

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 of the red herring prospectus of the Company dated December 5, 2022 filed with the RoC ("RHP" or "Red Herring Prospectus").

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@sulavineyards.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") AS PER THE TABLE PROVIDED BELOW.

Name of Promoter Selling Shareholder	Type Number of Equity Shares offered	Name of Other Selling Shareholder	Type Number of Equity Shares offered
Rajeev Samant	Up to 937,203 Equity Shares	Dinesh G. Vazirani	Up to 50,000 Equity Shares
Name of Investor Selling Shareholder	Type Number of Equity Shares offered	J.A. Moos	Up to 2,250 Equity Shares
Cofintra S.A.	Up to 7,191,835 Equity Shares	Karishma Singh	Up to 479,063 Equity Shares
Haystack Investments Limited	Up to 200,000 Equity Shares	Major A.V. Phatak (Retd.)	Up to 8,625 Equity Shares
Saama Capital III, Ltd.	Up to 687,389 Equity Shares	Narain Girdhar Chanrai	Up to 1,007,314 Equity Shares
SWIP Holdings Limited	Up to 121,076 Equity Shares	Ruta M. Samant	Up to 2,014,758 Equity Shares
Verinvest S.A.	Up to 7,191,835 Equity Shares	Sanjay Naraindas Kirpalani	Up to 429,617 Equity Shares
Verinvest France S.A.	Up to 6,579,565 Equity Shares		

THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

The Offer is being made under Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹ 340 TO ₹ 357 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH

THE FLOOR PRICE IS 170 TIMES AND THE CAP PRICE IS 178.50 TIMES THE FACE VALUE OF THE EQUITY SHARES

BIDS CAN BE MADE FOR A MINIMUM OF 42 EQUITY SHARES AND IN MULTIPLES OF 42 EQUITY SHARES THEREAFTER

Risks to Investors:

1 The weighted average cost of acquisition of all Equity Shares transacted in last one year, 18 months and three years preceding the date of the RHP:

Period	Weighted average cost of acquisition (₹)		Cap Price is 'X' times the weighted average cost of acquisition		Range of Acquisition Price (in ₹) Lowest Price - Highest Price	
	Promoter	Selling Shareholders	Promoter	Selling Shareholders	Promoter	Selling Shareholders
Last 1 Year	164.02	Nil	2.18	Nil	164.02	-**
Last 18 months	161.12	240.00	2.22	1.49	161.12	240.00** - 240.00
Last 3 years	159.08	240.00	2.24	1.49	159.08	240.00** - 240.00

**Excluding transfer by way of gift and transmission of shares as no consideration was paid.

2 Our business operations are concentrated in three states contributing 69.59% to our consolidated gross billings in FY22.

3 Our industry is subject to a licensing and excise regime with changing laws, rules and regulations. Any increase in 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.

4 We have protection 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.

5 Our contracted wine grape vineyards are concentrated in certain areas of the states of Maharashtra and Karnataka in India. Adverse climatic conditions may impact the quality of wine grapes which are our key raw materials and supply of grapes.

6 Any supply disruptions in our raw materials could adversely affect our business. The cost of materials consumed during six months period ended September 30, 2022 and September 30, 2021 and Fiscals ended March 31, 2022, 2021 and 2020 was 9.19%, 13.38%, 24.55%, 16.01% and 20.95% of the revenue from operations, respectively.

7 We may not be able to adjust the retail prices of our products as a result of state regulation in certain states where the wine market is price controlled, including but not limited to Delhi, Telangana, Tamil Nadu, Orissa, Andhra Pradesh and Kerala

8 The details of Price/Earnings ratio, Earnings Per Share, Return on Net Worth and Net Asset Value Per Share for Fiscal / As at March 31, 2022 is as follows:

	Price/Earnings	Earnings Per Share (₹)	Return on Net Worth (%)	Net Asset Value per Share (₹)
Company	54.67*	6.53	11.45	55.34
Average of listed peer group companies	83.11	15.07	13.03	121.85

* At the upper end of the price band.

9 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. ₹ 340)	Cap Price (i.e. ₹ 357)
Past five primary issuances /secondary transactions	170.00	2.00 times	2.10 times

10 The average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from Nil per Equity Share to ₹ 175.42 per Equity Share and Offer Price at upper end of the Price Band is ₹ 357 per Equity Share.

11 The three BRLMs associated with the Offer have handled 59 public offers in the past three Fiscal Years, out of which 17 offers was closed below the Offer price on the listing date.

