launched in the last five Fiscals.

We serviced close to 8,000 hotels, restaurants and caterers, which makes us the leader in terms of footprint among wine players in India *(Source: Technopak Report)*, and experienced a significant rise in our Off-trade sales in the last 3 years with our Off-trade sales contributing 72.25 per cent. of our secondary sales during Fiscal 2022, compared to 61.33 per cent. in Fiscal 2020. During the six months period ended September 30, 2022 and September 30, 2021, the contribution from our Off-trade sales was 70.75 per cent. and 72.95 per cent. of our secondary sales, respectively. We have tie-ups with distributors in Maharashtra, Haryana, Delhi, Goa and Punjab. To that end, we have managed to build the largest distribution network among wine companies in India, with close to 13,000 retail touchpoints across the country in 2021 *(Source: Technopak Report)*. We also have a strong direct to consumer ("**D2C**") selling channel primarily through our Wine Tourism Business facilities in Nashik (Maharashtra) and Bengaluru (Karnataka), with the highest number of D2C sales in the Indian wine industry in Fiscal 2021 (*Source: Technopak Report*). Our D2C sales were ₹157.53 million, ₹72.81 million and ₹242.01 million during the six months period ended September 30, 2022 and September 30, 2021, and the Financial Year ended March 31, 2022, respectively. Our products are available over various e-commerce platforms, which is helping us further increase our D2C footprint.

Wine market in India will remain concentrated with high barriers to entry due to the nature of the product in addition to the trade barriers prevalent in the alcoholic beverage market (*Source: Technopak Report*). We had entered into long-term supply arrangements (of up to 12 years) with grape growers for approximately 2,290 acres as of September 30, 2022.

We are the pioneers of wine tourism in India with many firsts to our credit, such as the first wine tasting room in India, the first vineyard resort, the first wine music festival and the first winery tours at our facility in Nashik, Maharashtra (*Source: Technopak Report*). As part of our Wine Tourism Business, we own and operate two vineyard resorts located at and adjacent to our winery in Nashik, Maharashtra, under "*The Source at Sula*" and "*Beyond by Sula*" brand names, having room capacities of 57 and 10 rooms as of September 30, 2022, respectively. We launched the first wine tasting room in India in Fiscal 2005 at our winery in Nashik, Maharashtra *(Source: Technopak Report)* followed by a wine tasting room at our "Domaine Sula" facility in Karnataka in Fiscal 2017. Our Wine Tourism Business has been successful with our resorts, recording an approximate revenue per room of ₹9,044, ₹10,367, ₹10,225 and ₹10,195 and an occupancy rate of 43.66 per cent., 70.97 per cent., 55.69 per cent. and 77.37 per cent. for the Financial Years ended March 31, 2021, 2022, and the six months period ended September 30, 2021 and September 30, 2022, respectively.

We are the most visited vineyard in India, with approximately 368,000 people visiting our vineyards in Fiscal 2020 (*Source: Technopak Report*). We launched the first wine-themed music festival in India, "SulaFest", at our Nashik facility in 2008. "SulaFest" has been widely recognized as the largest wine music festival in India and one of the largest wine music festivals in Asia, based on attendance *(Source: Technopak Report)*.

We are committed to growing sustainably and having a positive impact on the environment and communities of the regions in which we operate, and we believe that our environmental, social and governance initiatives have led to a reduction of our carbon footprint. For example, with more than 2MW of installed solar PV capacity, we generated more than 3 million kWH from solar energy at our owned and leased facilities in Fiscal 2022. Furthermore, we have rainwater harvesting reservoirs at all our facilities, with a combined storage capacity of 36.83 million liters, and we have also reduced our water usage per case produced by more than 11 per cent. in the last three fiscals. We have also been certified as a "Great Place to Work" by Great Place to Work Institute, India in 2021. For further details on our environmental, social and governance initiatives, *see "**Our Business – Environmental, Social And Governance Initiatives**"* on page 224.

We have also been awarded a number of industry awards, including five silvers and four bronze at the 'Decanter World Wine Awards, 2022', and three silvers and eight bronze at the 'Decanter World Wine Awards 2020'. We also received four golds and six silvers at the 'India Wine Awards 2019', with our The Source Grenache Rosé receiving the 'Best in Show' wine award. Furthermore, our wine, Sula Sparkling Brut Tropicale recently won a gold medal at the 'International Wine Challenge 2022' and our Rasa Cabernet Sauvignon won a silver at 'The Global Cabernet Sauvignon Masters 2022' (*Source: Technopak Report*).

We were one of the fastest growing alcoholic beverage companies in India as of March 31, 2021, with a CAGR of 13.3 per cent. between Fiscals 2011 and 2022 (*Source: Technopak Report*). We have emerged stronger in the aftermath of the COVID-19 pandemic, gaining additional market share and accelerating our profitability. In Fiscal 2022, our revenue from operations was ₹4,539.16 million with a net sales margin[3] of 69.83 per cent., and profit after tax of ₹521.39 million in the same period. For the six months period ended September 30, 2022 and September 30, 2021, our revenue from operations was ₹2,240.68 million and ₹1,591.50 million, with a net sales margin[1] of 74.32 per cent. and 70.39 per cent., and profit/(loss) after tax of ₹305.06 million and ₹45.31 million in the same periods, respectively. Our consolidated EBITDAE increased from ₹645.12 million in Fiscal 2021 to ₹1,160.71 million in Fiscal 2022 and was ₹643.06 million during the six months ended September 30, 2022 as compared to ₹300.55 million during the six months ended September 30, 2021. Our EBITDAE margin[4] has improved year-on-year from 9.68 per cent. in Fiscal 2020 to 15.44 per cent. in Fiscal 2021, 25.57 per cent. in Fiscal 2022 and 28.70 per cent. for the six months ended September 30, 2022 as compared to 18.88 per cent. for the six months ended September 30, 2021.

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. Notwithstanding COVID-19, we faced limited disruptions in our production operations and despatches. While our sales to on-premise consumption venues, such as hotels, bars, restaurants and caterers ("**On-trade**"), were impacted by the COVID-19 pandemic, our retail sales for off-premise consumption via supermarkets and licenced wine shops ("**Off-trade**") grew significantly due to higher consumption in India. Our dedicated efforts to improve operational efficiencies resulted in a 27.76 per cent. increase in our consolidated EBITDAE from ₹504.93 million in Fiscal 2020 to ₹645.12 million in Fiscal 2021.

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3 *Net sales margin is calculated basis revenue from operation less (a) excise duty, (b) cost of materials consumed; (c) purchase of stock-in-trade; (d) changes in inventories of finished goods, work-in-progress and stock-in-trade; (e) restaurant expenses; and (e) resort maintenance expenses, divided by revenue from operations less excise duty.*

4 *EBITDAE Margin % is calculated as EBITDAE Margin divided by revenue from operations.*

Significant Factors Affecting our Results of Operations and Financial Condition

Regulatory landscape and policies

Our financial performance can be affected either positively or negatively, by changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. Please see "***Key Regulations and Policies***" on page 225. The regulatory and policy environment in which we operate is evolving and subject to change. Currently, with the exception of the states of Bihar, Gujarat, Mizoram and Nagaland, the manufacture, sale and consumption of alcoholic beverages is permitted in all other states and union territories in India. Prohibition in any state in which we currently operate, or an increasing number of states prohibiting the consumption and sale of alcoholic beverages, would have a material adverse effect on our business and financial prospects.

Currently, alcohol for human consumption, or potable alcohol, is out of the ambit of the (central) Goods and Services Tax (which imposes an umbrella tax regime across all Indian states), and the Indian states are free to levy taxes on them. Accordingly, each state in India has its respective wine policy, pursuant to which it determines the levy of excise duty on the wine produced, sold or transported within the state. As a result, we are subject to the payment of excise duty to the Department of Excise, of the respective states wherein we operate. For example, we are subject to excise duty on the production of wines, duty on the sale and purchase of wines, label registration fees and other form of taxes in Maharashtra. There may be an increase in the rate of excise duty presently levied in the states in which we operate. Moreover, the wine industry is subject to different taxes in each state and such taxes could be increased either directly or indirectly through levies on industry participants by any Indian state.

*Please also see "**Risk Factors — Our industry is subject to a licensing and excise regime with changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws**" on page 30.*

The pricing of our products varies across the different Indian states. Each Indian state has its own formula to determine the price for alcoholic products. In addition, certain Indian states operate price-controlled markets, meaning that we may only adjust the retail prices of our products with approval from the state governments (including the respective excise departments), including in Karnataka, Delhi, Telangana, Tamil Nadu, Odisha, Andhra Pradesh and Kerala. *Please also see "**Risk Factors — We may not be able to adjust the retail prices of our products as a result of state regulation**" on page 34.*

In addition to taxes and pricing-related regulations, laws affecting our ability to advertise our products have a significant effect on our business. Advertising alcoholic beverage products in the media is restricted in India under the Cable Television Networks (Regulation) Amendment Act, 2002 and the Cable Television Network (Amendment) Rules, 2009. The alcoholic beverage industry has historically been the focus of social and political attention in India as a result of public concern over problems relating to alcohol abuse, including health consequences, drinking by persons under the legal age and driving while under the influence of alcohol. As a result, we are unable to advertise our products by traditional means. Instead, we rely on social media, word-of-mouth and other means of advertising such as organizing the Sula fest. These advertising activities are less effective than traditional forms of direct advertising through the mass media. In addition, limitation on the forms in which we are able to advertise and high-profile product launches could increase our advertising costs. Moreover, the inability to launch national advertising campaigns is detrimental to the development of any business in the spirits industry, including ours.

We are also subject to extensive state and local regulation relating to the production, distribution and sale of consumable food items, and specifically alcoholic beverages, including by the Food and Drugs Authority under Food Safety and Standard Act, 2006. Please see "***Key Regulations and Policies***" *on* page 225. These and other regulatory agencies impose various product safety, labelling and other requirements on our operations and sales. We are also subject to regulatory compliance requirements in all states in which we sell our wines. Any governmental litigation, fines or restrictions on our operations resulting from the enforcement of these existing regulations or any new legislation or regulations could have a material adverse effect on our business, results of operations and financial results. The penalties associated with any violations or infractions may vary in severity, and could result in a significant impediment to our business operations, and could cause us to have to suspend sales of our wines in a jurisdiction for a period of time. For further information, see "***Risk Factors — Our industry is subject to a licensing and excise regime with changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws***" on page 30.

We benefit from high import duties imposed on imports of international wines in India. Currently, the import of wine and spirits in India attracts an import duty at the rate of 150 per cent. of the value of the wine being imported. Given the high cost of import, the wine market in India has limited international entrants. While we import certain international wines and spirits, our wide product offering under our Own Brands are the preferred option for most of our consumers. However, if the Government reduces the import duty on wine in India, we may face increased competition from international labels by our competitors or other distributors, which may have higher appeal to consumers in terms of variety and pricing. For instance, on April 2, 2022 India entered into an interim Australia–India Economic Cooperation and Trade Agreement with Australia which when in force, will offer a phased reduction of import duty over a period of 10 years on certain Australian wines imported to India.

Relationship with our key customers which includes wholesalers, distributors and/or state corporations

Historically, our revenue from our top five customers, being wholesalers, distributors and/or state-run corporations, has been significant. For the six months period ended September 30, 2022 and September 30, 2021, and Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, our revenue from our top five customers was ₹793.90 million, ₹657.20 million, ₹1,690.76 million, ₹1,494.43 million and ₹1,685.19 million, respectively, which represented 35.43 per cent., 41.29 per cent., 37.25 per cent., 35.76 per cent., and 32.31 per cent. respectively of our revenue from operations for the same periods. In northern India, the sales of manufactured goods to BrindCo Sales Private Limited accounted for approximately 5.52 per cent., 6.19 per cent., 5.96 per cent., 2.23 per cent. and 1.53 per cent. of our revenue from sales of products for the six months period ended September 30, 2022 and September 30, 2021, and Fiscals 2022, 2021 and 2020, respectively. As on the date of this Red Herring Prospectus, our agreement with BrindCo for Haryana is in the process of being renewed. In Delhi, the government withdrew the Delhi Excise Policy of 2021-22 and temporarily restored the old excise policy with effect from July 31, 2022, wherein our manufactured goods are required to be sold through government vendors in Delhi. Accordingly, we have not renewed our agreement with BrindCo for Delhi.

Going forward, we expect the significance of our top customers to remain high. A change in our relationship with any of our significant customers could impact our business and reduce our sales. For further information, see "***Risk Factors – Our revenue from operations is dependent upon a limited number of customers (which includes state run corporations, wholesalers and independent distributors). Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition. Furthermore, we compete for shelf space in retail stores and for marketing focus by our distributors, most of whom carry extensive product portfolios.***" on page 36.

The impact of climatic conditions on our key raw materials (including grapes) and the availability of our key raw materials

Changes in climate, including unseasonal rain, changing monsoon conditions and the drastic and sudden peaks of temperatures within the same season that have characterized the last few years in India, can significantly damage harvests and affect the cultivation of wine grapes, which are our key raw material. The unavailability of raw materials can also be caused by other conditions, such as increased demand from competitors or otherwise (aside from the wine grapes which we contracted directly with farmers for the contracted time period), price fluctuations, pandemics, seasonality, inflation, governmental regulations and policies, transportation costs and general economic and political conditions, all of which are beyond our control. In terms of key raw materials, we have long-term agreements with farmers for the supply of wine grapes for a period of up to 12 years. Such long-term supply arrangements cover more than 90 per cent. of our annual supply of wine grapes, and we intend to continue expand our wine grape supply via long term contracts with third-party farmers.

Our revenue is primarily a function of the volume of wines produced and sold by our wineries. Our results of operations are materially influenced by the degree to which we operate our wine manufacturing facilities in order to achieve maximum production volumes in an efficient and cost-effective manner. Our contracted wine grape vineyards are geographically situated across the states of Maharashtra and Karnataka in India. We regularly monitor the performance of our wine manufacturing facilities through a number of performance indicators commonly used in the Indian wine industry. For further information on our capacity utilisation, see "***Our Business – Capacity utilisation***" on page 218. For details of our sustainability initiatives, see "***Our Business – Strengths – Early adoption and focus on sustainability***" on page 201.

The seasonality of the wine industry and wine tourism business

The wine industry in India is characterized by seasonal demands for its products. Historically, demand has tended to be the highest during the months of November through January. Given that harvesting typically takes place between December to March each year, any disruption during this period may adversely affect our business prospects, results of operations and financial condition for the applicable period. This results in high year-end inventory though on an annualized basis, the average inventory is lower. Accordingly, we must plan our annual production levels based on our predictions of demand, including a build-up of inventory prior to peak sales periods. We make these predictions from our own market assessments as well as sales targets provided by our consumers. For further information, see "***Risk Factors – The seasonality of the wine industry requires us to predict demand and build up inventory accordingly, and we may be unable to accurately manage inventory and forecast demand for particular products in specific markets***" on page 43.

The hotel and hospitality industry in India is subject to seasonal variations. Seasonality, particularly in terms of summer and winter variations, can be expected to cause quarterly fluctuations in our revenues. Further, the hospitality industry is cyclical, and demand generally follows key macroeconomic indicators. For further information, see "***Risk Factors – Our Wine Tourism Business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows***" on page 44.

Working capital and inventory management

The wine business has a high inventory business model compared to other alcoholic beverages, and one of the unique attributes on the supply side is the annual harvesting season, which increases the demanding nature of the wine making business. Unlike other alcoholic beverages, the wine industry has only one raw material production cycle in a year, which is usually from December to March. Wine production starts with the harvesting season in December and continues until April. Wine storage and ageing happens throughout the year. Due to only one harvesting season per year, inventory for the full year is effectively built up in these four months, resulting in high year-end inventory. In addition, the demand side factors, including high seasonality skewed towards the festive season from October onwards, increases capital expenditure and working capital requirements for wine companies compared to other alcoholic beverage companies. Accordingly, our days inventory outstanding during Fiscals 2022, 2021 and 2020 were 449 days, 358 days and 252 days, respectively. Calculations of our days inventory outstanding for Fiscals 2021 and 2020 also took into account the inventory and cost of goods sold of our erstwhile subsidiary, PADPL. For details on the calculation of our days inventory outstanding, see "***Our Business – Gross Margin***" on page 209.

Strong competition within the wine industry

Our brand and reputation are among our most important assets, which attract consumers to our products over those of our competitors. We produce and distribute wines under various brands including "Sula", "RASA", "Dindori", "The Source", "Satori", "Mosiac", "Madera", "Samara", "York" and "Dia", with "Sula" being our flagship brand. Enhancing our Own Brands is a key component of our business strategy to respond to the changing consumer landscape. We may also face competition with other established domestic and imported brands in the new markets we intend to enter. Consumers in existing or new markets may be unfamiliar with our brand and products, and we may need to build or increase brand awareness by increasing investments in digital media and promotional activities.

COVID-19 and its continuing impact

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Red Herring Prospectus, it is still ongoing and rapidly evolving. Border controls, travel restrictions and quarantine measures were imposed by various countries, including the GoI in an attempt to contain the spread of the COVID-19 outbreak. Such restrictions impacted our operations and ability to sell our products and offer our services within India and abroad. China was the first country in the world to impose a lockdown in Wuhan and other cities in the last quarter of Fiscal 2020 and subsequently, in the first quarter of Fiscal 2021, there was a nationwide lockdown in India which resulted in a decrease in sales of our products.

Due to the COVID-19 pandemic and other factors, our revenue from operations decreased by 19.88 per cent. from ₹5,216.34 million in Fiscal 2020 to ₹4,179.59 million in Fiscal 2021. For details please refer to "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations***" on page 372 below. Our Wine Tourism Business was significantly impacted during the first two quarters of Fiscal 2021 and the first quarter of Fiscal 2022. As more countries are easing their COVID-19 restrictions, our revenue from Wine Tourism Business improved by 90.88 per cent. from ₹181.38 million in

Fiscal 2021 to ₹346.21 million in Fiscal 2022 and ₹198.00 million for the six months ended September 30, 2022. While COVID-19 pandemic has affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our consumers and our suppliers at this time.
Please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditors' Observations*" below for the emphasis of matter in respect of COVID-19 included by our Statutory Auditors in their report on our financial statements for Fiscals ended March 31, 2021 and March 31, 2020.

Strategic acquisitions

In addition to organic growth, we have acquired various businesses in the past three years and may do so again to provide us access to new geographies or expand our product line. For example, we acquired the brand and assets of the York Winery in Fiscal 2022 for a total purchase consideration of ₹171.65 million, although we are yet to realize the full performance potential of the "York" brand within our portfolio given that this is a recent acquisition during the COVID-19 period. Please see "***History and Certain Corporate Matters***" on page 234.

We may further acquire or make investments in similar or related businesses or enter into strategic partnerships. The timely execution of such a transaction, which involves timely receipt of all requisite permits, licenses or approvals, is critical to the success of an acquisition. Government authorities could also delay or block certain acquisitions on antitrust grounds. We may also experience difficulties in integrating acquisitions into our existing business and operations. Any such strategic acquisitions may require that our management develop expertise in new areas, manage new business relationships and attract new types of consumers.

Presentation of Financial Information

Our Restated Consolidated Financial Information have been compiled from our audited consolidated financial statements as at and for the six months period ended September 30, 2022 and September 30, 2021, and the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with the IAS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by our Board of Directors at their meetings held on November 23, 2022, November 23, 2022, May 19, 2022, July 15, 2021 and September 18, 2020, respectively.

Summary of Significant Accounting Policies

The estimates used in the preparation of the Restated Consolidated Financial Information are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the Restated Consolidated Summary Statement are as follows

(i) Statement of Compliance and Basis of Preparation

The Restated Consolidated Financial Information comprise of the Restated Consolidated Statement of Asset and Liabilities as at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity for the periods/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 and the Summary Statement of Significant Accounting Policies and other explanatory information (hereinafter referred to as "**Restated Consolidated Financial Information**").

The Restated Consolidated Financial Information has been approved by the Board of Directors of Sula Vineyards Limited at their meeting held on November 23, 2022 and has been specifically prepared for inclusion in the red herring prospectus and prospectus to be filed by Sula Vineyards Limited with the Securities and Exchange Board of India ("**SEBI**") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure requirements), Regulation 2018, as amended (the "**ICDR Regulations**"), and with the Registrar of Companies, Maharashtra at Mumbai, BSE Limited and National Stock Exchange of India Limited in connection with the proposed Initial Public Offer of equity shares ("**IPO**") of Sula Vineyards Limited (referred to as the "**Issue**"). The Restated Consolidated Financial Information has been prepared by the management of Sula Vineyards Limited to comply in all material respects with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**") as amended from time to time;
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date ("**SEBI ICDR Regulations**"); and
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

The Restated Consolidated Financial Information has been compiled by the management from audited consolidated financial statements of the Group as at and for the periods/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") as specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 23 November 2022, 19 May 2022, 15 July 2021 and 18 September 2020, respectively.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of consolidated financial statements for the period ended 30 September 2022. This Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the consolidated financial statements as at and for the periods/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020 as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

(a) adjustments to the profits or losses of the earlier periods/years and of the period/year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods/years would have been if a uniform accounting policy was followed in each of these periods/years, if any;
(b) adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the consolidated financial statements of the Group for the period ended 30 September 2022 and the requirements of the SEBI ICDR Regulations, if any; and
(c) the resultant impact of tax due to the aforesaid adjustments, if any.

