



भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

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दूरभाष सं. / Tel. No :- 022-2644 9985

SFBI/JIO/CFD/RAC-DN.2/P/O/W/2023/12944/1
March 29, 2023

ICICI Securities Limited
ICICI Venture House,
Appalalch Marathe Marg,
Prabhadevi, Mumbai
400 025 Maharashtra, India

Kind Attention: Mr. Prem Deunha/ Mr. Sumit Singh

महोदय / Sir.

**विषय / Sub: Zagle Prepaid Ocean Services Limited का प्रस्तावित आईपीओ / Proposed IPO
of Zagle Prepaid Ocean Services Limited ("the company")**

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं। भारतीय प्रतिभूति और विनियम बोर्ड (पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ, विनियम, 2018 (सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोजर रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018) के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं, कुछ और प्रकटीकरण (डिस्क्लोजर) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed which are required to be rectified/complied with by you before filing the offer document with the Stock Exchange and / or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

दूरभाष : 2644 9985 / 4045 9950 (राहे चौ.अ.ए.ए.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in
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1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज ; कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों ; शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं । कंपनी रजिस्ट्रार ; स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको, हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी ; शर्त आदि के अनुसार बदलाव कैसे किए गए हैं । इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे ।

As Book Running Lead Manager (LM), you shall ensure that all changes are effected based on the observations / conditions contained in the Annexure before you file the offer document with the stock exchange ; ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us before you file the final offer document with ROC ; Stock Exchange.
NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है । सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी, या व्यक्ति की गई राय सही है । अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोजर) किए गए हैं वे सही तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोजर) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं । अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनिमय बोर्ड (पैजि का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ) विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोजर रिकॉयमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए । ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें ।

It is to be distinctly understood that submission of offer document 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 issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्यूअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (मर्नेट बैंककार) विनियम, 1992 [सेबी (मर्नेट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरतते जाने के संबंध में तारीख 19 दिसंबर, 2022 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है ।



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It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated December 19, 2022, in accordance with SEBI (Merchant Bankers) Regulations, 1992.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाधता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी, प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनिमय बोर्ड (पूँजी का निर्गमन (इश्यु) और प्रकटीकरण अपेक्षाएँ) विनियम, 2018 के विनियम 25(1) और अनुसूची-III के अनुसार उपरोक्त निर्गम (इश्यु) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC / within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर चेक जारी करना होगा।



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If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the cheque may be issued by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है।

The proposed issue can open for subscription within a period of 12 (twelve) months from the date of issuance of this observation letter.

आदेश सिंघल / Adesh Singhal

स्थान / Place: मुंबई / Mumbai



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Annexure I

OBSERVATIONS

1. Please refer to our letter dated January 11, 2023 and your letter dated January 25, 2023 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. With regard to above, LM is advised to ensure that the changes made pursuant to our clarifications are duly incorporated in the updated DRHP and RHP and Abridged Prospectus.
3. Whenever the LM has undertaken to modify / delete the risk factors or in other relevant section of the DRHP in its replies, the same shall be duly modified and incorporated in the updated DRHP / RHP.
4. LM is advised to ensure that all abbreviations used in the offer document should be described in "Definition and Abbreviations" section.
5. LM is advised to disclose in the RHP that the company, its Directors and its promoters / promoter group are not declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.
6. Wherever the LM has mentioned "Complied with" or "Noted for compliance" or "Complied with and noted for compliance" or "Complied with to the extent applicable" or "Complied with, to the extent applicable and noted for compliance" or "Complied with and noted for compliance, to the extent applicable" in its replies, LM shall ensure that the same are duly complied with.
7. LM is advised to ensure correctness while disclosing the information in DRHP.
8. Risk Factors – Every Risk Factor shall be provided with a cross-reference to the detailed description of the facts/reasons in the updated DRHP / RHP, wherever applicable.
9. LM is advised to disclose the information provided in its letter dated February 28, 2023 in "Our Business" section of the offer document.
10. It is clearly evident from the revenue growth percentage that increase in usage of digital mode of payment resulted into significant increase in revenue of the company. LM is advised to disclose this fact in the offer document. Further, LM is advised to disclose % increase from the prior Fiscal (%) for the year 2020 revenue and % annualized increase from the prior Fiscal for the sub period.