Name of the BRLMs	Total Issues	Issues closed below IPO Price on listing date
Kotak Mahindra Capital Company Limited	21	4
CLSA India Private Limited	1	1
IIFL Securities Limited	24	7
Common issues of above BRLMs	13	5
Total	59	17

12 The Offer comprises an Offer for Sale by the Selling Shareholders and our Company will not receive any part of the proceeds of the Offer.

For further details and definitions please refer the RHP.

ANCHOR INVESTOR BID/OFFER PERIOD: FRIDAY, DECEMBER 9, 2022*
BID/ OFFER OPENS ON MONDAY, DECEMBER 12, 2022
BID/ OFFER CLOSING 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.
^ UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Price Band was determined by our Company acting through the IPO Committee, in consultation with the BRLMs. The Independent directors at a meeting recommended the Price Band noting that the Price Band is justified based on quantitative factors and key financial and operational performance indicators ("KPIs") disclosed in 'Basis for Offer Price' section vis-à-vis the WACA of past five primary issuances/secondary transactions disclosed in the "Basis for Offer Price" section. Further, 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 170 times the face value at the lower end of the Price Band and 178.50 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 of the RHP, 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 of the RHP, 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 of the RHP. 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

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

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 the 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, EBITDA 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.

Particulars	P/E at Floor Price (no. of times)	P/E at Cap Price (no. of times)
Based on basic EPS	52.07	54.67
Based on diluted EPS	52.07	54.67

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.

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	[●]

For further details and notes, with reference to the tables above see "Basis for Offer Price" and "Other Financial Information" on pages 123 and 343 of the RHP, respectively.

For details, see "Basis for Offer Price" and "Our Business" on pages 123 and 194 of the RHP, respectively.

Details of revenue from operations	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
(A) Wine Business	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	13.82	14.78%	12.62%
– Popular (%)	17.12	15.63	15.81	15.55%	16.86%
Third Party Brands and distribution business	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	3.69	13.97	26.68	16.25	9.82
Revenue from operations (A+B+C)	5,216.34	4,179.59	4,538.16	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%

For details, see "Basis for Offer Price" and "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 123, 221 and 372 of the RHP.

b. Gross Margin and other KPIs

Particulars	Year ended March 31,			Six months ended	
	2020	2021	2022	September 30, 2021	September 30, 2022
Gross Margin	2,491.51	2,238.38	2,963.64	1,036.24	1,577.75
Gross Margin (%)	47.76%	53.32%	65.29%	65.11%	70.41%
EBITDAE	504.93	645.12	1,160.71	300.55	643.06
EBITDAE Margin (%)	9.68%	15.44%	25.57%	18.88%	28.70%
Net Asset turnover*	1.73	1.37	1.15	-	-
Cash Conversion Cycle* (days)	237	317	347	-	-
Days Sales Outstanding* (days)	115	125	98	-	-
Days Inventory Outstanding* (days)	252	358	449	-	-
Days Payable Outstanding* (days)	130	166	200	-	-
ROCE - reported* (%)	4.09%	10.67%	20.86%	-	-
Net Working Capital Days* (days)	26	48	65	-	-
Debt to Equity Ratio (times)	1.23	0.99	0.58	0.76	0.48
Debt to EBITDAE Ratio* (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 (%)	(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.

For details and notes, see "Basis for Offer Price" and "Our Business - Our Key Financial and Operational Performance Indicators" on pages 123 and 209 of the RHP, respectively.

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 (%)	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 (%)	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 (%)	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 (%)	32.19%	31.42%	29.43%	30.33%	29.47%

For details and notes, see "Basis for Offer Price" and "Our Business - Overview" on pages 123 and 194 of the RHP, respectively.

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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 see "Basis for Offer Price" and for details of our ARR and occupancy per cent., see "Our Business – Key Operating Parameters of our Wine Tourism Business" on pages 123 and 204 of the RHP, respectively.

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 alcohol-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

For further details and notes, see "Basis for Offer Price" on page 123 of the RHP.