All amounts included in the Restated Consolidated Financial Information are reported in Indian Rupees (₹), which is also the Group's functional currency, and all the values are reported in ₹ million (INR 000,000), except otherwise indicated.

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

(ii) Principles of Consolidation

The Restated Consolidated Financial Information 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 period / year are included in the Restated 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 Company and its subsidiaries line by line by adding together like items of assets, liabilities, contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized 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 Restated Consolidated Financial Information have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

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

(d) The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognized in the Restated Consolidated Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognized at its fair value with the corresponding effect recognized in the Restated Consolidated 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.

(e) The Restated Consolidated Financial Information has been 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 Restated Consolidated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

(f) Notes to the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information.

(g) Following subsidiary companies have been considered in the preparation of the Restated Consolidated Financial Information.

Name of the entities	Country of incorporation	Ownership interest held by the group as at					Ownership interest held by non-controlling interests as at					Principal business activity
		September 30, 2022	September 30, 2021	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	September 30, 2021	March 31, 2022	March 31, 2021	March 31, 2020	
Artisan Spirits Private Limited	India	100%	100%	100%	100%	100%				-	-	Business of manufacturing of wines and Trading of alcoholic beverages
Progressive Alcobev Distributors Private Limited	India	-	-	-	51%	51%	-	-	-	49%	49%	Business of Trading of wines and spirits
Sula International Limited*	United Kingdom	-	100%	100%	100%	-	-	-	-	-	-	Business of Trading of alcoholic beverages

***** *Sula International Limited, a wholly owned subsidiary has been struck off with effect from April 19, 2022.*

(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 realization 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 realized in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized 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 Restated Consolidated Financial Information, 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 and the results of operation. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined. Estimates and underlying assumptions are reviewed on ongoing basis.

(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 Restated Consolidated Financial Information 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 Restated Consolidated Financial Information.

Critical estimates and judgements

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

Estimates

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

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

The Group management has also taken into account the possible impacts of known events, up to the date of the approval of this Restated Consolidated Financial Information, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 30 September 2022. The Group management does not foresee any significant impact of the of COVID-19 pandemic but will continue to closely monitor any potential impact given the uncertainties associated with its nature and duration.

(b) Useful lives of various assets

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

(c) Current Income Taxes

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

(d) Provision and Contingencies

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

(e) Accounting for defined benefit plans

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

(f) Impairment of financial/ non-financial assets

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

(vi) Fair Value Measurement

The Group measures financial instruments, at fair value at each balance sheet date. (Refer note 35).
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information 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 recognized in the Restated Consolidated Financial Information 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, either on disposal or when retired from active use and the resultant gain or loss are recognized 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 recognized separately from Goodwill are initially recognized 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 amortization 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 amortization 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 recognized 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 recognized in Statement of Profit and Loss as incurred.

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

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

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable

The appropriate level of management must be committed to sell the asset or disposal group expected within one year from the date of classification. Non-current assets or disposal group (along with associated assets and liabilities) classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. Once classified as held for sale, the assets are no longer amortized or depreciated.

(xii) Depreciation and Amortization

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^
Motor 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^

Notes:
^ 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.

Amortization on Intangible Assets

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

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

(xiii) Financial Instruments

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

(a) Financial Assets

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized 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 recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent Measurement

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

- **Financial Assets at Amortized Cost**

Financial assets are subsequently measured at amortized 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 recognized in the Statement of Profit and Loss.

- **Financial Assets Measured at Fair Value**

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

Financial asset not measured at amortized 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 recognizes 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 recognizing 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) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

(v) De-recognition of Financial Assets

The Group de-recognizes 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 recognize the financial asset and also recognizes 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.

(i) 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.

(ii) *Financial Liabilities*

- **Initial Recognition**

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

- **Subsequent Measurement**

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

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

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

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

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

- **De-recognition of Financial Liabilities**

Financial liabilities are de-recognized 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 recognized 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 recognized in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the profit or loss and is included in the 'Other income/ expenses' line item. Amounts previously recognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(xiv) Employee Benefits

(i) 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.

(ii) 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 recognized 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 recognized in the Statement of Profit and Loss in the period/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.

(iii) 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 recognized in the Statement of Profit and Loss in the period in which they occur.

(iv) Short-term benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognized 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 recognized 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 realizable value. The comparison of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(xvi) Cash and Cash Equivalents

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

(xvii) Segment Reporting

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

(xviii) Foreign currency transactions and balances

(a) Initial Recognition

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

(b) Conversion

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

(c) Treatment of Exchange Difference

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

(xix) Revenue Recognition

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

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

(a) Revenue from sale of products

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

(b) Revenue from services

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

(c) Interest Income

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

(d) Dividend Income

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

(e) Other Income

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

(xx) Government Grants

Grants and subsidies from the Government are recognized 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 recognized in the Statement of Profit and Loss in the year in which they become receivable. Where the grant or subsidy relates to an asset, it is presented in the balance sheet by setting up the grant as deferred income which is recognized 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 recognized initially at fair value and subsequently measured at amortized 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, the payments are received on lump-sum basis instead of an invoice-by-invoice settlement. Accordingly, the collections/ realizations from corporation trade receivables are accounted against the earliest outstanding invoice.

(xxii) Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized 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 recognized as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognized in equity or in OCI.

(a) Current Income Tax

Current income tax is recognized 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 recognized 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 recognized in the period that includes the enactment date. Deferred tax assets are only recognized 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 realization.

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

(xxv) Leases

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

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

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

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

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

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

(xxvi) Business Combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired business are included in the balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognized 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 reporting period, 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 recognized in the previous years If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

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

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized 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 recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

(xxviii) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized 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 recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

The Group recognizes 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 recognized 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/year attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period/year. The weighted average number of equity shares outstanding during the period/year and for all periods/years presented is adjusted for events, such as bonus shares, share split, etc. 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/year attributable to the equity shareholders of the Holding 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 amortization and Exception item (EBIDTAE)

Earnings Before Interest, Tax, Depreciation and amortization and Exceptional Item (EBIDTAE) 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/year, the nature and amount of such material items are disclosed separately as exceptional items.

Principal Components of Income and Expenditure

Income

Our total income comprise (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprise of:

(i) revenue from sale of goods, which primarily includes sale of wine manufactured in India, and sale of wines and other alcoholic beverages imported into and sold in India;
(ii) sale of services at our Wine Tourism Business facilities; and
(iii) other operating revenue includes wine industry promotion subsidies ("**Government Grants**") provided by the State Government of Maharashtra.

Other Income

Other income includes (i) interest received on financial assets carried at amortized cost; (ii) interest accrued on bank deposits; (iii) gain on termination of lease agreements; (iv) exchange gain; and (v) other miscellaneous income.

Expenses

Our expenses comprise (i) cost of materials and services consumed, primarily relating to cost of raw materials used in relation to the sale of wine manufactured in India, and sale of wines and other alcoholic beverages imported into and sold in India; (ii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iii) employee benefits expense; (iv) finance costs; (v) depreciation, amortization and impairment expenses; (vi) selling and distribution expenses; (vi) excise duty on sales; and (vii) other expenses.

Cost of goods sold

Cost of goods sold consists of (i) cost of raw material and packing material used in the manufacture of wine in India; (ii) the purchase cost of ready (bulk) wine; (iii) cost of stock-in-trade sold during the year; and (iv) changes in inventory of finished goods and work-in-progress.

Employee Benefits Expense

Employee benefits expense primarily comprises salaries and incentives, gratuity expenses, director's remuneration, share-based payment expenses, contribution to provident and other funds and staff welfare expenses.

Finance Costs

Finance cost refers to (i) interest expense on borrowings and lease liabilities; and (ii) other borrowing costs. This excludes capitalized costs during the period/ year.

Depreciation, amortization and impairment expense

Depreciation, amortization and impairment expense comprise (i) depreciation on property, plant and equipment; (ii) depreciation on right of use assets; and (iii) amortization and impairment of intangible assets.

Selling, distribution and marketing expense

Selling, distribution and marketing expense comprise of sales promotion and marketing related expenses incurred in various markets, including cost of promoting sales in state-corporation run markets, commission and fees paid to intermediaries for the sales promotion activities, distribution of promotional goods and various marketing events and advertisement done for promotion of our Wine Tourism Business.

Excise duty on sales

Excise duty on sales comprise (i) state levied duties on the manufacture of wine; and (ii) import and export duties applicable on inter-state movements of wine for wine manufactured in one state and sold in another.

Other expenses

Other expenses primary comprises (i) freight and warehousing costs; (ii) power and fuel costs; (iii) professional fees; and (iv) impairment losses or loss on the sale of fixed assets.

Results of Operations

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the six months ended September 30, 2022, September 30, 2021 and Fiscals 2022, 2021 and 2020:

Particulars					**Fiscal**					
	Six months ended September 30, 2022		**Six months ended September 30, 2021**		**2022**		**2021**		**2020**	
	(₹ In million)	*(% of total income)*	*(₹ In million)*	*(% of total income)*	*(₹ In million)*	*(% of total income)*	*(₹ In million)*	*(% of total income)*	*(₹ In million)*	*(% of total income)*
Income										
Revenue from operations	2,240.68	99.25	1,591.50	99.18	4,539.16	99.39	4,179.59	99.16	5,216.34	99.70
Other income	16.91	0.75	13.10	0.82	27.84	0.61	35.53	0.84	15.60	0.30
Total Income	2,257.59	100.00	1,604.60	100.00	4,567.00	100.00	4,215.12	100.00	5,231.94	100.00

Particulars					**Fiscal**					
	Six months ended September 30, 2022		**Six months ended September 30, 2021**		**2022**		**2021**		**2020**	
	(₹ In million)	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*
Expenses										
Cost of materials consumed...............	205.95	9.19	212.90	13.38	1,114.18	24.55	669.12	16.01	1,092.81	20.95
Purchase of stock-in-trade	116.97	5.22	71.68	4.50	204.30	4.50	752.01	17.99	1,325.24	25.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade ...	164.59	7.35	118.58	7.45	(147.00)	(3.24)	153.69	3.68	(143.17)	(2.74)
Excise duty on sales	117.75	5.26	119.38	7.50	295.04	6.50	320.19	7.66	363.93	6.98
Employee benefits expense..................	370.96	16.56	302.69	19.02	653.40	14.39	554.81	13.27	657.44	12.60

Particulars					Fiscal					
	Six months ended September 30, 2022		Six months ended September 30, 2021		2022		2021		2020	
	(₹ In million)	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*	*(₹ In million)*	*(% of revenue from operations)*
Selling, distribution and marketing expense..................	245.89	10.97	160.13	10.06	445.45	9.81	466.95	11.17	524.59	10.06
Other expenses	392.42	17.51	318.69	20.02	840.92	18.53	653.23	15.63	906.34	17.38
Total expenses (i.e. operating expenses excluding finance cost, depreciation, amortization and impairment expense).................	1,614.53	72.06	1,304.05	81.94	3,406.29	75.04	3,570.00	85.42	4,727.18	90.62
EBITDAE.............	643.06	28.70	300.55	18.88	1,160.71	25.57	645.12	15.44	504.93	9.68
EBITDAE Margin		28.70		18.88		25.57		15.44		9.68
Finance costs	104.69	4.67	126.77	7.97	229.23	5.05	333.86	7.99	328.93	6.31
Depreciation, amortization and impairment expense	125.82	5.62	117.49	7.38	236.11	5.20	256.99	6.15	349.97	6.71
Restated profit/(loss) before exceptional item....	412.55	18.41	56.29	3.54	695.37	15.32	54.27	1.30	(173.97)	(3.34
Exceptional item.....	—	—	—	—	—	—	(22.41)	(0.54)	—	—
Restated profit/(loss) before tax	412.55	18.41	56.29	3.54	695.37	15.32	31.86	0.76	(173.97)	(3.34)
Tax expense/(credit)										
(i) Current tax	113.24	5.05	22.84	1.44	165.12	3.64	16.37	0.39	4.22	0.08
(ii) Deferred tax expense/(credit).....................	(5.75)	0.26	(11.86)	0.75	8.86	0.20	(14.65)	(0.35)	(18.79)	(0.36)
	107.49	4.80	10.98	0.69	173.98	3.83	1.72	0.04	(14.57)	(0.28)
Restated profit/(loss) for the period/year (A)......	305.06	13.61	45.31	2.85	521.39	11.49	30.14	0.72	(159.40)	(3.06)

Non-GAAP Measures

Earnings before Interest, Taxes, Depreciation and Amortization Expenses and Exceptional Items ("EBITDAE")/EBITDAE Margin

EBITDAE presented in this Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. Further, EBITDAE is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years/period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, EBITDAE is not a standardised term, hence a direct comparison of EBITDAE between companies may not be possible. Other companies may calculate EBITDAE differently from us, limiting its usefulness as a comparative measure. Although EBITDAE is not a measure of performance calculated in accordance with applicable accounting standards, it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

The following table defines our non-GAAP measures:

Non-GAAP measure	Definition
EBIT	Restated profit/(loss) for the year/period plus tax expense and finance costs less other income
EBITDAE	EBIT plus depreciation, amortization expenses, and exceptional items
EBIT Margin	EBIT divided by revenue from operations
EBITDAE Margin	EBITDAE divided by revenue from operations
PBT Margin	Restated profit/loss) before tax divided by revenue from operations
PAT Margin	Restated profit/(loss) for the year/period divided by revenue from operations

PADPL standalone income and EBITDA

Particulars		Formula	Fiscal	
			2021	2020
			(in ₹ million, unless otherwise stated)	
Revenue from Operations	**A**		605.30	1034.31
Restated Profit/(Loss) For the Year/Period	**B**		0.51	(5.27)
Tax expense	C		0.27	0.06
Restated Profit/(Loss) before tax	**D**	**(D = B + C)**	0.78	(5.21)
Finance costs..	E		6.81	11.21
EBIT..	**F**	**(F = D + E)**	7.59	6.00
Depreciation and amortization expense	G		1.52	1.98
EBITDAE	**H**	**(H = F + G)**	9.12	7.99
PAT Margin	**I**	**(I = B / A)**	0.08%	(0.51)%
PBT Margin..	**J**	**(J = D / A)**	0.13%	(0.50)%
EBIT Margin..	**K**	**(K = F / A)**	1.25%	0.58%
EBITDAE Margin..	**L**	**(L = H / A)**	1.51%	0.77%

PADPL is a company engaged in the business of trading of beer, IMFL and other liquors. On November 14, 2018, we acquired an aggregate stake of 51 per cent. in PADPL by way of a combination of share purchase and subscription. We purchased 114,744 equity shares (forming 9.9 per cent. of PADPL's equity share capital) held by Mr. Rakshit Arora and 114,744 equity shares (forming 9.9 per cent. of PADPL's equity share capital) held by Mr. Pravin Ilango, along with a fresh allotment of 364,312 equity shares (forming 31.3 per cent. of PADPL's equity share capital) by way of subscription to PADPL's equity share capital. We paid an aggregate consideration of ₹53.44 million for such share subscription and purchase. The primary reason for this acquisition was to strengthen our market position in the alcoholic beverage industry.

On March 31, 2021, we completed the divestment of our holding of 51 per cent. in PADPL to Mr. Pravin Ilango, Mr. Rakshit Arora and Mrs. Sejal Fredericks (the "**PADPL Divestment**") for an aggregate consideration of ₹29.69 million. Accordingly, the net assets (including goodwill on acquisition) of PADPL of ₹52.10 million, were classified as held for sale, and a resultant impairment loss of ₹22.41 million was recognized by us during the Financial Year ended March 31, 2021 on account of the PADPL Divestment. Consequently, with effect from April 1, 2021, PADPL has ceased to be a subsidiary of our Company.

PADPL standalone revenue decreased by 41.3 per cent. from ₹1,035.62 million in Fiscal 2020 to ₹607.88 million in Fiscal 2021, while its standalone EBITDA increased by 14.2 per cent. from ₹7.99 million in Fiscal 2020 to ₹9.12 million in Fiscal 2021. PADPL revenue (net of inter-company eliminations) accounted for 14.42 per cent. and 19.79 per cent. of our consolidated total income in Fiscals 2021 and 2020, respectively. PADPL's EBITDAE on a standalone basis accounted for 1.41 per cent. and 1.58 per cent. of our consolidated EBITDAE in Fiscals 2021 and 2020, respectively. In light of the PADPL Divestment, there was no revenue from PADPL in Fiscal 2022.

Results of Operations

Six months ended September 30, 2022 compared to six months ended September 30, 2021

Income

Total income increased by 40.69 per cent. from ₹1,604.60 million for the six months ended September 30, 2021 to ₹2,257.59 million for the six months ended September 30, 2022. Apart from organic growth continuing from

Fiscal 2022, the comparatives for the periods were influenced by muted sales in April to May 2021 which was impacted by partial lockdowns and restrictions throughout India due to resurgence of COVID-19. Furthermore, we strategically kept the inventory in various corporation markets at moderate levels in the fourth quarter of Fiscal 2022, thereby generating better demand in the first quarter of Fiscal 2023.

Revenue from Operations

Revenue from operations increased by 40.79 per cent. from ₹1,591.50 million for the six months ended September 30, 2021 to ₹2,240.68 million for the six months ended September 30, 2022 primarily due to the reasons below:

(i) sales of manufactured goods under our Own Brands increased by 40.96 per cent. for the six months ended September 30, 2022 from ₹1,220.80 million for the six months ended September 30, 2021 to ₹1,720.85 million for the six months ended September 30, 2022. Apart from organic growth continuing from Fiscal 2022, the comparatives are influenced by muted sales in April to May 2021 which was impacted by partial lockdowns / restrictions throughout India due to resurgence of COVID-19. Furthermore, we strategically kept the inventory in various corporation markets at moderate levels in the fourth quarter of Fiscal 2022, thereby generating better demand in the first quarter of Fiscal 2023;

(ii) our sale of services increased by 63.80 per cent. from ₹120.88 million for the six months ended September 30, 2021 to ₹198.00 million for the six months ended September 30, 2022. Our Wine Tourism Business was affected in the first quarter of Fiscal 2022 amid the COVID-19 restrictions imposed by the Indian authorities; and

(iii) our revenue from government grant increased to ₹194.62 million for the six months ended September 30, 2022 from ₹96.24 million for the six months ended September 30, 2021 due to increase in gross billings in the state of Maharashtra from ₹733.12 million for the six months ended September 30, 2021 to ₹1,004.50 million for the six months ended September 30, 2022.

Other Income

Other income increased by 29.08 per cent. from ₹13.10 million for the six months ended September 30, 2021 to ₹16.91 million for the six months ended September 30, 2022 primarily due to increase in:

(i) interest on bank deposits by ₹1.88 million offset by decrease in rent income for six months ended September 30, 2022;

(ii) exchange gain of ₹2.50 million due to foreign exchange fluctuations; and

(iii) insurance claims by ₹0.55 million.

Expenses

For the reasons discussed below, total expenses (i.e. operating expenses excluding finance cost, depreciation, amortization and impairment expense) increased by 23.81 per cent. from ₹1,304.05 million for the six months ended September 30, 2021 to ₹1,614.53 million for the six months ended September 30, 2022.

Cost of Goods Sold

Our cost of goods sold (comprising of cost of materials consumed, purchase of stock-in-trade, changes in inventories of finished goods, stock-in-trade and work-in-progress) increased by 20.92 per cent. from ₹403.16 million for the six months ended September 30, 2021 to ₹487.51 million for the six months ended September 30, 2022 primarily due to an increase in cost of manufactured goods under Owned Brands by 29.65 per cent. from ₹309.87 million for the six months ended September 30, 2021 to ₹401.75 million for the six months ended September 30, 2022 and partially offset by decrease in cost of traded goods under Third Party Brands by 8.08 per cent. from ₹93.29 million for the six months ended September 30,2021 to ₹85.75 million for the six months ended September 30, 2022 mainly in line with the decrease in Third Party Brand revenue and due to discontinuance of non-profitable brands.

Cost of Goods Sold:	**Six months ended**	
	September 30, 2022	**September 30, 2021**
	(Rs. in million)	
Cost of Materials Consumed..	205.95	212.90

Cost of Goods Sold:	Six months ended	
	September 30, 2022	September 30, 2021
	(Rs. in million)	
Purchase of Stock-in-Trade..	116.97	71.68
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	164.59	118.58
Total Cost of Goods Sold	487.51	403.16

Excise Duty on Sales

Excise duty on sales decreased by 1.36 per cent. from ₹119.38 million for the six months ended September 30, 2021 to ₹117.75 million for the six months ended September 30, 2022 primarily due to changes in product mix and geographical mix resulted in reduction in our excise duty expense.

