



सहायक प्रबंधक

Assistant Manager

निर्गम एवं सूचीबद्धता प्रभाग-1 / RAC- Division of Issues and Listing-1

निगम वित्त विभाग / Corporation Finance Department

SEBI/CFD/RAC-DIL1/2025/1503

January 14, 2025

Pantomath Capital Advisors Private Limited

Pantomath Nucleus House,
Saki-Vihar Road, Andheri-East,
Mumbai - 400 025

Kind Attention: Mr. Amit Maheshwari, SVP

महोदय / महोदया,

Dear Sir / Madam,

विषय / Sub: Proposed IPO of Vikran Engineering Limited

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 डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन, 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 (डिस्क्लोज़र) 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.

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।

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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 filing 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 व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) 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 [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन, 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 (इश्युअर) 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 (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख September 30, 2024 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

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 September 30, 2024 in accordance with SEBI ICDR Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता 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 डोक्यूमेंट) 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 (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) 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 / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) 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।

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 months from the date of issuance of this observation letter.

Place: Mumbai

Avinash Jaiswal
Avinash Jaiswal

Annexure I

OBSERVATIONS

1. Please refer to our email dated November 6, 2024 and the response received from LM vide their email dated November 21, 2024, December 17, 2024, January 3, 8, 9, and 13, 2025 and all other correspondences exchanged. LM is advised to ensure appropriate disclosure of the same in the offer document.
2. These observations refer to a specific chapter or point, however, the LM shall ensure to disclose the same across all pages / chapters where the same / similar matter is disclosed in the offer document or provide suitable cross reference.
3. The LM is advised to ensure that the language used in the offer document is lucid, usage of abbreviations is limited, abbreviations to be used in the para, if already quoted in the same page / heading. Any expressions, jargons or nomenclatures from other languages or not commonly used, are explained clearly at all relevant places.
4. LM is advised to incorporate all the certificates issued by the Chartered Accountants under the section "*Material Contracts and Documents for Inspection.*"

Summary of the offer document

5. Disclosures *w.r.t.* non-listing of shares pursuant to pre-IPO to be made before calling for subscription. Such disclosures to be made at all relevant places in the offer document and the price band advertisement.
6. Proceeds of the pre-IPO allotment to be utilized only for the stated objects of the offer.
7. LM to disclose the operations of company, business model, revenue model and how the orders are procured / executed and margins etc in simple language. LM to include an appropriate Risk Factor in this regard highlighting the risks.
8. LM to disclose the amount proposed to be utilized from issue proceeds toward payment of fees to intermediary and the LM as a separate Risk Factor under suitable heading.
9. LM to disclose the BO details and natural persons who are in control of Vikran Global Infraprojects Private Limited.
10. LM to disclose the details and reasons for loans given to promoters and directors of the issuer company.
11. Brief information on the Tax proceedings pending against the issuer company.
12. *W.r.t.* allotment of 37,000 equity shares allotted to Vikran Global Infraprojects Private Limited on January 25, 2024 disclose the objectives and material details of loan obtained. LM to confirm and disclose whether the loan was utilized for the stated objects.

13. Disclose the acquisition price adjusted for corporate actions.

Risk Factors

14. LM is advised to ensure that the Risk Factors provide adequate explanation of risk, are placed based on materiality and provide cross-reference to the exact page no. of the offer document, wherein further information has been disclosed.

15. LM to remove the different categories of the Risk Factors.

16. Risk Factor 1 - LM to substantiate and appropriately disclose the cross reference to information with regard to superlative / adjective sentences such as "fast growing..." and also give details of competitors' market share data to substantiate the same. Ensure the same at all relevant places in the offer document. Delete "*We are one of the fast-growing EPC companies and some of our projects have been completed either ahead of schedule or within the contractual time periods*" as the same is not a risk.

17. Risk Factor 2 - LM is advised to disclose order book from Central and State government separately.

18. Risk Factor 3 - LM is advised to certify order book from a CA and disclose the same. Include the same in the material document for inspection. LM to update the order book details. Order book to be disclosed in the table in a simple language.

19. Risk Factor 3 - LM is advised to include disclosure of revenue from top 5 customers.

20. Risk Factor 6 - LM is advised to disclose Bank guarantees invoked and amount paid in past 3 financial years.

21. Risk Factor 7 - LM to disclose the details of delay in execution of projects, termination of projects, project called off in past 3 financial years. LM to disclose only the material reasons.