(b) We believe that we are differentiated from other listed alcohol-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 alcohol-beverage industry in India

Parameters (₹ million, unless specified)	Radico Khaitan Limited					United Spirits Limited				
	FY20	FY21	FY22	6 mths ended Sep 30, 2021	6 mths ended Sep 30, 2022	FY20	FY21	FY22	6 mths ended Sep 30, 2021	6 mths ended Sep 30, 2022
Gross Margin*	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
Gross Margin%	12.52%	11.39%	10.35%	10.07%	10.42%	14.91%	13.41%	14.23%	13.68%	14.74%
EBITDAE*	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
EBITDAE Margin*(%)	4.05%	4.03%	3.28%	3.48%	3.03%	5.75%	3.74%	4.76%	4.34%	7.69%
Net profit/PAT	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
PAT Margin* (%)	2.43%	2.64%	2.11%	2.25%	1.88%	2.15%	1.32%	2.61%	2.34%	5.25%
Net Asset turnover*	6.10	5.86	6.15	-	-	7.82	6.76	6.37	-	-
Cash Conversion Cycle (days)*	60	75	73	-	-	76	85	68	-	-
Days Sales Outstanding* (days)	28	26	21	-	-	31	30	27	-	-
Days Inventory Outstanding* (days)	106	129	117	-	-	140	163	145	-	-
Days Payable Outstanding* (days)	75	80	66	-	-	95	107	103	-	-
ROCE – reported*	21.27%	20.58%	16.97%	-	-	37.08%	17.92%	24.09%	-	-
Net Working Capital Days*	23	28	28	-	-	-2	6	16	-	-
Debt to Equity Ratio (x)*	0.26	0.15	0.09	0.10	0.19	0.44	0.22	0.07	0.18	0.06
Debt to EBITDAE* Ratio* (x)	1.05	0.65	0.46	-	-	0.98	0.86	0.23	-	-

c) Detailed explanation for Offer Price/Cap Price being 2.10 times of WACA of past five primary issuance price/secondary transaction price 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: a) We are India's largest wine producer and seller as of March 31, 2022 (Source: Technopak Report). We are recognized as the market leader across wine variants, including red, white and sparkling wines (Source: Technopak Report). b) We are the market leader across all four price segments, being 'Elite' (₹ 950+), 'Premium' (₹ 700-950), 'Economy' (₹ 400-700) and 'Popular' (<₹ 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 (Source: Technopak Report). c) Our Wine Tourism Business recorded 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. d) 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 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, 2021 and September 30, 2022, our revenue from operations was ₹ 1,591.50 million, with a net sales margin of 74.32 per cent and 70.39 per cent, and profit after tax of ₹ 305.06 million and ₹ 45.31 million in the same periods, respectively. e) 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 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.

For details of our Company's key performance indicators and financial ratios, see "Basis for Offer Price – Key financial and operational performance indicators", "Our Business" and "Other Financial Information" on pages 209, 194 and 343 respectively of the RHP. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "Risk Factors" beginning on page 30 of the RHP and any other factors that may arise in the future and you may lose all or part of your investments.

For further details, please see the chapter titled "BASIS FOR OFFER PRICE" beginning on page 123 of the RHP.

Parameters (₹ million, unless specified)	United Breweries Limited					Sula Vineyards Limited				
	FY20	FY21	FY22	6 mths ended Sep 30, 2021	6 mths ended Sep 30, 2022	FY20	FY21	FY22	6 mths ended Sep 30, 2021	6 mths ended Sep 30, 2022
Gross Margin*	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%	22.92%	21.73%	22.19%	21.58%	21.06%	47.76%	53.32%	65.29%	65.11%	70.41%
EBITDAE*	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*(%)	6.04%	4.23%	5.54%	4.57%	5.75%	9.68%	15.44%	25.57%	18.88%	28.70%
Margin*(%)										
Net profit/PAT	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* (%)	2.92%	1.12%	2.79%	1.87%	3.35%	(3.06)%	0.72%	11.49%	2.85%	13.61%
Net Asset turnover*	4.16	2.84	3.33	-	-	1.73	1.37	1.15	-	-
Cash Conversion Cycle (days)*	88	137	82	-	-	237	317	347	-	-
Days Sales Outstanding* (days)	36	49	37	-	-	115	125	98	-	-
Days Inventory Outstanding* (days)	118	193	124	-	-	252	358	449	-	-
Days Payable Outstanding* (days)	66	106	79	-	-	130	166	200	-	-
ROCE – reported*	16.99%	5.40%	12.93%	-	-	4.09%	10.67%	20.86%	-	-
Net Working Capital Days*	24	43	39	-	-	26	48	65	-	-
Debt to Equity Ratio (x)*	0.05	0.07	0.00	0.06	0.00	1.23	0.99	0.58	0.76	0.48
Debt to EBITDAE* Ratio* (x)	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'.