Employee Benefits Expense

Employee benefits expense increased by 22.55 per cent. from ₹302.69 million for the six months ended September 30, 2021 to ₹370.96 million for the six months ended September 30, 2022, primarily due to:

(i) salaries, wages and bonus expense increased by 21.32 per cent. from ₹273.31 million for the six months ended September 30, 2021 to ₹331.59 million for the six months ended September 30, 2022 due to annual increments and increase in headcount;
(ii) increase in share based payment expenses from ₹5.02 million for the six months ended September 30, 2021 to ₹9.70 million for the six months ended September 30, 2022 as we introduced an employee stock ownership plan in the second quarter of Fiscal 2022 for all of our employees; and
(iii) increase in staff welfare expenses from ₹5.70 million for the six months ended September 30, 2021 to ₹12.59 million for the six months ended September 30, 2022. This is due to higher cost of employee engagement activities as business returns to normal for the six months ended September 30, 2022 as compared to the previous quarter.

Selling, Distribution and Marketing Expense

Selling, distribution and marketing expense increased by 53.56 per cent. from ₹160.13 million for the six months ended September 30, 2021 to ₹245.89 million for the six months ended September 30, 2022 due to:

(i) sales promotion expenses for period ended September 30, 2022 is 9.95 per cent. to revenue from sale of products as compared to 8.25 per cent. for the period ended September 30, 2021. The increase in ratio due to the change in state-wise mix of sales as well as higher sales promotion expenses in corporation market;
(ii) increase in marketing expenses by 40.01 per cent. from ₹19.37 million in six months ended September 30, 2021 to ₹27.12 million in six months ended September 30, 2022 on account of increased marketing activities for hospitality business; and
(iii) increase in commission expenses by 24.50 per cent. from ₹28.77 million to ₹35.82 million in line with growth of revenue in sales of products and sales of services by 37.68 per cent. from ₹1,479.01 million in six months ended September 30,2021 to ₹2,036.24 million for six months ended September 30, 2022.

Other Expenses

Other expenses increased by 23.13 per cent. from ₹318.69 million for the six months ended September 30, 2021 to ₹392.42 million for the six months ended September 30, 2022 due to:

(i) an increase in wine processing activity for the six months ended September 30, 2022, resulting in an increase in consumption of consumables, chemicals, stores and spares from ₹24.35 million for the six months ended September 30, 2021 to ₹43.00 million for the six months ended September 30, 2022 and an increase in power and fuel expenses from ₹32.92 million for the six months ended September 30, 2021 to ₹44.84 million for the six months ended September 30, 2022;
(ii) a favorable response to our Wine Tourism Business, leading to an increase in the room occupancy rates at our resorts, which in turn led to growth in our Wine Tourism Business revenues which has resulted in

increase in our resort and restaurant maintenance expenses from ₹32.72 million for the six months ended September 30, 2021 to ₹57.67 million for the six months ended September 30, 2022;

(iii) increase in sale of products led to increase in freight and handling charges from ₹31.36 million for the six months ended September 30, 2021 to ₹40.20 million for the six months ended September 30, 2022; and

(iv) increase in travelling and conveyance expense from ₹10.25 million for the six months ended September 30, 2021 to ₹23.33 million for the six months ended September 30, 2022 due to the easing of travel restrictions imposed last year as a result of COVID-19.

Exceptional Items

There were no exceptional items recorded during this period.

Restated EBITDAE

Restated EBITDAE increase by 113.96 per cent. from ₹300.55 million for the six month ended September 2021 to ₹643.06 million for the six month ended September 2022, primarily due to:

(i) the discontinuation of sales of certain non-profitable Third Party Brands;

(ii) recovery of Indian economy from COVID-19 leading to increase in our overall revenue from sales of products. The period from April to May 2021 was impacted by partial lockdowns / restrictions throughout the country due to resurgence of COVID-19. Further, we had strategically kept the inventory in various corporation markets at moderate levels in the fourth quarter of Fiscal 2022, thereby generating better demand and in turn higher EBIDTAE in the first quarter of Fiscal 2023; and

(iii) lifting of restrictions imposed by government amid COVID-19 pandemic, leading to increase in our wine tourism revenue which in turn led to increase in EBIDTAE.

Finance Costs

Finance costs decreased by 17.42 per cent. from ₹126.77 million for the six months ended September 30, 2021 to ₹104.69 million for the six months ended September 30, 2022. We repaid our borrowings (net of proceeds) of ₹142.88 million for the six months ended September 30, 2022 leading to a decrease in our finance cost.

Depreciation, Amortization and Impairment expense

Depreciation, amortization and impairment expense increased by 7.09 per cent. from ₹117.49 million for the six months ended September 30, 2021 to ₹125.82 million for the six months ended September 30, 2022 due to an increase in depreciation and amortisation on tangible and intangible assets from ₹95.12 million for the six months ended September 2021 to ₹104.15 million for the six month ended September 2022 on account of addition done in September 2022 and addition done in fiscal 2022 post September 2021.

Tax Expense

Our tax expense increased by 878.96 per cent. from ₹10.98 million for the six months ended September 30, 2021 to ₹107.49 million for the six months ended September 30, 2022 due to an increase in profit before tax. Our profit before tax was ₹56.29 million and ₹412.55 million for the six months ended September 30, 2021 and September 30, 2022, respectively, which represents a 632.83 per cent. increase in the same period.

Restated Profit/(Loss) for the Period

Our restated profit/(loss) for the period increased by 573.19 per cent. from ₹45.31 million for the six months ended September 30, 2021 to ₹305.06 million for the six months ended September 30, 2022 primarily due to reasons mentioned above.

Fiscal 2022 compared to Fiscal 2021

Income

Total income increased by 8.35 per cent. from ₹4,215.12 million in Fiscal 2021 to ₹4,567.00 million in Fiscal 2022, primarily due to an increase in our revenue from operations, reasons which are stated below. In Fiscal 2022, we took the strategic decision to focus on sales, distribution and marketing of our Own Brands which resulted in better margins as compared to the sales of Third Party Brands. This strategy was implemented in the fourth quarter of Fiscal 2021 and first quarter of Fiscal 2022, and has resulted in better profitability for us in Fiscal 2022.

Revenue from Operations

Revenue from operations increased by 8.60 per cent. from ₹4,179.59 million in Fiscal 2021 to ₹4,539.16 million in Fiscal 2022, primarily due to the following reasons.

(a) Sales of manufactured goods under our Own Brands increased by 32.92 per cent. in Fiscal 2022 from ₹2,599.58 million in Fiscal 2021 to ₹3,455.46 million in Fiscal 2022.
(b) Increase in selling price of wine in select brands and markets.
(c) Increase in revenue due to increased focus on premiumisation. The volume share of our 'Elite' and 'Premium' wines in our Own Brands portfolio was 46.16 per cent., 46.09 per cent., 49.56 per cent., 48.98 per cent. and 48.46 per cent. for Fiscals 2020, 2021, 2022, the six months period ended 30 September 2021 and the six months period ended 30 September 2022, respectively.
(d) Our management took the strategic view to reduce the sale of non-profitable Third Party Brands resulting in a decrease in our sales of traded goods under Third Party Brands by 67.84 per cent. in Fiscal 2022. Sale of traded goods under Third Party Brands decreased from ₹1,111.24 million in Fiscal 2021 to ₹357.36 million in Fiscal 2022.
(e) Favourable response to our Wine Tourism Business leading to an increase in the room occupancy rates at our Wine Tourism Business facilities which in turn led to a growth in our Wine Tourism Business revenues in Fiscal 2022. Our sales of services increased by 90.88 per cent. from ₹181.38 million in Fiscal 2021 to ₹346.21 million in Fiscal 2022.
(f) Our revenue from other operating income (government grants) increased from ₹273.42 million in Fiscal 2021 to ₹353.45 million in Fiscal 2022, primarily due to the increase in our gross billing of manufactured goods in Maharashtra from ₹1,457.10 million in Fiscal 2021 to ₹1,941.66 million in Fiscal 2022.

Other Income

Other income decreased by 21.64 per cent. from ₹35.53 million in Fiscal 2021 to ₹27.84 million in Fiscal 2022, primarily due to (i) reduction in interest on income tax refund by ₹3.90 million; (ii) interest on others reduced by ₹1.85 million; and (iii) reduction in gain by ₹1.91 million on account of cancellation of lease agreement under Ind AS 116 due to a change in scope of lease.

Expenses

For the reasons discussed below, total expenses (i.e. operating expenses excluding finance cost, depreciation, amortization and impairment expense) decreased by 4.59 per cent. from ₹3,570.20 million in Fiscal 2021 to ₹3,406.29 million in Fiscal 2022.

Cost of Goods Sold

Our cost of goods sold (comprising of cost of materials consumed, purchase of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade) decreased by 25.61 per cent. from ₹1,574.82 million in Fiscal 2021 to ₹1,171.48 million in Fiscal 2022. Our cost of manufactured goods sold increased by 21.40 per cent. from ₹747.10 million in Fiscal 2021 to ₹907.00 million in Fiscal 2022 in line with growth in sales of manufactured goods under Owned Brands of 32.92 per cent. in Fiscal 2022. Our cost of traded goods sold decreased by 68.05 per cent. from ₹827.72 million in Fiscal 2021 to ₹264.48 million in Fiscal 2022. We also realized efficiencies of scale without increasing the overall manufacturing cost in the same proportion as the increase in revenue.

	Fiscal 2022	**Fiscal 2021**
	(Rs. in million)	
Cost of Goods Sold:		
Cost of Materials Consumed..	1,114.18	669.12
Purchase of Stock-in-Trade...	204.30	752.01
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(147.00)	153.69

	Fiscal 2022	Fiscal 2021
	(Rs. in million)	
Total Cost of Goods Sold	1,171.48	1,574.82

Excise Duty on Sales

Excise duty on sales decreased by 7.85 per cent. from ₹320.19 million in Fiscal 2021 to ₹295.04 million in Fiscal 2022 primarily due to a change in our product mix and geographical mix in Fiscal 2022 as compared to Fiscal 2021, resulting in a reduction in our excise duty expenses. The excise duty structure changed in Delhi and Telangana in Fiscal 2022 resulting in a respective reduction in excise duty. The excise duty paid by us in Delhi reduced by ₹58.20 million from ₹68.23 million in Fiscal 2021 to ₹10.03 million in Fiscal 2022, and in Telangana by ₹17.83 million from ₹36.53 million in Fiscal 2021 to ₹18.70 million in Fiscal 2022.

Employee Benefits Expense

Employee benefits expense increased by 17.77 per cent. from ₹554.81 million in Fiscal 2021 to ₹653.40 million in Fiscal 2022. Salaries, wages and bonus expense increased by 13.77 per cent. from ₹510.29 million in Fiscal 2021 to ₹580.56 million in Fiscal 2022 primarily due to annual increments. Increase in share based payment expenses from ₹3.90 million in Fiscal 2021 to ₹18.62 million in Fiscal 2022 as we introduced an employee stock ownership plan in Fiscal 2021 for all of our employees.

Selling, Distribution and Marketing Expense

Selling, distribution and marketing expense decreased by 4.60 per cent. from ₹466.95 million in Fiscal 2021 to ₹445.45 million in Fiscal 2022, primarily due to our focus on improving efficiency by optimizing sales promotion activities in the corporation market accompanied by reduction in commission paid to intermediaries, which was in turn offset by an increase in our marketing expenses for promotion of our Wine Tourism Business and other marketing activities.

Other Expenses

Other expenses increased by 28.73 per cent. from ₹653.23 million in Fiscal 2021 to ₹840.92 million in Fiscal 2022, primarily due to (a) an increase in wine processing activity in Fiscal 2022, resulting in an increase in consumables, chemicals, stores and spares from ₹64.35 million in Fiscal 2021 to ₹99.38 million in Fiscal 2022 and an increase in power and fuel expenses from ₹52.35 million in Fiscal 2021 to ₹76.05 million in Fiscal 2022; (ii) an increase in rates and taxes from ₹91.87 million in Fiscal 2021 to ₹118.58 million in Fiscal 2022 primarily on account of stamp duty paid on our acquisition of the brand and assets of York Winery Private Limited through our subsidiary ASPL; and (iii) a favourable response to our Wine Tourism Business, leading to an increase in the room occupancy rates at our resorts, which in turn led to growth in our Wine Tourism Business revenues and an increase in our resort maintenance expenses and restaurant expenses from ₹56.20 million in Fiscal 2021 to ₹109.00 million in Fiscal 2022. In addition, we reviewed our credit impairment policies and performed reconciliation of outstanding balances of trade receivables and advance to suppliers, and adequately provided for differences identified, leading to an increased impairment allowance on financial and non-financial assets from ₹2.94 million in Fiscal 2021 to ₹46.38 million in Fiscal 2022.

Exceptional Items

There were no exceptional items recorded in Fiscal 2022. However, in Fiscal 2021 exceptional item of ₹22.41 million was recorded towards impairment loss for our investment in PADPL. For further details see the comparison of Fiscal 2021 to Fiscal 2020 on page 380.

Restated EBITDAE

Restated EBITDAE increased by 79.92 per cent. from ₹645.12 million in Fiscal 2021 to ₹1,160.71 million in Fiscal 2022, primarily due to (i) the discontinuation of sales of certain non-profitable Third Party Brands; and (ii) various cost optimization measures undertaken by us such as optimization of sales promotion activities in the corporation market accompanied by reduction in commission paid to intermediaries, increased efficiency in packing material cost and rationalization of fixed expenses, resulting in cost savings. Apart from this, an increase in income in Fiscal 2022 over Fiscal 2021 has also contributed to improved EBITDAE.

Some additional factors that led to an increase in our EBITDAE margin in Fiscal 2022 are as follows:

1. Premiumisation – Increase in volume share of our 'Elite' and 'Premium' wines from 46.09 per cent. in Fiscal 2021 to 49.56 per cent. in Fiscal 2022.
2. In Fiscal 2022 we carried out upward price revisions for some of our Own Brands in select markets. For example, we increased the billing price of our 750 ml bottles of (i) Rasa Syrah by 40.66 per cent. from ₹1,060 to ₹1,491 per bottle; (ii) Sula Sparkling Brut Tropicale by 16.62 per cent. from ₹1,089 to ₹1,270 per bottle; and (iii) The Source Grenache Rosé by 7.72 per cent. from ₹693 to ₹751 per bottle.
3. Import rationalisation – Reduced sale of non-profitable Third Party Brands and an improvement in the share of profitable Third Party Brands.
4. Reduction in excise duty due to favourable state mix, partially offset by inflationary increase in raw material and packaging material expenses.
5. Achieved higher efficiencies of scale without increasing the overall manufacturing cost.
6. Rationalisation of trade schemes across markets and cutting down high spend accounts.
7. Other expenses – lower fixed costs due to favourable operating leverage.

Finance Costs

Finance costs decreased by 31.34 per cent. from ₹333.86 million in Fiscal 2021 to ₹229.23 million in Fiscal 2022. We repaid our borrowings (net of proceeds) of ₹723.25 million in Fiscal 2022 and were able to negotiate a more favourable interest rates for our bank borrowings resulting in a decrease in our finance costs.

Depreciation, Amortization and Impairment expense

Depreciation, amortization and impairment expense decreased by 8.12 per cent. from ₹256.99 million in Fiscal 2021 to ₹236.11 million in Fiscal 2022. In Fiscal 2022, we sold certain office premises not in use and no longer required, which resulted in a decrease in depreciation on property, plant and equipment from ₹198.03 million in Fiscal 2021 to ₹183.70 million in Fiscal 2022. In addition, certain lease of right-of-use assets were terminated in Fiscal 2022, resulting in a reduction in depreciation expenses from ₹49.85 million in Fiscal 2022 to ₹44.30 million in Fiscal 2021.

Tax Expense

Our tax expense increased from ₹1.72 million in Fiscal 2021 to ₹173.98 million in Fiscal 2022 due to increase in profit before tax. In Fiscal 2021, the profit before tax was ₹31.86 million which in Fiscal 2022 was ₹695.37 million.

Restated Profit/(Loss) for the Year

Restated profit/(loss) for the year increased by 1,629.89 per cent. from ₹30.14 million in Fiscal 2021 to ₹521.39 million in Fiscal 2022.

Fiscal 2021 compared to Fiscal 2020

Income

Total income decreased by 19.43 per cent. from ₹5,231.94 million in Fiscal 2020 to ₹4,215.12 million in Fiscal 2021, primarily due to a decrease in our revenue from operations, reasons which are stated below.

Revenue from Operations

Revenue from operations decreased by 19.88 per cent. from ₹5,216.34 million in Fiscal 2020 to ₹4,179.59 million in Fiscal 2021, primarily due to (i) the discontinuation of the beer business in our subsidiary company, PADPL, which contributed ₹462.14 million to our gross revenue from operation, being 8.71 per cent. of our gross revenue from operation in Fiscal 2020; and (ii) our muted standalone gross billing of our Company and Subsidiary company i.e. Artisan Spirits Private Limited (after elimination of inter-company sales) in the first quarter of Fiscal 2021 (from ₹548.26 million in the first quarter of Fiscal 2020 to ₹216.20 million in the first quarter of Fiscal 2021) as a result of the COVID-19 pandemic. Our sales of services also decreased primarily due to the restrictions imposed by the Government (as a result of the COVID-19 pandemic) which affected the sales of our Wine Tourism Business till the first half of Fiscal 2021. Our revenue from sales of service decreased from ₹99.57 million in the first half of Fiscal 2020 to ₹10.52 million in the first half of Fiscal 2021. Our revenue from government grant under other operating income decreased from ₹290.21 million in Fiscal 2020 to ₹273.42 million in Fiscal 2021 primarily due to the decrease in the Company's gross billing from Maharashtra from ₹1,597.64 million in Fiscal 2020 to ₹1,457.10 million in Fiscal 2021.

Other Income

Other income increased by 127.76 per cent. from ₹15.60 million in Fiscal 2020 to ₹35.53 million in Fiscal 2021, primarily due to increase in (i) gain from fair valuation of non-current financial assets by ₹12.82 million, (ii) interest on income tax refund of ₹4.28 million; (iii) rental income of ₹2.40 million from leasing of property; and (iv) gain of ₹2.31 million on account of cancellation of lease agreement under Ind AS 116 due to change in scope of lease.

Expenses

For the reasons discussed below, total expenses (i.e. operating expenses excluding finance cost, depreciation, amortization and impairment expense) decreased by 24.48 per cent. from ₹4,727.18 million in Fiscal 2020 to ₹3,570.20 million in Fiscal 2021.

Cost of Goods Sold

Cost of goods sold (comprising cost of materials consumed, purchase of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade) decreased by 30.77 per cent. from ₹2,274.88 million in Fiscal 2020 to ₹1,574.82 million in Fiscal 2021, primarily due to (i) a decrease in sales of Own Brands by 14.09 per cent., and sales of Third Party Brands by 31.18 per cent., an overall decrease in sales of our Wine Business by 20.04 per cent. as a result of the COVID-19 pandemic, and the discontinuation of our beer business in our subsidiary company PADPL; and (ii) savings in raw material and packing material cost. For instance, there was a decrease in purchase of ready (bulk) wine in Fiscal 2021 from 2,069,920 litres at an average rate of ₹108 per bulk litre to 396,950 litre at average rate of ₹46.45 per bulk litre, resulting into savings of ₹61.55 per bulk litre. Furthermore, in Fiscal 2021, we purchased indigenously, 313,152 flint bordo bottles at the rate of ₹16.21 per bottle as compared to 288,225 imported bottles purchased in Fiscal 2020 at the rate of ₹27.27 per bottle, resulting in savings in the packing material cost of approximately ₹11.06 per bottle.

	Fiscal	
	2021	**2020**
	(Rs. in million)	
Cost of Goods Sold:		
Cost of Materials Consumed..	669.12	1,092.81
Purchase of Stock-in-Trade..	752.01	1,325.24
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	153.69	(143.17)
Total Cost of Goods Sold	1,574.82	2,274.88

Excise Duty on Sales

Excise duty on sales decreased by 12.02 per cent. from ₹363.93 million in Fiscal 2020 to ₹320.19 million in Fiscal 2021, primarily due to a reduction in our overall income for Fiscal 2021.

Employee Benefits Expense

Employee benefits expense decreased by 15.59 per cent. from ₹657.27 million in Fiscal 2020 to ₹554.81 million in Fiscal 2021, primarily due to (i) a decrease in salaries, wages and bonus from ₹600.84 million in Fiscal 2020 to ₹510.29 million in Fiscal 2021 as a result of head count rationalization in our Company; and (ii) accumulated leave balances of employees being utilized as a result of forced lockdown amid COVID-19 and thereby leading to decrease in leave encashment cost. In total, 16,533 leaves had been utilized during the said period of lockdown.