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11. LM is advised to disclose if any penalty is levied by Ministry of Corporate Affairs or RoC for any non-compliance under The Companies Act 2013 in the "History and Certain Corporate Matters" section of the offer document.
12. LM is advised to ensure that name of Legal Counsel to BKLMs and Legal Counsel to Investor Selling Shareholders should be removed from the offer document, wherever required.
13. LM is advised to disclose No. of Active Users along with Total User Base for last 3 Financial years and sub period, if any.
14. LM is advised to disclose the details of Zuzu Software Services Private Limited in the offer document, wherever applicable.
15. Risk Factor 1 :- LM is advised to either disclose the increase in No. of Active Users from 2019 to 2020 or disclose the fact the business started only in FY 2020 and the company does not have history of revenue/growth etc.
16. Risk Factor 2 :- LM is advised to remove reference to Guidelines on "Digital Lending", since it has no relevance based on the current operations of the company. Further, LM is also advised to disclose percentage range of interchange fees.
17. It is noted that Abhay Deshpande Rajsahab held 1.57% shares since last 2 years and was appointed as Independent director in September 2022. LM is advised to disclose if Abhay Deshpande Rajsahab is connected to the company since last 2 years except having 1.7% shareholding. Also, LM is advised to provide an undertaking that independence of all the Independent Directors, being disclosed in the DRHP, have been verified by LM as per relevant laws.
18. LM is advised to merge Risk Factor 4, 9 and 32.
19. Risk Factor 6 :- LM is advised to consider re-drafting of the risk factor in simple terms.
20. Risk Factor 7 :- LM is advised to disclose the fact that there are other competitors but no competitor is listed in India. Further, LM is also advised to disclose name of major competitors in the risk factor.
21. LM is advised to disclose the fact that "majority of revenue depends on spending by users" in all the relevant risk factors, Our Business section, Financial Summary etc.
22. LM is advised to disclose the fact that "Customer acquisition and retention cost is increasing" at all the relevant sections of the offer document.
23. Risk Factor 8 :- LM is advised to state that one of the objects is expenditure towards customer acquisition and the cost per customer is increasing.



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24. Risk Factor 14 :- LM is advised to disclose that the amount proposed to be spent is not in line with historical experience. The same should be disclosed in the "Objects of the offer" section of the offer document. The similar disclosure should also be made for Object - "Expenditure towards technology".
25. A separate risk factor should be added mentioning the fact that the company acquired Magixo which was owned by promoter's wife.
26. LM is advised to ensure that suitable risk factor should be added stating that investments/ expenditure being made by the company may not result in profits.
27. LM is advised to disclose a brief description of bodies corporates, partnership firms forming part of the promoter group.
28. LM is advised to ensure that Details of Pre-IPO placement should be disclosed in offer document. In case, if company has made provision of pre-IPO placement in the DRHP but not able to do the same, the relevant disclosure should be made in UDRHP/RHP and Prospectus. Further, LM is advised to ensure that the utilisation of pre-ipo proceeds being discretionary in nature, if raised, shall be completely attributed/adjusted towards GCP portion; unless auditor certified disclosures are made with regards to its utilisation towards the disclosed specific objects of the issue.
29. LM is advised to ensure that a direct link is provided in the offer document which will provide access to the financial statements of the company and its subsidiaries. Further, LM is advised to ensure that all audited financial statements are available on the website of the issuer company.
30. LM is advised to include all Financial Metrics Numbers disclosed in DRHP as a separate portion under Sub-Section "Summary of Financial Information". This section must include different segment of revenue including Revenue Classification based on Customer Category, Services being offered, etc.
31. With respect to all External Risk Factors, LM is advised to ensure that the same is factually correct and no irrelevant information should be disclosed.
32. LM is advised to disclose the below in the Price Band Advertisement :-
 - i) Market Cap to Revenue (on Cap and Floor Prices)
 - ii) Market Cap to Tangible Assets (on Cap and Floor Prices)
 - iii) EV/EBITDA (on Cap and Floor Price)