For further details and notes, see "Basis for Offer Price" on page 123 of the RHP.

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, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paidup 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 ("Security(ies)"), 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 the 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 the 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 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					170.00

Weighted average cost of acquisition (WACA)

*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. ₹ 340)	Cap price (i.e. ₹ 357)
Past five primary issuances /secondary transactions, as disclosed in (c) above	170.00	2.00 times	2.10 times

BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. C – 27, 'G' Block, Bandra Kuria Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000; E-mail: Sulavineyards.ip@kotak.com Website: https://investmentbank.kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	 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.ip@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact person: M Murali Krishna, SEBI registration No.: INR000002221	Ruchi Sathe SULA VINEYARDS LIMITED 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai 400 069 Maharashtra, India. Telephone: +91 22 6128 0606 E-mail: cs@sulavineyards.com ; Website: www.sulavineyards.com 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.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 234 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 461 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 202,060,000 divided into 101,030,000 Equity Shares of face value ₹ 2 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 168,397,496 divided into 84,198,748 Equity Shares of face value of ₹ 2 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 88 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association of our Company is 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 Jaywantinsinh 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.) who subscribed to a total of 50,000 equity shares of ₹ 10 each, respectively. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 88 of the RHP.

LISTING: The Equity Shares offered through the RHP 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 the RHP 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 the RHP up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 461 of the RHP.

DISCLAIMER CLAUSE OF SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 402 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 407 and 408 of the RHP for the full text of the disclaimer clause of the BSE Limited.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the 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 certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 408 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: 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 SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 30 of the RHP.

ASBA*	Simple, Safe, Smart way of Application!!!	UPI	UPI-Now available in ASBA for UPI Bidders applying through Registered Brokers, DPs and RTAs. Retail Individual Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders 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
*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA below. Mandatory in public issues. No cheque will be accepted.	 UNIFIED PAYMENTS INTERFACE	ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (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 (collectively, "UPI Bidders"). For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 425 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43 , respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in . UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and Kotak Mahindra Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in .	

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 30 of the RHP before applying in the Offer. A copy of the RHP will be made available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs, Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/>; CLSA India Private Limited at www.india.clsa.com and IIFL Securities Limited at www.iiflcap.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of Company, SULA VINEYARDS LIMITED: Tel: +91 22 6128 0606; BRLMs: Kotak Mahindra Capital Company Limited, Tel: +91 22 4336 0000; CLSA India Private Limited, Tel: +91 22 6650 5050 and IIFL Securities Limited, Tel: +91 22 4646 4728; Syndicate Member: Kotak Securities Limited, Telephone: +91 22 6218 5410 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Ltd., Axis Capital Limited; Bajaj Financial Securities Ltd.; Centrum Broking Limited; Edelweiss Broking Limited; HDFC Securities Limited; ICICI Securities Limited; JM Financial Institutional Securities Limited; JM Financial Services Limited; Janoputra Fiscal Services Private Limited; Kantilal

Chhaganlal Sec Pvt Ltd.; KJMC Capital Market Services Limited; Kotak Securities Limited; LKP Securities Limited; Motilal Oswal Financial Services Limited; Motilal Oswal Securities Limited; Prabhudas Lilladher Pvt Ltd.; Pravin Ratilal Share And Stock Brokers Ltd.; RR Equity Brokers Pvt. Ltd.; SBICap Securities Limited, Sharekhan Limited; SMC Global Securities Ltd.; Systematix Shares & Stocks (India) Limited and Yes Securities Limited.

ESCROW COLLECTION BANK, PUBLIC OFFER ACCOUNT BANK AND REFUND BANK: Axis Bank Limited. | SPONSOR BANKS: Axis Bank Limited and Kotak Mahindra Bank Limited. | UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Mumbai, Maharashtra
Date: December 7, 2022
For SULA VINEYARDS LIMITED
On behalf of the Board of Directors
SD/-
Company Secretary & Compliance Officer

SULA VINEYARDS LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus dated July, 15, 2022 (the "DRHP") with SEBI and has filed the red herring prospectus dated December 5, 2022 with the RoC. The DRHP and RHP shall be made available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the BRLMs i.e., Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/>; CLSA India Private Limited at www.india.clsa.com and IIFL Securities Limited at www.iiflcap.com, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com, respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, see "Risk Factors" beginning on page 30 of the RHP. Potential investors should not rely on the DRHP for any investment decision.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in 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 Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in transactions exempt from or not subject to the registration requirements of the Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.