Selling, Distribution and Marketing Expense

Selling, distribution and marketing expense decreased by 10.99 per cent. from ₹524.59 million in Fiscal 2020 to ₹466.95 million in Fiscal 2021, primarily due to decrease in sales commission by 22.13 per cent. from ₹106.55 million in Fiscal 2020 to ₹82.97 million in Fiscal 2021, which is in line with the overall contraction in revenue and reduction in marketing activities by 51.51 per cent. from ₹86.49 million in Fiscal 2020 to ₹41.94 million in Fiscal 2021.

Other Expenses

Other expenses decreased by 27.93 per cent. from ₹906.34 million in Fiscal 2020 to ₹653.23 million in Fiscal 2021, primarily due to (i) a decrease in consumables, chemicals, stores and spares as a result of low wine processing in Fiscal 2021; (ii) decrease in rent expense from ₹48.05 million in Fiscal 2020 to ₹27.18 million in Fiscal 2021 mainly due to a reduction in short term leases; (iii) decrease in freight and handling cost from ₹110.16 million in Fiscal 2020 to ₹80.07 million in Fiscal 2021 due to lower sales volumes as a result of COVID-19 restrictions; (iv) decrease in travelling and conveyance expense from ₹83.59 million in Fiscal 2020 to ₹29.01 million in Fiscal 2021 primarily due to a decrease in travel costs incurred by employees because of travel restrictions imposed in response to COVID-19; (v) ₹36.35 million incurred in Fiscal 2020 on "Sulafest" (a wine and music festival organized by our Company), due to the restrictions imposed on mass gatherings ("Sulafest" was not organized in Fiscal 2021) as a result of the COVID-19; (vi) decrease in resort maintenance and restaurant expense from ₹86.02 million in Fiscal 2020 to ₹56.20 million in Fiscal 2021 primarily on account of low revenue from sale of services due to the restrictions imposed by the Government as a result of the COVID-19 pandemic. In Fiscal 2021, efforts were made to optimize our expenses and cut down on discretionary expenses.

Exceptional Items

Exceptional items was ₹(22.41) million in Fiscal 2021 on account of impairment of our investment in PADPL (51 per cent. stake) which is classified as disposal group of assets held for sale because of our management's decision to divest our stake in PADPL. There were no exceptional items in Fiscal 2020.

Restated EBITDAE

Restated EBITDAE increased by 27.76 per cent. from ₹504.93 million in Fiscal 2020 to ₹645.12 million in Fiscal 2021, primarily due to the reduction in purchase cost of raw material, packing material and improvement in product mix within traded goods, and cost optimization measures undertaken by our Company which had resulted in cost savings.

Finance Costs

Finance costs increased by 1.50 per cent. from ₹328.93 million in Fiscal 2020 to ₹333.86 million in Fiscal 2021, primarily due to marginally higher short term borrowings to support our working capital.

Depreciation, Amortization and Impairment expense

Depreciation, amortization and impairment expense decreased by 26.57 per cent. from ₹349.97 million in Fiscal 2020 to ₹256.99 million in Fiscal 2021, primarily due to (i) a decrease in amortization expense of intangible assets from ₹45.81 million in Fiscal 2020 to ₹9.11 million in Fiscal 2021 and (ii) impairment of intangibles assets of ₹73.15 million in Fiscal 2020 on account of discontinuance of Heritage brands acquired by way of a slump sale along with the acquisition of Domaine Sula.

Tax Expense

Our total tax expense increased by 111.81 per cent. to ₹1.72 million in Fiscal 2021 from ₹(14.57) million in Fiscal 2020. Our tax expenses for Fiscal 2021 comprised a current tax of ₹16.37 million and a deferred tax credit of ₹14.65 million, while our tax expenses for Fiscal 2020 comprised a current tax of ₹4.22 million and a deferred tax credit of ₹18.79 million. Current tax expense for Fiscal 2020 was lower on account of higher losses incurred by our Company as compared to Fiscal 2021. Deferred tax credit reduced in Fiscal 2021 primarily due to a reduction in deferred tax asset created on gratuity accruals, leave encashment provisions, indirect tax provision and other expenses.

Restated Profit/(Loss) for the Year

Restated profit/(loss) for the year increased by 118.91 per cent. from ₹(159.40) million in Fiscal 2020 to ₹30.14 million in Fiscal 2021.

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through taking on both short term and long term loans on a time-to-time basis.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Six months ended		Fiscal		
	September 30, 2022	September 30, 2021	2022	2021	2020
	(₹ million)				
Net cash generated from operating activities	263.36	153.95	874.39	1,195.22	446.60
Net cash used in investing activities	(197.16)	(236.80)	(567.92)	(217.05)	(439.67)
Net cash generated/(used) from financing activities	(31.13)	(165.93)	(612.52)	(944.58)	333.56
Net increase/(decrease) in cash and cash equivalents	35.07	(248.78)	(306.05)	33.59	340.49

Operating Activities

Six months ended September 30, 2022

For the six months ended September 30, 2022, net cash generated from operating activities was ₹263.36 million. While our restated profit before tax was ₹412.55 million, we had an operating profit before working capital changes of ₹637.17 million, primarily due to (i) adjustments for depreciation, amortization and impairment expenses of ₹125.82 million; (ii) interest expenses of ₹93.59 million; (iii) impairment allowance on financial and other assets of ₹18.96 million; (iv) share-based expenses of ₹9.70 million; (v) loss on disposal of property, plant and equipment (net) ₹0.21 million which were partially offset by an interest income of ₹13.18 million and provision no longer required of ₹8.42 million which was written back. Our working capital adjustments for the six months ended September 30, 2022 primarily consisted of (i) a decrease in inventories of ₹149.97 million; (ii) an increase in current/ non-current financial assets and other assets of ₹175.51 million; (iii) a decrease in trade receivables of ₹51.06 million; and (iv) a decrease in trade payables and other financial and other liabilities of ₹273.39 million. Our cash generated from operations was ₹389.30 million, adjusted by the tax paid of ₹125.94 million.

Six months ended September 30, 2021

For the six months ended September 30, 2021, net cash generated from operating activities was ₹153.95 million. While our restated profit before tax was ₹56.29 million, we had an operating profit before working capital changes of ₹280.65 million, primarily due to (i) adjustments for depreciation, amortization and impairment expenses of ₹117.49 million; (ii) interest expenses of ₹116.62 million; and (iii) share-based expenses of ₹5.02 million which were partially offset by an interest income of ₹10.45 million. Our working capital adjustments for the six months ended September 30, 2021 primarily consisted of(i) a decrease in inventories of ₹142.83 million; (ii) a decrease in trade receivables of ₹88.10 million; (iii) an increase in current / non-current financial assets and other assets of ₹122.46 million; and (iv) decrease in trade payables and other financial and other liabilities of ₹187.78 million. Our cash generated from operations was ₹201.34 million, adjusted by the taxes paid of ₹47.39 million.

Fiscal 2022

In Fiscal 2022, net cash generated from operating activities was ₹874.39 million. While our restated profit before tax was ₹695.37 million, we had an operating profit before working capital changes of ₹1,183.64 million, primarily due to (i) adjustments for depreciation and amortization of ₹236.11 million; (ii) interest expenses of ₹214.20 million; (iii) impairment allowance on financial and other assets of ₹46.38 million; (iv) impairment loss on assets classified as held for sale of ₹17.05 million; (v) share-based expenses of ₹18.62 million which were partially offset by an interest income of ₹21.53 million and provision no longer required of ₹23.02 million which was written back. Our working capital adjustments for Fiscal 2022 primarily consisted of (i) an increase in inventories of ₹146.45 million; (ii) an increase in current/ non-current financial assets and other assets of ₹206.75 million; (iii) a decrease in trade receivables of ₹163.77 million; and (iv) an increase in trade payables and other financial and other liabilities of ₹46.85 million. Our cash generated from operations was ₹1,041.06 million, adjusted by the taxes paid of ₹166.67 million.

Fiscal 2021

In Fiscal 2021, net cash generated from operating activities was ₹1,195.22 million. While our restated profit before tax was ₹31.86 million, we had an operating profit before working capital changes of ₹642.85 million, primarily due to (i) adjustments for depreciation and amortization of ₹256.99 million; (ii) interest expenses of ₹316.52 million; (iii) exceptional item, being loss on account of the PADPL Divestment of ₹22.41 million; (iv) impairment loss on assets classified as held for sale of ₹11.80 million; (iv) loss on disposal/ write-off of property, plant and equipment (net) of ₹31.93 million which was partially offset by interest income of ₹26.50 million. Our working capital adjustments for Fiscal 2021 primarily consisted of a (i) decrease in inventories by ₹209.31 million; (ii) decrease in current/ non-current financial assets and other assets of ₹208.71 million; (iii) decrease in trade receivables of ₹165.51 million; and (iv) decrease in trade payables and other financial/ other liabilities of ₹102.72 million. Our cash generated from operations was ₹1,123.66 million, adjusted by the refund of taxes of ₹71.56 million.

Fiscal 2020

In Fiscal 2020, net cash generated from operating activities was ₹446.60 million. While our restated loss before tax was ₹173.97 million, we had an operating profit before working capital changes of ₹542.97 million, primarily due to (i) adjustments for depreciation and amortization of ₹349.97 million; (ii) interest expenses of ₹309.46 million; (iii) impairment allowance on financial and other assets of ₹21.91 million; and (iv) loss on disposal/ write-off of property, plant and equipment (net) of ₹39.06 million which was partially offset by interest income of ₹7.09 million. Our working capital adjustments for Fiscal 2020 primarily consisted of (i) decrease in trade receivables of ₹243.03 million which was offset by an increase in inventories by ₹141.29 million; (ii) an increase in current/ non-current financial assets and other assets of ₹15.43 million; and (iii) decrease in trade payables and other financial/ other liabilities of ₹68.48 million. Our cash generated from operations was ₹560.80 million, adjusted by the payment of taxes of ₹114.20 million.

Investing Activities

Six months ended September 30, 2022

Net cash used in investing activities was ₹197.16 million for the six months ended September 30, 2022, primarily comprising (i) payment for purchase of property, plant and equipment and intangible assets, including movement in capital work in progress and capital creditors ₹216.51 million partially offset by net proceeds from sales of property, plant and equipment of ₹0.68 million; (ii) net proceeds from bank deposits of ₹5.42 million; and (iii) interest income received of ₹13.25 million.

Six months ended September 30, 2021

Net cash used in investing activities was ₹236.80 million for the six months ended September 30, 2021, primarily comprising (i) payment for purchase of property, plant and equipment and intangible assets, including movement in capital work in progress and capital creditors ₹141.72 million and net of proceeds from sales of ₹7.63 million; (ii) payment in relation to purchase consideration on business combination of ₹161.65 million partially offset by proceeds from sale of investment in subsidiary of ₹29.69 million; (iii) net proceeds from bank deposits of ₹19.87 million; and (iv) interest income received of ₹9.38 million.

Fiscal 2022

Net cash used in investing activities was ₹567.92 million in Fiscal 2022, primarily comprising (i) payment for purchase of property, plant and equipment and intangible assets, including movement in capital work in progress and capital creditors ₹549.77 million and net of proceeds from sales of ₹90.85 million; (ii) payment in relation to purchase consideration on business combination of ₹161.65 million partially offset by proceeds from sale of investment in subsidiary of ₹29.69 million; and (iii) interest income received of ₹23 million.

Fiscal 2021

Net cash flows used in investing activities was ₹217.05 million in Fiscal 2021, primarily comprising (i) payment for purchase of property, plant and equipment and intangible assets, including movement in capital work in progress and capital creditors ₹164.51 million and net of proceeds from sales of ₹8.64 million; and (ii) investment in fixed deposits placed with a bank of ₹85.70 million offset by interest received of ₹24.52 million.

Fiscal 2020

Net cash flows used in investing activities was ₹439.67 million in fiscal 2020, primarily comprising (i) payment for purchase of property plant and equipment and intangible assets, including movement in capital work in progress and capital creditors ₹453.33 million and net of proceeds from sales of ₹14.64 million; and (ii) investment in fixed deposits placed with a bank of ₹6.50 million offset by interest received of ₹6.27 million.

Financing Activities

Six months ended September 30, 2022

Net cash used in financing activities was ₹31.13 million for the six months ended September 30, 2022, primarily comprising of (i) repayment of current borrowings (net) of ₹74.38 million; (ii) principal repayment of non-current borrowing of ₹205.51 million; (iii) principal payment of lease liabilities of ₹27.39 million; (iv) interest payment of ₹87.62 million; and (v) dividend payment of ₹281.52 million, offset by proceeds from non-current borrowing ₹137.01 million and proceeds from issue of equity share of ₹508.28 million.

Six months ended September 30, 2021

Net cash used in financing activities was ₹165.93 million for six months ended September 30, 2021, primarily comprising (i) repayment of current borrowings (net) of ₹333.57 million; (ii) principal repayment of non-current borrowing of ₹206.71 million; (iii) principal payment of lease liabilities of ₹27.21 million; and (iv) interest payment of ₹104.57 million, offset by proceeds from non-current borrowings of ₹152.20 million, proceeds from issue of equity share of ₹338.93 million and share application money received pending allotment of ₹15.00 million.

Fiscal 2022

Net cash used in financing activities was ₹612.52 million in Fiscal 2022, primarily comprising (i) repayment of current borrowings (net) of ₹612.73 million; (ii) principal repayment of non-current borrowing of ₹417.19 million; (iii) principal payment of lease liabilities of ₹53.50 million; (iv) interest payment of ₹202.36 million; and (v) dividend payment of ₹194.49 million, partially offset by proceeds from non-current borrowing ₹306.67 million and proceeds from issue of equity share of ₹561.08 million.

Fiscal 2021

Net cash used in financing activities was ₹944.58 million in Fiscal 2021, primarily comprising (i) repayment of current borrowings (net) of ₹391.20 million; (ii) principal repayment of non-current borrowing of ₹414.57 million; (iii) principal payment of lease liabilities of ₹56.78 million; and (iv) interest payment of ₹315.39 million, partially offset by proceeds from non-current borrowing ₹217.52 million and proceeds from issue of equity share of ₹15.84 million.

Fiscal 2020

Net cash generated from financing activities was ₹333.56 million in Fiscal 2020, primarily comprising (i) proceeds from current borrowings (net) of ₹566.87 million; (ii) proceeds from non-current borrowing of ₹395 million; and (iii) proceeds from issue of equity share of ₹15.05 million partially offset by principal repayment of non-current borrowing of ₹201.33 million, principal payment of lease liabilities of ₹50.15 million, interest payment of ₹283.16 million and dividend payment of ₹108.72 million.

Indebtedness

As of the six months ended September 30, 2022, we had total outstanding borrowings (consisting of long term borrowings, short term borrowings and current maturities of long term borrowings) of ₹2,146.43 million. Our total debt / equity ratio was 0.48 as of the six months ended September 30, 2022. For further information on our indebtedness, see "***Financial Indebtedness***" on page 346.

Contingent Liabilities, Assets and Capital Commitments

As of the six months ended September 30, 2022, our contingent liabilities that have not been accounted for in our financial statements, were as follows:

Demands/claims by various government authorities and other claims not acknowledged as debts:	**Amount** *(₹million)*
Guarantees issued by banks on behalf of the group	168.73
Stamp duty liability that may arise in respect of matter for which the Group is in appeal	15.41
Others	1.01
Provident Fund:	
Based on the judgement by the Honorable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Group with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.	

As of the six months ended September 30, 2022, our capital commitments that have not been accounted for in our financial statements, were as follows:

Particulars	**Amount**
	(₹million)
Estimated amount of contracts remaining to be executed on capital account	291.94
Total	291.94

For further information on our contingent liabilities, *see "**Restated Consolidated Financial Information – Note 33: Contingencies Liabilities and Commitments**"* on page 317.

Contractual Obligations and Commitments

The following table summarizes the maturity profile of our financial liabilities, as at the six months ended September 30, 2022:

Particulars	**As at the six months ended September 30, 2022**
	(₹million)
Repayable on demand	
Borrowings	1,112.50
Trade payable	-
Other financial liabilities	-
Lease liabilities	-
(A) Total Repayable on demand	**1,112.50**
Less than 1 year	
Borrowings	621.76
Trade payable	388.71

Particulars	As at the six months ended September 30, 2022
	(₹million)
Other financial liabilities	170.48
Lease liabilities	55.05
(B) Total Less than 1 year	1,236.00
Between 1 to 5 year	
Borrowings	412.17
Trade payable	-
Other financial liabilities	-
Lease liabilities	86.67
(C) Total Between 1 to 5 year	**498.84**
More than 5 year	
Borrowings	-
Liabilities repayable on demand	-
(D) Total More than 5 year	-
Total (A+B+C+D)	**2,847.34**

For further information on our capital and other commitments, *see "**Restated Consolidated Financial Information**"* on page 264.

Capital Expenditures

For the six months ended September 30, 2022 and September 30, 2021 and Fiscals 2022, 2021 and 2020, our capital expenditure included purchase of property, plant and equipment, intangible assets (including acquired in business combination), movement to capital work in progress towards the expansion of our winery capacity, expansion of our Wine Tourism Business and other sustainable capital expenditure, aggregating to ₹179.39 million, ₹247.95 million, ₹678.21 million, ₹142.56 million and ₹407.00 million, respectively. We expect our future capital expenditures to be, primarily for the expansion of winery capacity and Wine Tourism Business.

Related Party Transactions

We have entered into transactions with related parties. For details of related party transactions of our Company for the six months ended September 30, 2022 and September 30, 2021 and financial years ended March 31, 2022, 2021 and 2020, as per Ind AS 24 – Related Party Disclosures, *see "Financial Information - Restated Consolidated Financial Information - Note 36- Disclosure in accordance with Ind AS 24 Related Party Disclosures"* beginning on page 323.

Auditor's Observations

Our Statutory Auditors have included an emphasis of matter in their report on our financial statements for Fiscals ended March 31, 2021 and March 31, 2020 in relation to uncertainties concerning COVID-19 and our management's evaluation of its impact on our operations, and the accompanying consolidated financial statements as at and for the respective periods. Further, our Statutory Auditors have included an emphasis of matter in their audit report on the standalone financial Statements of our Company for Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 in relation to our non-current investment in our Subsidiary, ASPL and non-current loans due from ASPL. For further information, *see "**Restated Consolidated Financial Information**"* on page 264.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk.

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 equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows 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.

Foreign Currency Risk

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

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instrument.

Equity Price Risk

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

Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other financial assets. Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e., receivables from sales to government corporations and receivables from sales to private third parties. A substantial portion of the Group's trade receivables are from government corporation customers having strong credit worthiness. Further, Group's historical experience of collecting receivables is that credit risk is low. Hence trade receivables are considered to be a single class of financial assets. 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.

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.

For further information, *see "**Restated Consolidated Financial Information – Note 37: Financial Risk Management**"* on page 326.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in *"– **Significant Factors Affecting our Results of Operations**"* and the uncertainties described in *"**Risk Factors**"* on pages 353 and 30, respectively. To our knowledge, except as discussed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenue or income of our Company from continuing operations.

Future Relationship Between Cost and Income

Other than as described in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 30, 194 and 350 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices Changes in revenue in the last three Fiscals are as described in *"**– Fiscal 2022 compared to Fiscal 2021**"*, *"**– Fiscal 2021 compared to Fiscal 2020**"* and "***Six months ended September 30, 2022 compared to six months ended September 30, 2021***" above on pages 377, 380, and 374respectively.

Significant Dependence on a Limited Number of Customers

Revenue from any particular customer (including wholesaler, distributor and/or corporation) may vary between financial reporting periods depending on the nature and term of ongoing contracts with such customer. Our revenue from operations of our top five customers for the six months ended September 30, 2022 and September 30, 2021 and Fiscals ended March 31, 2022, March 31, 2021, and March 31, 2020 was ₹793.90 million, ₹657.20 million, ₹1,690.76 million, ₹1,494.43 million and ₹1,685.19 million, respectively, which represented 35.43 per cent., 41.29 per cent., 37.25 per cent., 35.76 per cent., and 32.31 per cent. of our revenue from operations for the same periods. For further information, *see "**Risk Factors – Our revenue from operations is dependent upon a limited number of customers (which includes state run corporations, wholesalers and independent distributors). Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition. Furthermore, we compete for shelf space in retail stores and for marketing focus by our distributors, most of whom carry extensive product portfolios**"* on page 36.

Seasonality of Business

Our business is subject to seasonality. For details, *see "**Industry Overview**"*, *"**Our Business**"* and *"**Risk Factors – The seasonality of the wine industry requires us to predict demand and build up inventory accordingly, and we may be unable to accurately manage inventory and forecast demand for particular products in specific markets**"* on pages 145, 194 and 43, respectively.

Significant Developments after the six months ended September 30, 2022 that may affect our future results of operations

No circumstances have arisen since the six months ended September 30, 2022, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) outstanding actions taken by statutory or regulatory authorities; (iii) outstanding claims for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and the total amount involved); and (iv) outstanding litigations as determined to be material by our Board as per the Materiality Policy in accordance with the SEBI ICDR Regulations, in each case involving our Company, Subsidiary, Promoter or Directors ("**Relevant Parties**").*

There are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Fiscals including outstanding action. Further, there are no outstanding legal proceedings involving our Group Companies, the outcome of which could have a material impact on our Company.