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33. LM is advised to disclose Average Cost of Acquisition of Equity shares held by members of the promoter group irrespective of the fact that whether they are selling shareholders in OFS or not.
34. LM shall ensure that CDRHP / RHP should provide - Price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights. Following details may be disclosed for such transactions in tabular format - name of acquirer, date of acquisition, number of shares acquired and acquisition price per share.
35. LM is advised to specifically mention in the RHP that all special rights available to the Shareholders, will cease to exist upon listing of Equity Shares on the Stock Exchanges pursuant to the Offer, (without requiring any further action) except for rights subject to approval of the Shareholders by way of a special resolution, in a general meeting post listing of the Equity Shares.
36. As regards the fact that there are no other nominee directors, KMPs or other persons etc., appointed by any of the shareholders, LM is advised to specifically mention in the RHP that right shall terminate upon the listing of the Equity Shares on the Stock Exchanges
37. LM is advised to ensure that at all places, where the Industry Report has been mentioned, such report to be provided in bibliography / or as weblink. The Report to be included as a material document.
38. With regard to the "Fees payable to the other advisors to the Offer", LM is advised to disclose the services offered by such advisors and consequent responsibilities, if any
39. LM shall also ensure that all the complaints received so far, if any and forwarded by SEBI for its comments be made part of the material documents for inspection.
40. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities are made in the RHP.
41. During the interim period of issuance of observation and listing, for all the complaints received by LM/Company and complaints forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures, if required, disclosures are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the Financial Impact of the same, if any. Further, LM is advised to incorporate a prominent Risk Factor, if required, for such complaints received.
42. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and

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no/some cognizance has been taken by court is incorporated in the Red Herring Prospectus along with appropriate risk factors in this regard.

43. LM is advised to update the RHP in respect to all pending litigations including for any legal notices where the Company is in receipt of such notices post filing of DRHP.

44. 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. 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 "

ii. Any adverse data 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]."

[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]

Price Band and all other relevant information as a box item below the Price Band
• "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 be disclosed.

45. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for SEBI's comments, if any.

46. LM is advised to ensure that Top 5 risk factors should be made part of Price Advertisement and should also form part of Abridged Prospectus.

47. Under section "Monitoring of Utilization of funds", LM is advised to make suitable disclosure on following points:

- The proceeds of the issue shall also be monitored by the Audit Committee till utilization of the proceeds.
- Issuer Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency.



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- iii) Issuer Company shall for the purpose of quarterly report by Monitoring Agency, provide item by item description for all the expense heads under each subject of the issue.
- iv) Issuer Company shall in its quarterly Notes to Accounts of its Financial Statements include the employment of issue proceeds under various expense heads.
- v) For any investments in acquisitions or strategic partnership or any inorganic growth initiative, post IPO from the IPO proceeds, detailed disclosures of same shall be made in public domain at that time.
48. LM is advised to ensure that the processing fees for applications made by Retail Individual 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.
49. LM is advised to ensure the utilization and monitoring of the issue proceeds to be precise and any changes shall be in terms of law and as per the revised framework.
50. LM is advised to ensure that the usage of funds is as disclosed in the Objects of the Issue and any spill over from the intended Objects of the issue to the GCP is not carried out by the issuer.
51. LM is advised to prominently disclose on top of the page that the deployment of funds have not been appraised by any bank, or financial institution.
52. LM is advised to adhere to the following conditions:
- UDRHP is filed with SEBI not less than seven working days prior to submission of the draft advertisement for announcement of price band advertisement.
 - UDRHP shall contain necessary updated disclosures justifying the offer price under Section - "Basis for offer price", "Risk Factors" etc., particularly emphasising on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates in quantitative terms. (For illustration, Price to Earnings ratio and/or Market Cap to Total Revenue ratio etc.), with corresponding suitable explanations so as to justify the offer price".

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Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that cover page to be strictly in compliance with the ICDR Schedule VI. All extra texts may be avoided to ensure that the focus remains on the statutory texts mentioned in the Schedule.
3. LM is advised to ensure compliance of relevant circulars issued by SEBI in addition to circulars specifically mentioned in this observation letter.
4. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
5. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
6. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the red herring prospectus or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
7. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
8. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
9. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.

10. ASBA:

7. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document.

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- iii) LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018. Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSSBs for sending to designated branches other than those located in mandatory collection center.
- iv) LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

- a. The following may appear just below the price information of the issue as shown below:

***PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH**

THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE

BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.

ASBA

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue. No cheque will be accepted



now available in ASBA for retail individual investors.

*ASBA is a better way of applying to issues by simply blocking the fund in the bank account.



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For further details check section on ASBA below "

b The following paragraph on ASBA may be inserted in the advertisement/Communications:

"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors

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 "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document "

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. **List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in***

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