



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

Assistant General Manager  
RAC - Division of Issues and Listing-1  
Corporation Finance Department

CFD/RAC-DIL1/2022/38489  
August 08, 2022

**Kotak Mahindra Capital Company Limited**  
1<sup>st</sup> Floor, 27 BKC, Plot No. 27  
G Block, Bandra Kurla Complex,  
Bandra (East) Mumbai - 400 051

महोदय / महोदया,  
Dear Sir/Madam,

**विषय: Sula Vineyards Limited के प्रारूप प्रारंभिक प्रॉस्पेक्टस के संबंध में स्पष्टीकरण**

**Sub: Clarifications on the DRHP of Sula Vineyards Limited**

हमें उपरोक्त कंपनी का प्रारूप प्रारंभिक प्रॉस्पेक्टस (डीआरएचपी) प्राप्त हुआ है, जो हमारे पास तारीख July 15, 2022 के पत्र के साथ भिजवाया गया है।

We are in receipt of Draft Red Herring Prospectus (DRHP) of the captioned company forwarded to us vide letter dated July 15, 2022.

इस संबंध में, कृपया संलग्नक-A के अनुसार स्पष्टीकरण प्रदान करें।

In this regard, please provide the clarifications as mentioned at Annexure A.

भवदीय / Yours faithfully,

  
Ashish Solankey

(संलग्नक: उपरोक्तानुसार)

(Encl: As above)



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**Annexure A**

**Clarifications sought on the DRHP of Sula Vineyards Limited**

With reference to the Draft Red Herring Prospectus of captioned IPO filed with SEBI, you are advised to clarify the following points:

**General Clarifications:**

1. LM is advised to examine the applicability of SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012, to the DRHP of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DRHP. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.
2. LM is advised to examine the applicability of SEBI (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020, dated Feb 05, 2020, to the DRHP of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DRHP. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.
3. LM is advised to submit whether there has been any instance of issuance of equity shares in the past by the issuer Company, the Group Companies or entities forming part of the Promoter Group to more than 49 investors in violation of:
  - a) Section 67(3) of Companies Act, 1956; or
  - b) Relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
  - c) The SEBI Regulations; or
  - d) The SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

**Specific Clarifications:**

4. At "*Definitions and Abbreviations*", for Technical, Company / Industry related Terms or Abbreviations, along with the expanded form, suitable meaning / explanation to be provided in simple language.
5. **Risk Factors:**
  - a) **Risk Factor 3:** LM is advised to disclose the efforts undertaken by the Company to mitigate the impact of adverse climatic conditions.
  - b) **Risk Factor 9:** LM is advised to disclose the revenue contribution by different processing units. Further, disclose revenues from Top 10 states.



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- c) **Risk Factor 13:** LM is advised to disclose any material instances faced in past 3 financial years.
- d) **Risk Factor 23:** LM is advised to move the Risk Factor to Top 10.
- e) **Risk Factor 34:** LM is advised to disclose the impact of guarantees extended in connection with the debt facilities availed by ASPL.
- f) **Risk Factor 40:** LM is advised to move the Risk Factor to Top 10.

6. **Miscellaneous:**

- a) Any risk on pricing of the issue / basis of issue price, track record of BRLMs, average cost of acquisition of shares by selling shareholders etc. which is proposed to be included in the issue advertisement may be submitted.
- b) LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

"Risks to Investors:

- i.a) The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."
- i.b) Any adverse data/ noting in the basis for issue price should be disclosed. For example:
  - "The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."
  - "Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."
  - "Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed] %."

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should also be disclosed. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments.

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