In accordance with the Materiality Policy, all pending litigation involving the Relevant Parties would be considered 'material' for the purpose of disclosing in this Red Herring Prospectus if the monetary amount of claim made by or against the Relevant Parties in any such pending litigation is in excess of 0.50% of the consolidated revenue from operations or 0.50% of the total net worth of our Company, whichever is lower, as of the most recently completed Fiscal as per the Restated Consolidated Financial Information, i.e. ₹19.76 million, being 0.50% of the consolidated revenue from operations for Fiscal 2022, or any such litigation, an adverse outcome of which would materially affect our Company's business, operations, prospects, financial position or reputation irrespective of the amount involved in the matter.

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in this Red Herring Prospectus as per the Materiality Policy if amounts due to such creditor exceeds 5.00% of the consolidated trade payables of the latest financial period as per the Restated Consolidated Financial Information, i.e. ₹ 388.71 million, being 5.00% of the consolidated trade payables as on September 30, 2022. Accordingly, a creditor has been considered 'material' by our Company if the amount due to such creditor exceeds ₹ 19.44 million.

Further, it is clarified that for the purpose of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding governmental, statutory, regulatory or taxation authorities or notices threatening criminal action) shall, in any event, not be considered as litigation and accordingly have not been disclosed in this section until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. Outstanding litigations against our Company

Criminal proceedings

1. Our Company received a notice dated October 5, 2018 issued by the Regional Director (Western Region at Mumbai, Maharashtra), MCA, Government of India ("**MCA Directorate**") under the provisions of the Companies Act, 2013 intimating our Company that an inspection of our books of accounts and other papers has been ordered to be conducted by the Joint Director, MCA Directorate ("**Inspecting Officer**") and further requesting our Company to submit certain records and information, which were duly provided by our Company on October 17, 2018. The books of accounts and papers of our Company for Fiscals ended March 31, 2016, 2017 and 2018 were inspected from October 10, 2018 to November 10, 2018 and the Inspecting Officer issued a preliminary findings report dated April 2, 2019 observing contraventions in relation to certain provisions of the Companies Act, 2013 in relation to, amongst others, i) disclosures in the financial statements of the Company for the Fiscals ended March 31, 2016, 2017 and 2018 in accordance with Section 129 of the Companies Act, 2013 read with the relevant accounting standards; and ii) disclosure of DIN in the board of directors' report for the Fiscals ended March 31, 2016, 2017 and 2018, in accordance with Section 158 of the Companies Act, 2013. Subsequently, an inspection report dated July 31, 2019 was furnished by the Inspecting Officer in favour of the Office of Director General, MCA who issued an order dated November 14, 2019 directing the Regional Director, MCA, Mumbai,

Maharashtra to file a prosecution against our Company. Resultantly, the Deputy Registrar of Companies, Maharashtra filed a complaint on July 1, 2021 ("**Complaint**") before the Additional Metropolitan Magistrate, Girgaon, Mumbai, Maharashtra against our Company, Promoter and certain individuals who were appointed on the board of directors of our Company during the period of inspection for the above mentioned contravention of Sections 158 and 129 of the Companies Act, 2013 read with the relevant accounting standards for the Fiscals ended March 31, 2016, 2017 and 2018 along with an application for condonation of delay as the Complaint was not filed by the Deputy Registrar of Companies, Maharashtra within the prescribed period of limitation. The matter is currently pending.

For further details, see *"**Risk Factors – We have been subject to an inspection by the Ministry of Corporate Affairs ("MCA") in October, 2018. Pursuant to the inspection, the Office of Director General, MCA directed the Regional Director, MCA, Mumbai to file a prosecution against our Company and consequently a complaint was filed against our Company, Promoter and certain individuals who were appointed on the board of directors of our Company during the period of inspection before the Additional Metropolitan Magistrate, Girgaon, Mumbai. In this regard, we filed four compounding applications before the MCA Directorate and have received the orders levying compounding fees, which has been paid.**"* on page 37.

Actions taken by statutory and regulatory authorities against our Company

1. Our Company received a notice dated March 21, 2022 from the Assistant Commissioner, Panvel Municipal Corporation alleging that our Company had failed to register itself under the Maharashtra Municipal Corporations (Local Bodies Tax) Rules, 2010 ("**LBT Rules**") and that our Company was liable to pay tax under the LBT Rules for the period from January 1, 2017 to March 31, 2017. Accordingly, the said notice required our Company to furnish certain information and to show cause as to why we should not be assessed under the LBT Rules. Our Company is in the process of filing a response in accordance with the prescribed procedures.

2. Our Company received a notice dated January 27, 2022 ("**Notice**") issued by the Telangana State Beverages Corporation Limited ("**TSBCL**") alleging that on verification of bills of entry (showing the actual custom duty paid) submitted by our Company, such submission having been requested by TSBCL *vide* an office letter dated June 15, 2020 for verification of the custom duty values available in its records for all relevant suppliers including our Company, the custom duty values submitted by our Company were higher than the custom duty values available in the records maintained by TSBCL. Accordingly, the Notice required our Company to show cause as to why the higher claimed amount of ₹ 0.07 million should not be recovered from our future payments. Our Company submitted its response dated February 7, 2022 ("**Response**") clarifying that we had not claimed any excess amount on account of higher custom duty and the loss arising due to the difference between the custom duty claimed as per the rate card approved by TSBCL and the actual custom duty paid by our Company for Fiscals 2020 and 2021 was absorbed by our Company. The Response further requested that no action should be initiated against us or penalty should be levied upon us. The matter is currently pending.

3. Our Company received a notice dated September 20, 2021 issued by the TSBCL in relation to our brand, 'Sula Cabernet Shiraz Red Wine' (base brand) and our higher end and similar sounding brand variant, 'Sula Shiraz Cabernet Red Wine' alleging that, i) the existing brand 'Sula Cabernet Shiraz Red Wine' was withdrawn from the market from April, 2020 to October, 2020; and ii) there was no distinct and visible difference in colour, design, shape, etc. in the trade labels/ bottles of the two similar sounding brand variants. Accordingly, the said notice required our Company to show cause as to why the MRP approval of the higher end brand variant should not be cancelled and a penalty should not be imposed for withdrawing the existing brand from the market from April, 2020 to October, 2020. Our Company submitted its responses dated October 7, 2021 and November 10, 2021 stating *inter alia* that the name of every brand of wine is derived from the variant of grape used in the wine and while the grape variants used in both the above mentioned wines may be identical, the ratios in which the grape variants have been used is different and accordingly, the above mentioned wines are completely different. The matter is currently pending.

4. The District Registrar and Deputy Commissioner, Detection of Undervaluation of Stamps, Ramanagara District, Karnataka ("**Deputy Commissioner**") *vide* its order dated July 24, 2018 ("**Impugned Order**") directed our Company to pay ₹ 15.41 million pursuant to an alleged deficiency in calculation of stamp duty

and registration fee due to the purported undervaluation of a sale deed entered into by our Company. Our Company challenged the Impugned Order before the High Court of Karnataka ("**High Court**") by way of a writ petition dated September 19, 2018. The High Court passed an order dated October 25, 2018 directing our Company to seek an alternative remedy before the appropriate appellate authority in accordance with Section 45-A of the Karnataka Stamp Act, 1957. Consequently, our Company deposited an amount of ₹ 6.54 million i.e. 50 percent of the alleged deficit stamp duty and registration fees before the Sub-Registrar Channapattana, Karnataka and filed an appeal dated November 19, 2018 against the Impugned Order before the Region Commissioner, Bengaluru Division, Karnataka ("**Regional Commissioner**"), which was dismissed by the Regional Commissioner by way of an order dated October 28, 2019 ("**Impugned Order 2**").

Our Company filed another writ petition dated March 9, 2020 before the High Court against various parties, including the Regional Commissioner and Deputy Commissioner seeking *inter alia*, i) an ad-interim injunction against the Impugned Order 2; and ii) issuance of a writ of certiorari against the Impugned Order 2. The High Court passed an order dated November 9, 2020 granting an ad-interim injunction against the Impugned Order. The matter is currently pending.

5. Our Company received a demand notice dated February 17, 2018 issued by the Collector of Nashik, Maharashtra (State Excise Department) ("**Demand Notice**") for the recovery of ₹1,158.94 million as excise duty on the ground that under the Maharashtra Manufactured Beer and Wine Rules, 1966, excise duty was recoverable on wine produced or manufactured from grapes produced in Maharashtra by blending wine brought from across custom frontier or from other states. Our Company filed a writ petition dated February 28, 2018 before the Bombay High Court seeking withdrawal of the Demand Notice and a stay on the recovery of the said demand. The High Court passed an order dated March 22, 2018 allowing withdrawal of our writ petition with liberty to file fresh petition in the event of an adverse decision by the state government. Subsequently, on March 28, 2018, our Company filed an appeal before the Commissioner of State Excise, Maharashtra State, Fort, Mumbai, Maharashtra ("**Commissioner of State Excise**") challenging the Demand Notice, which was dismissed by the Commissioner of State Excise *vide* its order dated August 26, 2019 ("**Order**") on the ground that the Demand Notice had been issued by the Collector of Nashik, Maharashtra (State Excise Department) on the directions of the Commissioner of State Excise itself.

   Subsequently, our Company filed a revision application before the Minister for State Excise, Maharashtra, Mumbai, Maharashtra for, *inter alia* (i) quashing and setting aside the Demand Notice and the Order; and (ii) staying the Demand Notice. The Executive Officer, Government of Maharashtra passed an interim order dated September 19, 2019 staying the Demand Notice and the Order. The matter is currently pending.

6. The Superintending Engineer, Maharashtra State Electricity Distribution Company Limited, Nashik Circle, Maharashtra ("**MSEDCL**") *vide* its order dated October 27, 2021 ("**Assessment Order**") directed our Company to pay outstanding dues amounting to ₹ 2.62 million in relation to the unauthorized usage of electricity for industrial purposes at our facilities in Nashik, Maharashtra from January, 2014 to October, 2021. Our Company, by way of an interim reply dated October 29, 2021 sought an additional time of 15 days to file a detailed reply. Consequently, our Company filed a detailed reply dated November 9, 2021 praying for the quashing of the Assessment Order as the concerned facilities were not owned by our Company for the period during which the unauthorized usage was observed. Pursuant to a physical hearing conducted before the concerned authorities on November 23, 2021, a final assessment order dated November 26, 2021 was issued against our Company alleging unauthorized use of electricity and requesting payment of ₹ 2.62 million. Our Company deposited 50 percent of the alleged outstanding dues and filed an appeal dated December 30, 2021 before the Chief Electrical Inspector, Mumbai, Maharashtra against MSEDCL seeking interim relief. The matter is currently pending.

7. Our Company received a letter dated October 21, 2021 from the Super Executive Engineer, Gangapur, Nashik, Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") seeking payment of an electricity bill amounting to ₹ 0.76 million for the property situated at Gat No. 34/1, Govardhan, Nashik, Maharashtra ("**Address**"). Our Company submitted a detailed reply on November 9, 2021 stating that the Address was incorrect as it was not leased by our Company and requesting rectification of the records maintained by MSEDCL. Subsequently, our Company received another letter dated November 11, 2021 requesting payment of the above mentioned electricity bill amount. Our Company submitted its response dated November 16, 2021 before the Additional Executive Engineer, MSEDCL for withdrawing the above

mentioned letters and quashing the said electricity bill amount demand. Further, our Company received a letter dated December 6, 2021 from Additional Executive Engineer, MSEDCL stating that the electricity supply would be disconnected incase we did not pay the alleged electricity bill amount within the next 15 days. Our Company filed an application for redressal of grievance ("**Application**") before the Executive Engineer, Internal Complaint Redressal System, Nashik, Maharashtra praying for a direction against Additional Executive Engineer, MSEDCL to not initiate any action till the Application was decided. The matter is currently pending.

8. Our Company received a show cause notice dated November 4, 2016 ("**SCN**") issued by the Kerala State Beverages (Manufacturing and Marketing) Corporation Limited ("**KSBCL**") in relation to an analysis of samples of wine manufactured by our Company conducted by the Excise Inspector, Ernakulam wherein he concluded that the alcoholic content in such wine samples was less than 8 percent. Accordingly, the SCN required our Company to show cause as to why action for the alleged violation of the provisions of the Abkari Act the Foreign Liquor Rules as well as the terms of the rate contract entered into with KSBCL for supply of liquor should not be initiated. KSBCL further issued directions to their warehouse managers and shop in-charge to immediately stop the sale of stock of our Company's Dia Red Wine.

   Our Company filed a writ petition dated November 21, 2016 before the High Court of Kerala against the SCN and other actions taken by KSBCL for quashing the SCN and a providing a declaration that no action under the Akbari Act or the Foreign Liquor Rules is permissible. The High Court of Kerala passed an interim order dated December 20, 2016 granting a stay against the Show Cause Notice and all further proceedings thereon against our Company. The matter is currently pending.

Tax proceedings

Except as disclosed below, there are no outstanding claims involving our Company for any direct or indirect taxes liabilities (disclosed in a manner giving the total number of claims and the total amounts involved):

Particulars	Number of cases	Ascertainable amount involved (₹ in million)
Direct tax	1	-
Indirect tax	8	72.94
Total	**9**	72.94

Details of material tax proceedings involving our Company:

1. Our Company received a letter dated September 28, 2020 issued by the Assistant Commissioner, CGST and CX, Nashik-I Division, Maharashtra alleging that as per the income tax return data received for financial years 2015-16 and 2016-17, there was a difference in gross sales value/ receipts in income tax returns and service tax returns and requesting our Company to make the payment of service tax, short paid along with interest thereon. Our Company submitted its response dated October 6, 2020 stating that the said difference was because our Company was recording sales from our hospitality business as income under "sale of services" in the financials, however, such sales also included sales of merchandise food, beverage, wine and liquor on which service tax is not applicable. However, our Company received a demand-cum-show cause notice dated December 14, 2020 issued by the Officer of the Commissioner, CGST and Excise, Commissionerate, Nashik, Maharashtra requiring our Company to, amongst other things, show cause as to why service tax amounting to ₹ 36.69 million should not be demanded and recovered from our Company along with interest and penalty. Our Company submitted its response dated December 22, 2020 requesting consideration of our earlier response and that recovery or penalty proceedings should not be initiated against us. Our Company also submitted additional information by a letter dated April 6, 2022. The matter is currently pending.

B. Outstanding litigations by our Company

Criminal proceedings

1. Our Company filed a criminal complaint before the Metropolitan Magistrate, Ballard Pier, Mumbai, Maharashtra ("**Magistrate**") on August 24, 2018 against Kuldeep Hari Singh ("**Accused**") under Section 138 of the Negotiable Instruments Act, 1881 for the dishonour of two cheques dated March 25, 2018 and

April 24, 2018 of amounts ₹ 2.00 million and ₹ 1.40 million, respectively, payable by the Accused for supply of various wines during the period from May, 2017 to February, 2018 in his favour by our Company. The Magistrate issued a bailable warrant against the Accused on September 1, 2021 which was returned with a report "accused not found", basis which the Magistrate has passed an order for issuance of a non-bailable warrant on November 26, 2021. A fresh order for issuance of non-bailable warrant against the Accused was passed on November 3, 2022. The matter is currently pending.

II. LITIGATION INVOLVING OUR SUBSIDIARY

A. Outstanding litigation against our Subsidiary

Tax proceedings involving our Subsidiary

Except as disclosed below, there are no outstanding claims involving our Subsidiary for any direct or indirect taxes liabilities (disclosed in a manner giving the total number of claims and the total amounts involved):

Particulars	Number of cases	Ascertainable amount involved (₹ in million)
Direct tax	-	-
Indirect tax	1	0.23
Total	**1**	**0.23**

III. LITIGATION INVOLVING OUR PROMOTER

A. Litigation filed against our Promoter

Criminal proceedings

The Deputy Registrar of Companies, Maharashtra filed a Complaint on July 1, 2021 before the Additional Metropolitan Magistrate, Girgaon, Mumbai, Maharashtra against, amongst others, our Company and our Promoter for the contravention of Sections 158 and 129 of the Companies Act, 2013 read with the relevant accounting standards for Fiscals ended March 31, 2016, 2017 and 2018, as observed pursuant to an inspection of the books of accounts and other papers of our Company conducted by the Inspecting Officer. For further details, see "***-Litigation Involving our Company - Outstanding litigations against our Company- Criminal proceedings***" above.

Actions by regulatory and statutory authorities against our Promoter

Our Promoter received a show cause notice dated January 4, 2021 issued by the Additional Collector-1, North Goa ("**Additional Collector**") in relation to a purported deficiency in payment of stamp duty of ₹ 0.34 million with respect to two sale deeds executed by our Promoter on June 7, 2019. Our Promoter submitted his response dated August 4, 2021 and has also made written submissions before the Additional Collector contending that the purchaser is liable to pay the stamp duty under the terms of the said sale deeds and relevant provisions of the Indian Stamp Act, 1899 and accordingly, he being the vendor in both cases is not liable for such payment. The matter is currently pending.

Tax proceedings

Except as disclosed below, there are no outstanding claims involving our Promoter for any direct or indirect taxes liabilities (disclosed in a manner giving the total number of claims and the total amounts involved):

Particulars	Number of cases	Ascertainable amount involved (in ₹ million)
Direct tax	4	27.81
Indirect tax	-	-
Total	**4**	**27.81**

IV. LITIGATION INVOLVING OUR DIRECTORS

A. Outstanding litigation against our Directors

Criminal proceedings

Except as disclosed under "- ***Litigation involving our Promoter- Criminal proceedings***" above, there are no outstanding criminal proceedings involving our Directors.

Actions by regulatory and statutory authorities against our Directors

Except as disclosed under "- ***Litigation involving our Promoter- Actions by regulatory and statutory authorities against our Promoter***" above, there are no pending actions by regulatory and statutory authorities against our Directors.

Tax proceedings

Except as disclosed under "- ***Litigation involving our Promoter- Tax proceedings***" above, there are no outstanding tax proceedings involving our Directors.

V. OUTSTANDING DUES TO CREDITORS

In terms of the Materiality Policy, creditors of our Company to whom an amount was outstanding, exceeding 5.00 % of our consolidated trade payables for the latest financial period for which financial information is disclosed in this Red Herring Prospectus, were considered 'material' creditors. Accordingly, creditors to whom outstanding dues exceed ₹ 19.44 million, being 5.00% of our consolidated trade payables as on September 30, 2022 i.e., ₹ 388.71 million, have been considered as material creditors for the purposes of disclosure in this Red Herring Prospectus.

Details of outstanding dues owed to MSMEs, material creditors and other creditors as on September 30, 2022 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	35	15.06
Material creditors	1	32.55
Other creditors (including provisions for payable)	1,038	341.10
Total	**1,074**	**388.71**

The details pertaining to outstanding over dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://sulavineyards.com/pdf/Material-Creditor.pdf.

VI. Material developments since the last balance sheet date

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" beginning on page 350, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our business operations require various consents, licenses, registrations, permissions and approvals issued by relevant governmental and regulatory authorities under applicable rules and regulations. We have set out below an indicative list of material consents, licenses, registrations, permissions and approvals obtained by our Company and Material Subsidiary for the purposes of undertaking their respective business operations. Except as mentioned below, no further material consents, licenses, registrations, permissions and approvals are required to undertake the Offer or to carry on our present business and operations. Unless otherwise stated, these material approvals are valid as on the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "**Key Regulations and Policies**" beginning on page 225.*

We have also set out below, (i) material approvals or renewals applied for but not received; and (ii) material approvals expired and renewal yet to be applied for, as on the date of this Red Herring Prospectus.

I. Material approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer – Corporate Approvals***" on page 400.

II. Incorporation details of our Company

For details of the incorporation details of our Company, see "***History and Certain Corporate Matters***" beginning on page 234.

III. Material approvals obtained in relation to our business and operations

A. Regulatory approvals obtained by our Company and our Subsidiary

Our Company and ASPL, requires various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business in India. These licenses differ based on the location as well as the nature of operations carried out at such locations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company and ASPL for their respective businesses and operations, is provided below.

1. ***Approvals under the FSS Act:*** Our Company and ASPL are required to obtain licenses from the FSSAI, under the FSS Act for manufacturing, storage, distribution, sale, import and export of wine, other alcoholic as well as non-alcoholic beverages and food products. Accordingly, we have obtained separate licenses for each of our manufacturing facilities, hotels, restaurants and tasting rooms all of them are valid as on the date of this Red Herring Prospectus. The license granted for our facilities under the FSS Act is generally valid for a period five years from the date of the license and are subject to periodic renewals.

   We are also required to obtain licenses under the FSS Act for storage of wine in warehouses. We have obtained licenses under the FSS Act for each of our warehouses and all the licenses are currently valid as on the date of this Red Herring Prospectus, except as disclosed below. The licenses granted for the depots under the FSS Act is generally valid for a period of three to five years and are subject to periodic renewals.

2. ***Liquor license under excise laws:*** Under the scheme of excise laws, state legislatures in Maharashtra and Karnataka have enacted legislations dealing with licenses for manufacture and sale of wine. Any person selling wine, of various types and form, is required to obtain appropriate license under the state legislation. We are also required to obtain licenses to serve liquor at our hospitality facilities. Such licenses are subject to periodic renewals.

   Furthermore, the excise laws prescribe strict requirements for the labelling of alcoholic beverages in India. Each state in India has its own requirements as to the information that must appear on the label of any alcoholic beverage manufactured and sold in that state and each product label is required to be approved by the relevant authorities. As a result, we produce labels on a state-by-state basis and obtain approvals for each of our products prior to selling them in the respective states.

3. ***Labour law related approvals:*** Our Company and ASPL are required to obtain licenses for setting up and operating our manufacturing facilities under the Factories Act, 1948 and relevant state specific rules made thereunder. Our Company and ASPL have also obtained certificates of registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. Our Company has also obtained a certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970. Such licenses and registrations may be subject to renewals.

4. ***Legal metrology licenses:*** Our Company and ASPL, are required to obtain certificates of registration under the Legal Metrology (Packaged Commodities) Rules, 2011, for the purposes of manufacturing, packaging and importing wine and other alcoholic beverages.

5. ***Environment related approvals:*** We are required to obtain consents and authorisations to operate our facilities under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder from the state pollution control board of the relevant states. Such licenses, consents and authorisations are subject to periodic renewal.

6. ***No objection certificates from fire department:*** We are required to obtain no objection certificates from the fire departments in the relevant jurisdictions, to undertake and continue our operations, and such no objection certificates are subject to renewal.

7. ***Shops and establishments' registrations:*** In states where our Registered and Corporate Office, sales offices and our hospitality facilities are operational, registrations under the respective S&E Acts of those states, wherever enacted and in force, would be required. The term of such registrations and renewal requirements as well as processes may differ under the various applicable state legislations and may be subject to periodic renewals, as applicable.

   In addition to the material approvals mentioned above, our Company and ASPL are also required to obtain, or typically obtain, certain other approvals such as, *inter alia*, such as the importer-export codes issued by Director General of Foreign Trade, GoI, registration cum membership certificate issued by the Agricultural Exports Development Authority, license for direct marketing produce under the Maharashtra Agricultural Produce Marketing (Development and Regulation) Act, 1963, bed and breakfast licence issued by the Maharashtra Tourism Development Corporation for our facilities in Nashik, Maharashtra, general licences for our facilities in Karnataka, public performance licenses with Phonographic Performance Limited and The Indian Performing Rights Society Limited. Such licenses may also be subject to periodic renewals under the relevant legislations.

B. Tax related approvals obtained by our Company and our Material Subsidiary

1. The permanent account number of our Company is AABCN7126Q and ASPL is AADCT9894R**.**

2. The taxpayer identification number of our Company is 27320019269C and ASPL is 27840899452V.

3. GST registrations for payments under various central and state goods and services tax legislations.

4. Professional tax registrations under the applicable state specific laws.

5. Value added tax registrations under the applicable state specific laws.

6. Registrations in the capacity of a dealer under the Central Sales Tax Act, 1956 obtained by our Company.

7. Registration in the capacity of a hotelier under the Maharashtra Tax on Luxuries Act, 1987 obtained by our Company.

IV. Material approvals pending for which applications have been made or are yet to be made

A. Material approvals or renewals for which applications are currently pending before relevant authorities

S. No.	Description	Authority	Date of Application
Sula Vineyards Limited			
1.	License under the FSS Act for trade or retail of beverages excluding dairy products.	Department of Health Safety and Regulations, Government of Himachal Pradesh	September 17, 2022
2.	License under the FSS Act for trade or retail of beverages excluding dairy products.	Department of Food Safety, Government of National Capital Territory of Delhi	November 7, 2022
3.	Consent under section 21 of the Air (Prevention and Control of Pollution) Act, 1981	Member Secretary, Karnataka State Pollution Control Board	November 16, 2022

Pursuant to the conversion of our Company to a public limited company and the consequent change in the name of our Company, as mentioned in "***History and Certain Corporate Matters***" on page 234, we have filed and will file certain applications / intimations for issuance of fresh approvals or to take on record the change of name in various licenses obtained from regulatory or statutory authorities under the applicable laws, as applicable.

For risks associated with material approvals or renewals for which applications are currently pending before relevant authorities, see "***Risk Factors – We may be unable to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations***." on page 50.

B. Material approvals expired and renewal yet to be applied for

Nil

C. Material approvals required but not obtained or applied for

S.No.	Description	Authority
1.	License under the West Bengal Shops & Commercial Establishments Act, 1964 for establishment of sales office in Kolkata*	Labour Inspector, Bidhan Nagar, West Bengal

**Our Company has not been able to apply for this license due to non-cooperation from the owners of the leased premises located in Kolkata, West Bengal. The Company is currently searching for alternative premises to relocate its office from this leased premise.*

For risks associated with material approvals required but not obtained or applied for, see "***Risk Factors – We may be unable to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations***." on page 50.

V. Intellectual property related approvals

As of the date of this Red Herring Prospectus, our Company has registered 200 trademarks under various classes with the Registrar of Trademarks under the Trade Marks Act, 1999 and eight international trademarks in the United States of America, the European Union, Singapore, Australia, New Zealand, Chile, Japan and South Africa. These include:

S.No.	Trademark	Classes of registration
1.	"SULA"	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 31, 33, 34, 36, 38, 39, 40, 41, 42, 43, 44, 45
2.	"SULA VINEYARDS"	33
3.	(Device of SUN)	16, 33
4.		33

S.No.	Trademark	Classes of registration
	(SUN logo with SULA)	
5.	"SAMARA"	33
6.	"DINDORI"	33
7.	"THE SOURCE AT SULA"	43
8.	(RASA Shiraz)	33

Further, our Company has also made eight applications seeking registration for trademarks under various classes, with the Registrar of Trademarks under the Trade Marks Act, 1999 which are currently pending. Some of the trademarks pending registration have been opposed or refused and are pending review. ASPL has registered eight trademarks under various classes and two international trademarks in Lebanon and Myanmar. Further ASPL, has also made 15 applications seeking registration for trademarks under various classes.

As of the date of this Red Herring Prospectus, our Company has registered 35 copyrights with the Deputy Registrar of Copyrights under the Indian Copyrights Act. ASPL has registered one copyright and made two applications seeking registrations for copyrights with the Deputy Registrar of Copyrights under the Indian Copyrights Act.

Our Company and ASPL uses bottles of various designs and shapes for marketing and sale of wine. Accordingly, ASPL has registered 2 designs for bottles under class 09-01 under the Designs Act and Designs Rules, 2001.

For risk associated with our intellectual property please see, "***Risk Factors – We may be unable to protect our intellectual property or know how from third party infringement.***" on page 44.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board has authorized the Offer pursuant to its resolution dated February 23, 2022.

Our Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 15, 2022 and November 26, 2022.

Our Board has approved and adopted the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges pursuant to its resolution dated July 15, 2022.

Our Board has approved and adopted this Red Herring Prospectus for filing with the RoC, SEBI and the Stock Exchanges pursuant to its resolution dated December 5, 2022.

Approvals from the Selling Shareholders

Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

S. No.	Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's Consent Letter	Date of Corporate Authorisation/ Board Resolution
Promoter Selling Shareholder				
1.	Rajeev Samant	Up to 937,203	November 25, 2022	N.A.
Investor Selling Shareholders				
2.	Cofintra S.A.	Up to 7,191,835	November 26, 2022	November 8, 2022
3.	Haystack Investments Limited	Up to 200,000	May 17, 2022	February 14, 2022
4.	Saama Capital III, Ltd.	Up to 687,389	February 21, 2022	February 9, 2022
5.	SWIP Holdings Limited	Up to 121,076	February 28, 2022	February 28, 2022
6.	Verlinvest S.A.	Up to 7,191,835	November 26, 2022	October 24,2022
7.	Verlinvest France S.A.	Up to 6,579,565	November 26, 2022	November 8, 2022
Other Selling Shareholders				
8.	Dinesh G. Vazirani	Up to 50,000	February 15, 2022	N.A.
9.	J.A. Moos	Up to 2,250	March 3, 2022	N.A.
10.	Karishma Singh	Up to 479,063	February 17, 2022	N.A.
11.	Major A.V. Phatak (Retd.)	Up to 8,625	February 28, 2022	N.A.
12.	Narain Girdhar Chanrai	Up to 1,007,314	February 15, 2022	N.A.
13.	Ruta M. Samant	Up to 2,014,758	February 17, 2022	N.A.
14.	Sanjay Naraindas Kirpalani	Up to 429,617	February 21, 2022	N.A.
	Total:	**Up to 26,900,530**		

In-principle Listing Approvals

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

Prohibition by the SEBI, the RBI or other Governmental Authorities

Our Company, our Promoter, members of Promoter Group, Directors and each of the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company, Promoter or Directors have neither been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Directors associated with the Securities Market

Except our Director, Chetan Rameshchandra Desai, who is associated with Reliance Securities Limited, which is registered with SEBI as a stock broker, research analyst, depository participant and investment advisor, in the capacity of a director, none of our Directors are associated with the securities market. Further, there has been no outstanding actions initiated by SEBI against Chetan Rameshchandra Desai in the five years preceding the date of this Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, members of Promoter Group and each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Red Herring Prospectus. It is clarified that the Companies (Significant Beneficial Owners) Rules, 2018, as amended, are not applicable to the Investor Selling Shareholders as on the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held as monetary assets;
- our Company has an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- our Company has a net worth of at least ₹10.00 million in each of the three preceding full years (of 12 months each), calculated on a restated and consolidated basis; and
- there has been no change of name of our Company at any time during the last one year immediately preceding the date of filing of this Red Herring Prospectus.

Set forth below are our Company's operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Financial Statements included in this Red Herring Prospectus.

(*₹ in million, unless otherwise stated*)

	Financial year ended as on		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Net tangible assets	3,877.26	3,035.33	2,976.47
Monetary assets	101.99	407.91	374.72
Operating profit	896.76	329.99	139.19
Average operating profit		455.31	
Net worth	3,952.59	3,047.39	2,999.46

Our Company has operating profits in each of the Financial Years 2022, 2021 and 2020 in terms of our Restated Consolidated Financial Information.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delay period. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any such delay, except to the extent such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

(a) Our Company, the Selling Shareholders, our Promoter, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;

(b) None of our Promoter or our Directors are promoter or directors of companies which are debarred from accessing the capital markets by SEBI;

(c) None of our Company, our Promoter or our Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower;

(d) None of our Promoter and our Directors are fugitive economic offenders; and

(e) Except for the issue of Equity Shares pursuant to exercise of options granted under the ESOP Schemes, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus. For further information on the ESOP Schemes, see "***Capital Structure – Employee Stock Option Schemes***" beginning on page 113.

Each of the Selling Shareholders confirm that they have held their respective portion of the Offered Shares for a continuous period of at least one year prior to the date of this Red Herring Prospectus and accordingly each of the Selling Shareholders is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CLSA INDIA PRIVATE LIMITED AND IIFL SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE SEVERALLY AND NOT JOINTLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS TO THE EXTENT OF INFORMATION SPECIFICALLY PERTAINING TO ITSELF AND FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY ACTING THROUGH THE IPO COMMITTEE DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 15, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders, the BRLMs

Our Company, our Directors, the Selling Shareholders, the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance, and anyone placing reliance on any other source of information, including our Company's website www.sulavineyards.com, or any website of any of our Subsidiary, any affiliate of our Company or any of the Selling Shareholders, would be doing so at his or her own risk. It is clarified that neither the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken specifically by such Selling Shareholder to the extent of information specifically pertaining to itself and/or the Equity Shares offered by it through the Offer for Sale, and in this case only on a several and not joint basis. None of the Selling Shareholders, its respective directors, partners, affiliates, associates and officers accept or undertake responsibility for any statements other than those undertaken or confirmed by such Selling Shareholder to the extent of information specifically pertaining itself and its respective portions of the Offered Shares, and in this case only on a several and not joint basis.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, each of the Selling Shareholders (to the extent that the information specifically pertain to it and its respective portions of the Offered Shares), the BRLMs to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates, in their capacity as principals or agents, may engage in transactions with, and perform services for, our Company, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("**AIFs**"), Foreign Portfolio Investors registered with SEBI ("**FPIs**") and QIBs. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, Maharashtra, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offer and sales occur. For the avoidance of doubt, the term "U.S." QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Eligible Investors

The Equity Shares are being offered and sold:

i. in the United States to investors that U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and

ii. outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB, with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A)(i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, (ii) in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States or (iii) pursuant to a registration statement or another applicable registration exemption under the U.S. Securities Act. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTRED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. The Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

11. the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations

and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders, and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an “offshore transaction” meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

6. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

7. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTEED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN “OFFSHORE TRANSACTION” COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

8. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

9. the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each Member State of the European Economic Area and the United Kingdom (each a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulations;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulations,

provided that no such offer of Equity Shares shall require the Company, the Selling Shareholders or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulations.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The Company, the Selling Shareholders, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, *vide* its in-principle approval dated August 16, 2022, is as under:

"*BSE Limited ("the Exchange") has given vide its letter dated August 16, 2022, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection *with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever***"**

Disclaimer clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, *vide* its in-principle approval dated August 17, 2022, is as under:

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1764 dated August 17, 2022, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through this Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. The Selling Shareholders shall, severally and not jointly, be responsible to pay, or reimburse, as the case may be, any interest for such delays in making refunds only to the extent and in the manner agreed under the Offer Agreement.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion the Offered Shares. However, each of the Selling Shareholders shall not be liable to pay and / or reimburse any expenses towards refund or any interest thereon in respect to Allotment of its respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of any act by such Selling Shareholder and such liability shall be limited to the extent of its respective Offered Shares.

Consents

Consents in writing of each the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels, the BRLMs, the Registrar to the Offer, Statutory Auditors, Technopak, independent chartered accountant, independent chartered engineer have been obtained; and consents in writing of the Syndicate Member, the bankers to our Offer to act in their respective capacities, will be obtained. Such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 25, 2022 from Walker Chandiok & Co. LLP, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report, dated November 23, 2022 on our Restated Consolidated Financial Information and (ii) the statement of possible special tax benefits available to our Company, its Material Subsidiary and shareholders dated November 25, 2022 and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent dated November 26, 2022 from N B T and Co, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of their certificates in connection with the Offer. The consent has not been withdrawn as of the date of this Red Herring Prospectus.

Further, our Company has received written consent dated November 24, 2022 from Manish M. Kothari, Chartered Engineer to include his name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as independent chartered engineers.

Capital issue during the previous three years

Except as disclosed in "***Capital Structure – Notes to Capital Structure***" on page 88, our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, our Company does not have any listed Group Companies or Subsidiary.

Performance vis-à-vis Objects – Public/ rights issue of our Company

Our Company has not undertaken any public issues, including any rights issues (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Red Herring Prospectus.

Performance *vis-à-vis* Objects – Public/ rights issue of the listed Subsidiary or Promoter of our Company

Our Subsidiary is not listed on any stock exchange. Further, our Company does not have a corporate Promoter.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in last five years

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Red Herring Prospectus.

Price information of past issues handled by the BRLMs

(i) Kotak Mahindra Capital Company Limited

1. Price information of past issues handled by Kotak

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Five-Star Business Finance Limited	15,934.49	474	November 21, 2022	468.80	Not Applicable	Not Applicable	Not Applicable
2.	Bikaji Foods International Limited	8,808.45	300[1]	November 16, 2022	321.15	Not Applicable	Not Applicable	Not Applicable
3.	Global Health Limited	22,055.70	336	November 16, 2022	401.00	Not Applicable	Not Applicable	Not Applicable
4.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00%,[-5.13%]	+34.54%, [+6.76%]	+40.15%, [+ 12.40%]
5.	Delhivery Limited	52,350.00	493[2]	May 24, 2022	493.00	+3.49%,[-4.41%]	+17.00%, [+10.13%]	-27.99%, [+13.53%]
6.	Life Insurance Corporation Of India	205,572.31	949[3]	May 17, 2022	867.20	-27.24%,[-3.27%]	-28.12%, [+9.47%]	-33.82%, [+13.76%]
7.	Rainbow Children's Medicare Limited	1,5808.49	542[4]	May 10, 2022	510.00	-13.84%,[+0.72%]	-12.80%, [+7.13%]	+49.20%, [+11.56%]
8.	Campus Activewear Limited	13,996.00	292[5]	May 9, 2022	360.00	+11.92%,[+0.70%]	+41.71%, [+6.72%]	+91.04%, [+11.14%]
9.	Vedant Fashions Limited	31,491.95	866	February 16, 2022	935.00	+3.99%,[-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]
10.	Adani Wilmar Limited	36,000.00	230[6]	February 8, 2022	227.00	+48.00%,[-5.34%]	+180.96%, [-4.95%]	+193.26%, [+0.76%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Bikaji Foods International Limited, the issue price to eligible employees was ₹ 285 after a discount of ₹ 15 per equity share*
2. *In Delhivery Limited, the issue price to eligible employees was ₹ 468 after a discount of ₹ 25 per equity share*
3. *In Life Insurance Corporation of India, the issue price to retail investors and eligible employees was ₹ 904 after a discount of ₹ 45 per equity share and the issue price to eligible policyholders was ₹ 889 after a discount of ₹ 60 per equity share*
4. *In Rainbow Children's Medicare Limited, the issue price to eligible employees was ₹ 522 after a discount of ₹ 20 per equity share*
5. *In Campus Activewear Limited, the issue price to eligible employees was ₹ 265 after a discount of ₹ 27 per equity share*
6. *In Adani Wilmar Limited, the issue price to eligible employees was ₹ 209 after a discount of ₹ 21 per equity share*
7. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
8. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
9. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
10. *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past issues handled by Kotak

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	8	342,605.88	-	1	1	-	-	3	-	2	-	1	2	-
2021-22	19	624,047.99	-	-	5	5	5	4	1	4	2	8	2	2
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1

Notes:

1. *The information is as on the date of this Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

(ii) CLSA India Private Limited

1. Price information of past issues handled by CLSA

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Fusion Micro Finance Limited	11,039.93	368.00	November 15, 2022	359.50	-	-	-
2.	Campus Activewear Limited	13,997.70	292.00	May 9, 2022	360.00	+11.92%, [+0.70%]	+41.71%, [+6.72%]	+91.04%, [+11.14%]
3.	Star Health and Allied Insurance Company Limited	60,186.84	900.00	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
4.	Fino Payments Bank Limited	12,002.93	577.00	November 12, 2021	548.00	-30.55%, [-3.13%]	-34.56%, [-3.66%]	-52.33%, [-10.42%]
5.	Devyani International Limited	18,380.00	90.00	August 16, 2021	140.90	+32.83%, [+4.93%]	+78.39%, [+9.30%]	+97.17%, [+4.90%]
6.	Burger King India Limited	8,100.00	60.00	December 14, 2020	115.35	+146.75%, [+7.06%]	+135.0%, [+9.81%]	+168.17%, [+13.45%]

Source: www.nseindia.com

Notes:

1. *Designated Stock Exchange as disclosed by the respective issuer at the time of the issue considered for benchmark index and for disclosing the price information. CNX NIFTY is considered as the Benchmark Index where Designated Stock Exchange was NSE. BSE Sensex is considered as the Benchmark Index where Designated Stock Exchange was BSE. Price on the Designated Stock Exchange is considered for all of the above calculations.*
2. *Equity public issues in last 3 financial years considered.*
3. *In case 30th/90th/180th day is not a trading day, closing price on the Designated Stock Exchange of the previous trading day has been considered.*
4. *Wherever, 30, 90 and 180 calendar days, from listing date has not elapsed for the issue in the Financial Year 2022-2023, data for same is not available.*
5. *In Star Health and Allied Insurance Company Limited, the issue price to Eligible Employees bidding in the Employee Reservation Portion was ₹ 820 per equity share,*
6. *In Campus Activewear Limited, the issue price to Eligible Employees bidding in the Employee Reservation Portion was ₹ 265 per equity share.*

2. Summary statement of price information of past issues handled by CLSA

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	2	25,037.63	-	-	-	-	-	1	-	-	-	1	-	-
2021-22	3	90,569.77	-	1	1	-	1	-	1	-	1	1	-	-
2020-21	1	8,100.00	-	-	-	1	-	-	-	-	-	1	-	-

Notes:

1. *For 2022-23, the information is as on the date of this offer document.*
2. *The Total number of IPOs and the Total amount of funds raised have been included for each financial year based on the IPO listed during such financial year.*
3. *Wherever, 30 and 180 calendar days from listing date has not elapsed for any issue, data for same is not available.*

(iii) IIFL Securities Limited

1. Price information of past issues handled by IIFL

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Vedant Fashions Limited	31,491.95	866.00	NSE	February 16, 2022	935.00	+3.99%,[-0.20%]	+14.53%,[-8.54%]	+37.67%,[+2.17%]
2.	Rainbow Childrens Medicare Limited	15,808.49	542.00(1)	NSE	May 10, 2022	510.00	-13.84%,[+0.72%]	-12.80%,[+7.13%]	+49.35%,[+11.56%]
3.	eMudhra Limited	4,127.86	256.00	BSE	June 1, 2022	271.00	-1.52%,[-4.27%]	+40.66%,[+4.68%]	+22.13%,[+12.48%]
4.	Syrma SGS Technology Limited	8,401.26	220.00	BSE	August 26, 2022	262.00	+31.11%,[-1.25%]	+29.20%,[+4.55%]	N.A.
5.	Electronics Mart India Limited	5,000.00	59.00	NSE	October 17, 2022	90.00	+46.27%,[+6.31%]	N.A.	N.A.
6.	Tracxn Technologies Limited	3,093.78	80.00	NSE	October 20, 2022	84.50	-10.06%,[+4.23%]	N.A.	N.A.
7.	Fusion Micro Finance Limited	11,039.93	368.00	NSE	November 15, 2022	359.50	N.A.	N.A.	N.A.
8.	Bikaji Foods International Limited	8,808.45	300.00(2)	NSE	November 16, 2022	322.80	N.A.	N.A.	N.A.

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
9.	Archean Chemical Industries Limited	14,623.05	407.00	NSE	November 21, 2022	450.00	N.A.	N.A.	N.A.
10.	Kaynes Technology India Limited	8,578.20	587.00	NSE	November 22, 2022	778.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of INR 20 Per Equity Share was offered to eligible employees bidding in the employee reservation portion
(2) A discount of INR 15 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues handled by IIFL

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	8	47,017.65	-	-	4	2	1	1	-	1	-	3	3	1
2021-22	17	3,58,549.95	-	-	5	-	4	8	-	6	4	3	1	3
2022-23	9	79,481.02	-	-	3	-	2	-	-	-	-	-	1	1

Source: www.nseindia.com; www.bseindia.com, as applicable
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has appointed Ruchi Sathe, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "***General Information***" beginning on page 79.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Separately, pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/ withdrawn/ deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/ withdrawal/ deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For helpline details of the BRLMs pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "***General Information – The Book Running Lead Managers***" on page 80.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations.

Our Company has obtained authentication on the SCORES and is in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship comprising our Directors, Alok Vajpeyi as Chairperson and Chetan Rameshchandra Desai and Rajeev Samant, as members, which is responsible for review and redressal of grievances of the security holders of our Company. For details, see "***Our Management – Stakeholders' Relationship Committee***" on page 241.

Our Company has appointed Ruchi Sathe as our Company Secretary and Compliance Officer for the Company who may be contacted in case of any pre-Offer or post-Offer related grievances. Her contact details are as follows:

901 Hubtown Solaris, N.S. Phadke Marg
Andheri (East), Mumbai 400 069
Maharashtra, India
Tel: +91 22 6128 0606
E-mail: cs@sulawines.com

Each of the Selling Shareholders have severally and not jointly authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Our Company has not received any investor grievances during the three years preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus and as on date, there are no investor complaints pending.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company filed an exemption application dated May 27, 2022 ("**Exemption Application**") under Regulation 300(1)(c) of the SEBI ICDR Regulations seeking an exemption from considering and disclosing (i) Suresh Samant (father of the Promoter), (ii) Sulabha Samant (mother of the Promoter), (iii) Bharat Samant and Jaideep Samant (brothers of the Promoter and together with (i) and (ii), "**Relatives of our Promoter**"), (iv) Andronov Vitaliy (father of the spouse of the Promoter); and (v) Andronov Leonid (brother of the spouse of the Promoter, and together with (iv), "**Relatives of the Promoters' Spouse**"), (vi) any body corporate in which in which 20% or more of the equity share capital is held by the above mentioned individuals or a firm or any Hindu Undivided Family where any of such individuals may be a member including Samson Maritime Limited ("**SML**"), wherein Suresh Samant, Sulabha Samant and Bharat Samant collectively hold 20% or more of the equity share capital, or (vii) any body corporate in which the body corporate mentioned under (vi) above holds 20% or more of the equity share capital including Underwater Services Company Limited, wherein SML holds 20% or more of the equity share capital as members of the Promoter Group of the Company, in accordance with the SEBI ICDR Regulations.

Our Promoter and the Relatives of our Promoter, amongst others, entered into a family settlement cum separation agreement dated December 29, 2021 ("**Separation Agreement**") wherein, amongst other things, Rajeev Samant severed all personal, emotional, financial, commercial and family related ties with each of them. In relation to Relatives of the Promoters' Spouse, our Company was unable to contact any of them as Margarita Andronova (spouse of the promoter), informed our Company that she does not have any contact with them and is unaware of either of their whereabouts/ contact details/ residential or any other contact address. Neither of the above mentioned persons have any role in the management or operations of our Company or our Subsidiary nor in any of the entities forming a part of the Promoter Group. Further, neither of them is on our Board or the board of directors of our Subsidiary or the entities forming a part of the Promoter Group nor does any of them have any representative on our Board or hold any Equity Shares or other securities of our Company. Additionaly, neither of them has any related party transactions with our Company or is associated with our Company in the capacity of a vendor or supplier or client and does not have any special rights with respect to our Company through any formal or informal arrangements.

Pursuant to the above, SEBI has, pursuant to its letter dated July 11, 2022 in response to our Exemption Application, granted an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from considering and disclosing the above mentioned persons as members of the Promoter Group.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, transferred and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and offer for sale and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company acting through the IPO Committee, see "***Objects of the Offer***" on page 121.

Ranking of the Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares in the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of the Allotment. For further details, see "***Main Provisions of Articles of Association***" beginning on page 445.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the MoA and AoA and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Allottees, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "***Dividend Policy***" and "***Main Provisions of Articles of Association***" beginning on pages 263 and 445, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and advertised at least two Working Days prior to the Bid/ Offer Opening Date in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company acting through the IPO Committee, in consultation with the BRLMs, after the Bid/Offer Closing Date, in terms of this Red Herring Prospectus and the Prospectus.

At any given point of time, there shall be only one denomination of the Equity Shares.

The Offer

The Offer comprises an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "***Objects of the Offer – Offer Related Expenses***" on page 121.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

(i) Right to receive dividends, if declared;

(ii) Right to attend general meetings and exercise voting rights, unless prohibited by law;

(iii) Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act, 2013;

(iv) Right to receive offers for rights shares and be allotted bonus shares, if announced;

(v) Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

(vi) Right of free transferability of the Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and

(vii) Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013, the provisions of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, etc., see "***Main Provisions of the Articles of Association***" beginning on page 445.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares shall also only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

(i) Tripartite agreement dated February 17, 2022 amongst our Company, NSDL and the Registrar to the Offer.

(ii) Tripartite agreement dated February 18, 2022 amongst our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" beginning on page 424.

Jurisdiction

Exclusive jurisdiction for the purposes of the Offer is with the competent courts/ authorities in Mumbai, Maharashtra, India.

Joint holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/OFFER OPENS ON(1)	Monday, December 12, 2022
BID/OFFER CLOSES ON(2)	Wednesday, December 14, 2022

(1) Our Company through the IPO Committee, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations i.e., Friday, December 9, 2022.

(2) UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, December 19, 2022
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account(1)	On or about Tuesday, December 20, 2022
Credit of Equity Shares to demat accounts of Allottees	On or about Wednesday, December 21, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, December 22, 2022

(1) In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Bidder. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

(2) The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI 484 circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders, or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six

Working Days from the Bid/Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company acting through the IPO Committee, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend such reasonable support and co-operation, in relation to its respective portion of the Offered Shares only, as required under applicable law or requested by the Company and/or the Book Running Lead Managers in this respect.

SEBI is in the process of streamlining and reducing the post-issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 a.m. IST and 5:00 p.m. IST
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10:00 a.m. IST and 3:00 p.m. IST

**UPI mandate end time and date shall be at 5.00pm on Bid/Offer Closing Date.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until (except Bids by Anchor Investors):

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders where the Bid Amount is in excess of ₹ 500,000, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders, where the Bid Amount is up to ₹ 500,000.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLMs and the Registrar to the Offer on a daily basis.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision in Bids will be accepted only during Working Days, during the Bid/Offer Period.

Our Company acting through the IPO Committee, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price provided that the Cap Price shall be at least 105% of the Floor Price. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company acting through the IPO Committee, may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, the Selling Shareholders, to the extent applicable, or fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares, our Company shall within four days from the closure of the Offer, refund the entire subscription amount received. If there is a delay beyond four days, interest at the rate of 15% per annum shall be paid by our Company, in accordance SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

In terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000. In the event of under subscription in the Offer, the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted in proportion to the Offered Shares being offered by each Selling Shareholder.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company acting through the IPO Committee, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company and the Anchor Investor lock-in as provided in "***Capital Structure***" beginning on page 88, and except as provided in the Articles of Association as detailed in "***Main Provisions of Articles of Association***" beginning on page 445, there are no restrictions on transfers and transmission of the Equity Shares, and on their consolidation or splitting.

OFFER STRUCTURE

Offer of 26,900,530 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising an Offer for Sale by the Selling Shareholders. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company. The face value of each Equity Share is ₹ 2 each.

The Offer is being made through the Book Building Process.

Particulars	**QIBs[(1)]**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment or allocation*(2)	Not more than [●] Equity Shares aggregating up to ₹ [●] million	Not less than [●] Equity Shares aggregating up to ₹ [●] million	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Offer being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIB. One-third of the Non- Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two subcategories of the Non-Institutional Category may be allocated to Bidders in the other subcategory of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. c) up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	The allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "***Offer Procedure***" beginning on page 425.
Mode of Bid^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including UPI Mechanism for Bids up to ₹ 500,000)	ASBA only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000.	[●] Equity Shares

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share		
Who can apply[(3)]	Public financial institutions of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Banks through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form		

[*] *Assuming full subscription in the Offer.*

^ SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NII and Retail and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) Our Company acting through the IPO Committee may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company acting through the IPO Committee in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations, In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(3) Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters,

their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under "***Offer Procedure – Bids by FPIs***" on page 430 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, vide SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. Thereafter, the final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any further circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circulars is applicable for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Red Herring Prospectus.*

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

Our Company, the Selling Shareholders, and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders, and the BRLMs are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company acting through the IPO Committee, in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least 10% of the post Offer paid-up Equity Share capital of our Company. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, amongst others, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges, and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All investors, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

All ASBA Bidders must provide either, (i) bank account details and authorisation to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

UPI Bidders Bidding must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-

Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their banks accounts to be blocked through ASBA for their respective Bids as the application made by a Bidder shall only be proceesed after the Bid amount is blocked in their ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Investors must ensure that their PAN is linked with aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians, including resident QIBs, Non-Institutional Bidders, RIBs and Eligible NRIs applying on a non-repatriation basis	White
Non-residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than UPI Bidders using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no.

SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Member and the persons related to the BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer, either in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in the Offer in the QIB Portion where the allocation is on a proportionate basis or in the Non-Institutional Portion, as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, none of the BRLMs nor any associates of the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLMs.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that such Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Regulations.

In accordance with the FEMA rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment. For details of investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 443. Participation of Eligible NRIs shall be subject to the FEMA Regulations.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap of the paid-up equity share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("**MIM**") structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations as amended, amongst others, prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Instruments Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their respective corpus in one investee company. A category III AIF cannot invest more than 10% of its corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders, the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, ("**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves. The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of the RBI to make an investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para (i) above.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, AIFs, Mutual Funds, NBFC – SI, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be attached with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

Except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, among the Anchor Investors and any BRLM.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Category. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

Our Company, in consultation with the BRLMs, may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs, before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Category will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus, or as will be specified in the Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder’s responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/Offer Period.

***Do’s*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are a UPI

Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Bid cum Application Form;

5. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer;

8. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than UPI Bidders bidding using the UPI Mechanism);

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. of the Bid/ Offer Closing Date;

14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of

Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

22. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

23. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

24. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

25. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

27. If you are in the United States then do not Bid unless you are a U.S. QIB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account;
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. If you are a UPI Bidder using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
20. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;
21. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category;
22. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;

24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIB may revise or withdraw their Bids on or before the Bid/Offer Closing Date;

25. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are a UPI Bidder using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

26. If you are a UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID; and

27. Do not Bid if you are an OCB;

28. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website are liable to be rejected;

29. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

30. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidders using the UPI Mechanism).

31. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information***" beginning on page 79.

For helpline details of the BRLMs pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "***General Information – The Book Running Lead Managers***" on page 80.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through this Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment of Equity Shares to each NIB shall not be less than the minimum bid lot, subject to availability in the Non-Institutional Category, and the remaining available shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "SULA VINEYARDS LIMITED -IPO - ANCHOR ACCOUNT-R"

(b) In case of non-resident Anchor Investors: "SULA VINEYARDS LIMITED – IPO -ANCHOR ACCOUNT-NR"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing of this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price which shall be a date prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

1. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

2. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with BRLMs within such period as may be prescribed under applicable law;

3. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

4. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

5. except for any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOP Schemes, no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.; and

6. that adequate arrangements shall be made to collect all Bid cum Application Forms.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder undertakes, severally and not jointly, in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares that:

i. it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;

ii. its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;

iii. it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer; and

iv. it shall not access or have recourse to the proceeds of the Offer until final approvals for listing and trading of the Equity Shares from the Stock Exchanges have been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, the Offer Price will be taken by our Company, acting through the IPO Committe, in consultation with the BRLMs.

Utilisation of the Offer Proceeds by Selling Shareholders

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related .expenses the relevant taxes thereon. For details of Offered Shares by each Selling Shareholder, see ***"Other Regulatory and Statutory Disclosures"*** beginning on page 400.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Withdrawal of the Offer

Our Company through the IPO Committee, in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges. If our Company through the IPO Committee, in consultation with the BRLMs withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion ("**DPIIT**") issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

For further details, see "***Offer Procedure***" beginning on page 425.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company comprise two parts, Part A and Part B. Upon the commencement of listing of the Equity Shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall automatically come in effect and be in force, without any further corporate or other action by the Company or its shareholders.

PART A OF THE ARTICLES OF ASSOCIATION

Applicability of Table F

Article I provides that the regulations contained in Table 'F' of Schedule I of Companies Act, 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

Definitions and Interpretation

"Act" means Companies Act, 2013, and any amendments, re-enactments or other statutory modifications thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

"Articles" or **"Articles of Association"** or means the articles of association of the Company as amended from time to time.

"Alternate Director" shall have the meaning ascribed to it in Article 125 of these Articles.

"Board" or "Board of Directors" means the Board of Directors of the Company as constituted from time to time in accordance with the terms of these Articles.

"Company" means Sula Vineyards Limited, a company incorporated under the laws of India.

"Depositories Act" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof for the time being in force.

"Depository" means a Depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992.

"Director" means a director of the Board, including Alternate Directors and Independent Directors appointed from time to time in accordance with the terms of these Articles and the provisions of the Act.

"General Meeting" means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting.

"Independent Director" shall have the meaning assigned to the said term under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"INR" or "Rs." means the Indian Rupee, the currency and legal tender of the Republic of India.

"Law" includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority (including but not limited to the Reserve Bank of India Act, 1934 and any applicable rules, regulations and directives of the Reserve Bank of India), statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

"Member" means a member of the Company within the meaning of sub-Section 55 of Section 2 of the Act, as amended from time to time.

"Original Director" shall have the meaning ascribed to it in Article 125 of these Articles.

"Person" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law.

"Promoter" means Mr. Rajeev Samant**.**

"Seal" means the common seal of the Company.

"Shares" or **"Equity Shares"** means a share in the Equity Share Capital of the Company.

"Share Capital" or **"Equity Share Capital"** or **"Capital"** means in relation to the Company, its equity share capital within the meaning of Section 43 of the Act, as amended from time to time, together with all rights, obligations, title, interest and claim in such equity shares and includes all subsequent issue of such equity shares of whatever face value or description, bonus shares, conversion shares and shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

"Shareholder" shall mean a Member of the Company.

"Tribunal" means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.

"Verlinvest Group" means, collectively, Verlinvest Asia Pte. Limited, Verlinvest France S.A., Verlinvest S.A. and Cofintra S.A**.**

Share capital and variation of rights

Article 3 provides that "The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. Subject to the provisions of the Act and these Articles, the Share Capital for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of new Shares or out of the Share Capital to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with the provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Notwithstanding the foregoing, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting."

Article 4 provides that "Subject to these Articles and the provisions of the Act, the Company may, from time to time, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution."

Article 5 provides that "Subject to the provisions of the Act, the Company may from time to time, undertake any of the following:

(i) increase, reduce or otherwise alter its authorised share capital in such manner as it thinks expedient;

(ii) consolidate and divide all or any of its Share Capital into Shares of larger amount or smaller amount, than its existing Shares;

(iii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

(iv) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or

(v) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act."

Article 6 provides that "Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles."

Article 7 provides that "Subject to the provisions of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the preference shares may, in accordance with the provisions of the Act, by special resolution, determine."

Article 8 provides that "Period of redemption of such preference shares shall not exceed the maximum period for redemption provided under the Act."

Article 9 provides that "Subject to Law, where at any time, it is proposed to increase its subscribed capital by the issue/allotment of further Shares either out of the unissued capital or increased Share Capital then, such further Shares may be offered to:

(i) Persons who, at the date of offer, are holders of Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be prescribed under the Act and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (i) shall contain a statement of this right, provided that the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favor any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(ii) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(iii) any Persons, if authorised by a special resolution, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, above, subject to applicable law. The notice referred to in 9 (i) (a) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue."

Article 10 provides that "Nothing in Article 9 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into Shares in the Company or to subscribe for Shares in the Company. Provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such term:

(i) has also been approved by the special resolution passed by the Company in General Meeting before the issue of debentures or the raising of the loans; and

(ii) in the case of debentures issued to, or loans obtained from the Government, either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by the Government in this behalf; and

(iii) if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into Shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

(iv) Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit**.**"

Article 11 provides that "Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person."

Article 12 provides that "Except as required by Law, no Person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder."

Article 13 provides that "If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate general meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question."

Article 14 provides that "Rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith."

Article 15 provides that "Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit."

Article 16 provides that "Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary."

Article 17 provides that "Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws."

Article 18 provides "A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, in accordance with the provisions of the Act and any other applicable Laws"

Article 19 provides "Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(i) the Share Capital;

(ii) any capital redemption reserve account; or

(iii) any securities premium account."

Article 20 provides "The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the rules notified thereunder and the applicable provisions of the Act or any other applicable law for the time being force."

Lien

Article 29 provides that "Company shall have a first and paramount lien upon all the Shares/ debentures (other than fully paid up Shares/debentures) registered in the name of each Member (whether solely or jointly with others), and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Board may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article. The fully paid-up Shares shall be free from all lien and in case of partly paid Shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such Shares."

Article 30 provides that "Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien."

Article 31 provides that "A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien."

Article 32 provides that "The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

a) unless a sum in respect of which the lien exists is presently payable; or
b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency."

Article 33 provides that "To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale."

Article 34 provides that " The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale."

Calls on shares

Article 35 provides that "Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times."

Article 36 provides that "Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares."

Article 37 provides that "A call may be revoked or postponed at the discretion of the Board."

Article 38 provides that “Call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.”

Article 39 provides that “Joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 40 provides that “If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 41 provides that “Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Article 42 provides that “The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.”

The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.”

Transfer of shares

Article 52 provides that “Securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share (for Shares held in Physical form) of the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer (for Shares held in Physical form) shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration (for Shares held in Physical form) thereof.”

Article 53 provides that “Subject to the provisions of these Articles and other applicable provisions of the Act or any other Law for the time being in force, if the Board without sufficient cause, whether in pursuance of any power of the Company under these Articles or otherwise, refuses to register or acknowledge any transfer of, or the transmission by operation of Law of the right to, any securities or interest of a Member in the Company, within a period of thirty (30) days from the date on which the instrument of transfer (for Shares held in physical form), or the intimation of such transmission, as the case may be, was delivered to the Company, the transferee may, within a period of sixty days (60) of such refusal or where no intimation has been received from the company, within ninety (90) days of the delivery of the instrument of transfer (for Shares held in physical form) or intimation of transmission, appeal to the Tribunal. The Board shall not refuse the registration of a transfer on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the Shares or other Securities, provided however, that the Board may decline to register or acknowledge any transfer, whether fully paid-up or not, if the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under applicable Law as applicable to the Company, and further, that the decision of the Board or any persons designated by the Board with respect to whether the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under Applicable Law as applicable to the Company shall be final and binding in all respects. Transfer of Shares/debentures in whatever lot shall not be refused.”

Article 54 provides that "Save as otherwise provided in the Act or any applicable Law, no transfer of a Share (held in physical form) shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares (held in physical form), and if no such certificate is in existence, then the letter of allotment of the Shares or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer. Application for the registration of the transfer of a Share (held in physical form) may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year."

Article 55 provides that "No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents."

Transmission of shares

Article 56 provides that "On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons."

Article 57 provides that "Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(i) to be registered as holder of the Share; or

(ii) to make such transfer of the Share as the deceased or insolvent Member could have made."

Article 58 provides that "The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency."

Article 59 provides that "If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects."

Article 60 provides that "If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares."

Article 61 provides that "All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member."

Article 62 provides that "A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, *provided that* the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with."

Shareholders' meetings

Article 81 provides that "An annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine."

Article 82 provides that "All General Meetings other than the annual General Meeting shall be called extraordinary General Meetings."

Article 83 provides that

(i) "The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(ii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and for any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

(iii) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice as per the Act.

(iv) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

(v) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any 2 (two) Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board."

Proceedings at general meetings

Article 84 provides that "No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business."

Article 85 provides that "Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act."

Article 86 provides that "In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled."

Article 87 provides that "In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated."

Article 88 provides that "The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting."

Article 89 provides that "If at the adjourned meeting too a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called."

Article 90 provides that "The Chairman may, with the consent of Members at any meeting at which a quorum is present,and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place."

Article 91 provides that "No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place."

Article 92 provides that "When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting."

Article 93 provides that "Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting."

Article 94 provides that "Notwithstanding anything contained elsewhere in these Articles, the Company:

(i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

Provided that any item of business required to be transacted by means of postal ballot under Article 93(i), may be transacted at a General Meeting by Company, in the manner provided in Section 108 of the Act.
Article 94(i) provides that the directors may attend and speak at General Meetings, whether or not they are shareholders."

Article 95 provides that "Directors may attend and speak at General Meetings, whether or not they are shareholders."

Article 96 provides that "The body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act."

Article 97 provides that "The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company."

Article 98 provides that "If there is no such Chairman or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairman of the General Meeting, the Directors present shall elect one of their members to be the Chairman of the General Meeting."

Article 99 provides that "If at any General Meeting no Director is willing to act as the Chairman or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairman of the General Meeting."

Directors

Article 114 provides that "Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year. Notwithstanding anything contained elsewhere in any other provision of the Articles, upon the consummation of an initial public offering of the Equity Shares of the Company (i.e. listing of the Equity Shares on the BSE Limited and/ or the National Stock Exchange of India Limited) subject to applicable Laws and the approval of the Shareholders by way of a special resolution in the first General Meeting convened after the consummation of the initial public offering:

(a) So long as the Promoter, (i) holds at least 15% (fifteen percent) of the paid-up Share Capital on a fully diluted basis, the Promoter shall be entitled to nominate 2 (two) Directors on the Board ("Promoter Director(s)"); and (ii) holds at least 5% (five percent) of the paid-up Share Capital on a fully diluted basis, the Promoter shall be entitled to nominate 1 (one) Promoter Director;

(b) So long as the Verlinvest Group, in the aggregate, (i) holds at least 20% (twenty percent) of the paid-up Share Capital on a fully diluted basis, the Verlinvest Group shall be entitled to nominate 2 (two) Directors on the Board ("Verlinvest Director(s)"); and (ii) holds at least 15% (fifteen percent) of the paid-up Share Capital on a fully diluted basis, the Verlinvest Group shall be entitled to nominate 1 (one) Verlinvest Director.

The Company and the Directors shall procure that each appointment, removal or replacement of the Promoter Director(s) and the Verlinvest Director(s) in accordance with the terms of this Article 114 is implemented without delay and where necessary, meetings of the Shareholders of the Company, or the Board Meetings, as applicable, are convened for this purpose."

Article 116 provides that the remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

Article 117 provides that "In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them:

(a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or
(b) in connection with the business of the Company."

Article 118 provides that "The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such Articles as it may think fit respecting the keeping of any such register."

Article 119 provides that "All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine."

Article 120 provides that "Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose."

Article 121 provides that

"(i) Subject to the provisions of Section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.

(ii) Such person shall hold office only up to the date of the next annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Article 122 provides that "Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to be determined by retirement of directors by rotation. Any Director duly appointed by the Company for a fixed term (including the Independent Directors and the Managing Director) shall not be liable to retire by rotation."

Article 123 provides that "Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act."

Article 124 provides that "The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 197 of the Act."

Article 125 provides that "In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "**Original Director**"), subject to these Articles, the Board may appoint another Director (an "**Alternate Director**"), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India."

Article 126 provides that "The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later."

Article 127 provides that "At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act."

Article 128 provides that "No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act."

Article 129 provides that "No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act."

Article 130 provides that "Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following annual General Meeting or the last date on which the annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director."

Article 131 provides that "The Company, may by ordinary resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these regulations or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company."

Article 132 provides that "If the office of any Director appointed by the Company in a General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred."

Article 133 provides that "In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares."

Article 134 provides that "The Company shall take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably."

Managing director or whole time director

Article 135 provides that "The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment."

Article 136 provides that "Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director."

Article 137 provides that "Subject to the provisions of the Act, a managing director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine."

Article 138 provides that "The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a managing director or whole time director any of the powers exercisable by them upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers."

Article 139 provides that "The Company shall have such number of Independent Directors on the Board of the Company, as may be required to comply with applicable laws, including the Act and the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, as amended."

Meetings of the board

Article 140 provides that "The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit."

Article 141 provides that "A Director may, and the manager or secretary upon the requisition of a Director shall, at any time convene a meeting of the Board."

Article 142 provides that "Subject to the provisions of the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board."

Article 143 provides that "The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. Where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time. For the purposes of this sub-clause, interested director means a director within the meaning of Section 184(2) of Act."

Article 144 provides that "The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose."

Article 145 provides that "If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company."

Article 146 provides that "Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means."

Article 147 provides that "Save as otherwise expressly provided in the Act, questions arising ay any meeting of the Board shall be decided by a majority of votes."

Article 148 provides that "The Board may elect a Chairman for its meetings and determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting."

Article 149 provides that "In case of equality of votes, the Chairman of the Board shall not have a second or casting vote at Board meetings of the Company."

Article 150 provides that "Subject to these Articles and Sections 175,179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution."

Article 151 provides that "All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director."

Article 152 provides that "Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held."

Article 153 provides that "Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote."

Powers of the board and constitution of committees of the board

Article 154 provides that "Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers to such managers, agents or other Persons as they may deem fit and may at their own discretion revoke, vary or withdraw such powers."

Article 155 provides that “The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.”

Article 156 provides that “Subject to the provisions of the Act and these Articles, the management of affairs of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in a General Meeting, but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.”

Article 157 provides that “The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit and may determine their functions, powers, authorities and responsibilities. Such Committees will meet as frequently as the Board may decide, subject to applicable Laws.”

Article 158 provides that “Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.”

Article 159 provides that “A committee may elect a Chairman of its meetings and may also determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairman of the meeting.”

Article 160 provides that “A committee may meet and adjourn as it thinks fit.”

Article 161 provides that “Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.”

Article 162 provides that “The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other Person or Persons to exercise such powers.”

Dividend and reserves

Article 166 provides that “The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.”

Article 167 provides that “Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.”

Article 168 provides that “The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 169 provides that “Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares."

Article 170 provides that "No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share."

Article 171 provides that "All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly."

Article 172 provides that "The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares."

Article 173 provides that "Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct."

Article 174 provides that "Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent."

Article 175 provides that "Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share."

Article 176 provides that "The notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act."

Article 177 provides that "No dividend shall bear interest against the Company."

Article 178 provides that "No unclaimed or unpaid dividend shall be forfeited by the Board before it becomes barred by law."

Article 179 provides that "Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend the Company shall within such period as prescribed under applicable law, open a special account in that behalf in any scheduled bank called "Sula Vineyards Limited - Unpaid dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under Section 125 of the Act. A claim to any money so transferred to the Investor Education and Protection Fund may be preferred to the Central Government by the shareholders to whom the money is due. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by the law."

Winding up

Article 182 provides that "Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability."

PART B OF THE ARTICLES OF ASSOCIATION

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the Shareholders' Agreement. For more details on the Shareholders' Agreement, see "***History and Certain Corporate Matters – Shareholders' agreements***" on page 237.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Red Herring Prospectus filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10:00 a.m. to 5:00 p.m. on Working Days and at https://sulavineyards.com/investor-relations.php from the date of this Red Herring Prospectus until the Bid/Offer Closing Date (except for such documents or agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts for the Offer

1. Offer Agreement dated July 15, 2022 amongst our Company, the Selling Shareholders and the BRLMs.

2. Amendment Agreement dated November 26, 2022 to the Offer Agreement dated July 15, 2022 amongst our Company, the Selling Shareholders and the BRLMs.

3. Registrar Agreement dated July 15, 2022 amongst our Company, the Selling Shareholders and the Registrar to the Offer.

4. Amendment Agreement dated November 26, 2022 to the Registrar Agreement dated July 15, 2022 amongst our Company, the Selling Shareholders and the Registrar to the Offer

5. Escrow and Sponsor Bank Agreement dated December 5, 2022 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer.

6. Share Escrow Agreement dated November 26, 2022 amongst the Selling Shareholders, our Company and the Share Escrow Agent.

7. Syndicate Agreement dated December 5, 2022 amongst our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and the Syndicate Members.

8. Underwriting Agreement dated [●], 2022 amongst our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and Syndicate Members.

Material Documents

1. Certified copies of our Memorandum and Articles of Association of our Company, as amended until date.

2. Certified copies of the certificates of incorporation dated February 26, 2003, January 24, 2006 and August 11, 2014, and the fresh certificate of incorporation dated February 11, 2022 consequent to conversion into a public limited company, respectively.

3. Resolution of the Board dated February 23, 2022 authorising the Offer and other related matters.

4. Resolution of the board of directors of Selling Shareholders, as applicable, consenting to participate in the Offer for Sale.

5. Consent letters provided by the Selling Shareholders consenting to participate in the Offer for Sale.

6. Board resolution of our Company, dated May 23, 2018 and shareholders' resolution dated June 7, 2018 approving the appointment of Rajeev Samant as Managing Director.

7. Employment agreement dated August 25, 2009 read with the supplementary employment agreements dated May 20, 2015, June 7, 2018 and March 15, 2022 entered into between our Company and Rajeev Samant, our Managing Director and Chief Executive Officer.

8. The examination report dated November 23, 2022 of the Statutory Auditors, on our Restated Consolidated Financial Information.

9. The statement of possible special tax benefits available to our Company, its Material Subsidiary and shareholders dated November 25, 2022 from the Statutory Auditors.

10. Consent letters of bankers to our Company, the BRLMs, Registrar to the Offer, lenders to our Company (where such consent is required), Technopak, legal counsels, Directors of our Company and Company Secretary and Compliance Officer, to act in their respective capacities.

11. Consent letter dated November 25, 2022 from the Statutory Auditors, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report, dated November 23, 2022 on our Restated Consolidated Financial Information and (ii) the statement of possible special tax benefits available to our Company, its Material Subsidiary and shareholders.

12. Consent letter dated November 26, 2022 from N B T and Co, Chartered Accountants to include their names as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of their certificates in connection with the Offer.

13. Consent letter dated November 24, 2022 from Manish M. Kothari, Chartered Engineer to include his names as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as independent chartered engineers.

14. Certificate on Basis for Offer Price and Key Performance Indicators, issued by N B T and Co, Chartered Accountants dated December 5, 2022.

15. Amended and Restated Shareholders' Agreement dated January 22, 2022 executed by and among our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A., Saama Capital III, Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin Diwan Lai, Dolly Lai, Shashi Vig, Mousserena, L.P., SWIP Holdings Limited, DSGCP Buildout II, Rajeev Samant, RASA Holdings, Karishma Singh, Gurnam Singh Sumal, Ruta M. Samant, Dinesh G. Vazirani, Major A.V. Phatak (Retd.), J A. Moos, Daisy George Damskey, Cecilia Oldne, Manojj Rawat, Monit Dhavale, Nana Madhav Shelke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi.

16. Amendment Agreement dated March 7, 2022, to the Amended and Restated Shareholders' Agreement dated January 22, 2022, executed by and among our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A., Saama Capital III, Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin Diwan Lai, Dolly Lai, Shashi Vig, Mousserena, L.P., SWIP Holdings Limited, DSGCP Buildout II, Rajeev Samant, RASA Holdings, Karishma Singh, Gurnam Singh Sumal, Ruta M. Samant, Dinesh G. Vazirani, Major A.V. Phatak (Retd.), J A. Moos, Dale George Damskey, Cecilia Oldne, Manojj Rawat, Monit Dhavale, Nana Madhav Shelke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi.

17. Second Amendment Agreement dated September 29, 2022, to the Amended and Restated Shareholders' Agreement dated January 22, 2022, executed by and among our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A., Saama Capital III, Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin Diwan Lai, Shashi Vig, Mousserena, L.P., SWIP Holdings Limited, DSGCP Buildout II, Rajeev Samant, RASA Holdings, Karishma Singh, Eshaanika Raje, Ruta Mohan Samant, Dinesh G. Vazirani, Arun V. Phatak, J.A. Moos, Dale Damskey, Cecilia Oldne, Manoj Rawat, Monit Dhavale, Nana Madhav Shellke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi.

18. Third Amendment Agreement dated November 23, 2022, to the Amended and Restated Shareholders' Agreement dated January 22, 2022, executed by and among our Company, Verlinvest Asia Pte. Ltd., Verlinvest S.A., Cofintra S.A., Verlinvest France S.A., Saama Capital III, Ltd., GIA (Sula) Holdings Limited, Haystack Investments Limited, Narain Girdhar Chanrai, Sanjay Naraindas Kirpalani, Rabin

Diwan Lai, Shashi Vig, Mousserena, L.P., SWIP Holdings Limited, DSGCP Buildout II, Rajeev Samant, RASA Holdings, Karishma Singh, Eshaanika Raje, Ruta Mohan Samant, Dinesh G. Vazirani, Arun V. Phatak, J.A. Moos, Dale Damskey, Cecilia Oldne, Manoj Rawat, Monit Dhavale, Nana Madhav Shellke, Neil Fernandes, Gorakh Gaikwad, Kerry Damskey and Chaitanya Rathi.

19. Share purchase agreements dated March 16, 2015 and April 7, 2015 executed among our Company, Remy Cointreau International Pte. Limited and Remy Sula India Private Limited.

20. Agreement for transfer of business dated May 19, 2017 executed among our Company and Heritage Grape Winery Private Limited, read with addendum to the agreement for transfer of business dated May 19, 2017.

21. Share purchase agreement dated November 14, 2018 executed among our Company, Rakshit Arora and Pravin Ilango and the Share Subscription and Shareholders' Agreement dated November 14, 2018 entered into among the our Company, Rakshit Arora, Pravin Ilango and Progressive Alcobev Distributors Private Limited.

22. Share purchase agreement dated April 29, 2021 executed among our Company, Pravin Ilango and Progressive Alcobev Distributors Private Limited.

23. Business transfer agreement dated July 1, 2021 along with an addendum to the business transfer agreement dated September 8, 2021 among our Subsidiary, ASPL, York Winery Private Limited, Lilaram C. Gurnani, Madhu L. Gurnani, Ravi Lilaram Gurnani, Kailash Lilaram Gurnani and Saniya Shamdasani.

24. Industry Report titled "*Industry Report on Indian Wine Retail*" dated November 23, 2022, issued by Technopak, which is a paid report and was commissioned by us pursuant to an engagement letter dated October 22, 2021 in connection with the Offer.

25. Due diligence certificate dated July 15, 2022 addressed to SEBI from the BRLMs.

26. In principle listing approvals dated August 16, 2022 and August 17, 2022, issued by BSE and NSE, respectively.

27. SEBI letter bearing reference number CFD/RAC-DIL 1/2022/38489 and dated August 8, 2022.

28. SEBI observation letter bearing reference number SEBI/CFD/DIL1/2022/55877 and dated November 3, 2022.

29. Exemption application dated May 27, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations seeking an exemption from considering and disclosing certain persons as members of the promoter group of the Company, in accordance with the SEBI ICDR Regulations and letter dated July 11, 2022 issued by SEBI granting the exemption.

30. Tripartite agreement dated February 17, 2022 amongst our Company, NSDL and the Registrar to the Offer.

31. Tripartite agreement dated February 18, 2022 amongst our Company, CDSL and the Registrar to the Offer.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Chairman and Non-Executive Independent Director

Chetan Rameshchandra Desai

Date: December 5, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Managing Director and Chief Executive Officer

Rajeev Samant

Date: December 5, 2022

Place: Nashik

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Non-Executive Independent Director

Sangeeta Pendurkar

Date: December 5, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Non-Executive Independent Director

Alok Vajpeyi

Date: December 5, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Non-Executive Nominee Director

Arjun Anand

Date: December 5, 2022

Place: Singapore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Non-Executive Nominee Director

Roberto Italia

Date: December 5, 2022

Place: Switzerland

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act , each as amended or the rules, regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Chief Financial Officer

Bittu Varghese

Date: December 5, 2022

Place: Mumbai

DECLARATION BY RAJEEV SAMANT, AS A PROMOTER SELLING SHAREHOLDER

I, Rajeev Samant, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

Name: Rajeev Samant

Date: December 5, 2022

Place: Nashik

DECLARATION BY COFINTRA S.A., AS AN INVESTOR SELLING SHAREHOLDER

We, Cofintra S.A., hereby confirm that all statements and undertakings specifically made or confirmed by us, severally and not jointly, in this Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF COFINTRA S.A.

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Name: Tangula SRL, represented by Eric Melloul

Designation: Director

Date: December 5, 2022

Place: Brussels

Name: Axelle Henry

Designation: Director

Date: December 5, 2022

Place: Brussels

DECLARATION BY HAYSTACK INVESTMENTS LIMITED, AS AN INVESTOR SELLING SHAREHOLDER

We, Haystack Investments Limited, hereby confirm that all statements and undertakings specifically made or confirmed by us, severally and not jointly, in this Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF HAYSTACK INVESTMENTS LIMITED, ACTING THROUGH CHAITANYA RATHI, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

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Name: Chaitanya Rathi

Designation: Authorised Signatory

Date: December 5, 2022

Place: Mumbai

DECLARATION BY SAAMA CAPITAL III, LTD., AS AN INVESTOR SELLING SHAREHOLDER

We, Saama Capital III, Ltd., hereby confirm that all statements and undertakings specifically made or confirmed by us, severally and not jointly, in this Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF SAAMA CAPITAL III, LTD., ACTING THROUGH CHAITANYA RATHI, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

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Name: Chaitanya Rathi

Designation: Authorised Signatory

Date: December 5, 2022

Place: Mumbai

DECLARATION BY SWIP HOLDINGS LIMITED, AS AN INVESTOR SELLING SHAREHOLDER

We, SWIP Holdings Limited, hereby confirm that all statements and undertakings specifically made or confirmed by us, severally and not jointly, in this Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF SWIP HOLDINGS LIMITED, ACTING THROUGH RUCHI SATHE, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

Name: Ruchi Sathe

Designation: Authorised Signatory

Date: December 5, 2022

Place: Mumbai

DECLARATION BY VERLINVEST S.A., AS AN INVESTOR SELLING SHAREHOLDER

We, Verlinvest S.A., hereby confirm that all statements and undertakings specifically made or confirmed by us, severally and not jointly, in this Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF VERLINVEST S.A.

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Name: Rafael Hulpiau

Designation: Joint Proxy-holder

Date: December 5, 2022

Place: Brussels

Name: Axelle Henry

Designation: CFO

Date: December 5, 2022

Place: Brussels

DECLARATION BY VERLINVEST FRANCE S.A., AS AN INVESTOR SELLING SHAREHOLDER

We, Verlinvest France S.A., hereby confirm that all statements and undertakings specifically made or confirmed by us, severally and not jointly, in this Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF VERLINVEST FRANCE S.A.

Name: Rafael Hulpiau

Designation: Director

Date: December 5, 2022

Place: Brussels

Name: Axelle Henry

Designation: President and Director

Date: December 5, 2022

Place: Brussels

DECLARATION BY THE OTHER SELLING SHAREHOLDERS

Dinesh G. Vazirani, J.A. Moos, Karishma Singh, Major A.V. Phatak (Retd.), Narain Girdhar Chanrai, Ruta M. Samant and Sanjay Naraindas Kirpalani hereby confirm that all statements and undertakings made or confirmed by them, severally and not jointly, in this Red Herring Prospectus about or in relation to themselves as a Selling Shareholder and the respective Equity Shares offered by them through the Offer for Sale, are true and correct. Dinesh G. Vazirani, J.A. Moos, Karishma Singh, Major A.V. Phatak (Retd.), Narain Girdhar Chanrai, Ruta M. Samant and Sanjay Naraindas Kirpalani assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF DINESH G. VAZIRANI, J.A. MOOS, KARISHMA SINGH, MAJOR A.V. PHATAK (RETD.), NARAIN GIRDHAR CHANRAI, RUTA M. SAMANT, SANJAY NARAINDAS KIRPALANI AND, ACTING THROUGH CHAITANYA RATHI, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

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Name: Chaitanya Rathi

Date: December 5, 2022

Place: Mumbai