22. Risk Factor 7 - LM to disclose the working capital as a percentage of revenues.

23. Risk Factor 9 - LM is advised to confirm whether the customer owned inventory and supplies yet to be invoiced are shown in books. Further, LM is advised to disclose the financial impact of reversal of uncertified sales in past 3 financial years. LM is also advised to disclose the method to value the Inventory. LM to disclose the ageing of the same and its impact. LM to confirm whether the amount as mentioned in emphasis is part of contingent liability and disclose the same. LM to disclose the financial impact of the emphasis matter.

24. Risk Factor 11 - LM is advised to disclose the competition in terms of market share. Further, disclose market share of the issuer company in all the regions, where it is operating.

25. Risk Factor 12 - Move the Risk Factor to top 5.
26. Risk Factor 16 - LM is advised to disclose the Trade Receivable with aging for past 3 financial years. Receivables pending beyond the receivables period offered by the issuer company and bad debts to be disclosed. All such data to be disclosed as a percentage of total receivables.
27. Risk Factor 18 - Details of material approvals which are yet to be obtained and its impact in a tabular format.
28. Risk Factor 21 - LM is advised to disclose the data, else include a negative statement to the fact.
29. Risk Factor 23 - LM is advised to disclose the data, else include a negative statement to the fact.
30. Risk Factor 27 - LM is advised to disclose data on JV, revenue from JV and past instances of failure on part of performances by JV.
31. Risk Factor 30 - LM is advised to disclose data on Raw Material suppliers.
32. Risk Factor 38 - LM to disclose the relevant data in the heading of the Risk Factor.
33. Risk Factor 39 - Move to top 3 Risk Factors.
34. Risk Factor 40 - LM to disclose appropriate data on insurance coverage.
35. Risk Factor 45 - LM to disclose the relevant data in the heading of the Risk Factor.
36. Risk Factor 46 - Move to top 20 Risk Factors.
37. Risk Factor 47 - LM to disclose material lease transactions from promoters, promoter group and other related entities.

Additional Risk Factors

38. LM is advised to add suitable Risk Factors under appropriate heading disclosing the risk involved, along with relevant data on the following points:
- 38.1. Details of confirmed orders as on date, orders pending for last three FYs amount of deposits / performance guarantee / margin for the last three years, along with details/ instances in past five years regarding non-fulfilment of contracts – delays in projects execution, performance guarantee held back / forfeited, details of bids / success rate.
- 38.2. Market share data / margins of competitors in same EPC.

- 38.3. Major litigations against the company.
- 38.4. Substantial decrease in trade receivables days.
- 38.5. Low fixed assets base of the issuer company.
- 38.6. The infrastructure projects are dependent on the political dispensation.

Other sections

- 39. LM to update the relevant disclosures / details in objects of issue for substantiation regarding working capital requirements as per subsequent submissions of LM.
- 40. LM to also disclose an appropriate Risk Factor regarding the estimated working capital along with percentage increase / details of CA certificate. Such certificate to be included in the material document for inspection. LM to disclose any risks / disclaimer in the certificate as Risk Factor.
- 41. It is noted from DRHP that many private placements have been carried out from January to August 2024 before filing. In this regard, LM to disclose the following:
 - 41.1. Details of shareholders' approval, amount of proceeds from the issue, utilization of amount, pending amount to be utilized, LM's confirmation that the issue proceeds are utilized for the objects for which the money has been raised, deviation if any, certificate by auditors with regard to above.
 - 41.2. LM to also disclose the details of valuation certificate for such allotment. LM to disclose Risk Factor disclosing the difference in issue price to private placement price along with reasons for difference as a separate Risk Factor.
 - 41.3. As regards the issuance of shares pursuant to conversion of loan, LM to disclose the valuation reports, details of shareholders' approval, amount of loan proceeds, utilization of amount, pending amount to be utilized, terms of loan, interest rate paid in the last three years, and appropriate Risk Factor to this effect.
- 42. LM to confirm the clause wise compliance of provisions regarding eligibility of share of promoters offered under OFS along with details.
- 43. At Page no. 82 - The resignation letter of the previous Statutory Auditor Manish Kumar Agarwal & Co, Chartered Accountants to be included in the material documents for inspection.
- 44. At Page no. 82 - LM is advised to disclose price adjusted for corporate actions.
- 45. At Page no. 90, 91 and page 92 - LM is advised to disclose the valuation undertaken to determine issue price of the shares allotted from January 16, 2024 to August 22, 2024.

46. At Page no. 93 - *W.r.t.* Allotment of 28,96,780 Shares on August 24, 2024, LM is advised to disclose at what valuation parameters the shares were valued and issued and whether at the same parameters are being issued in the shares offered under the IPO. If not justification to be given and the comparative price to be disclose clearly.
47. At Page no. 93 - for the issue of Bonus Equity shares on August 30, 2024, LM to disclose a negative statement that there are no arrangements of any nature with the shareholders / connected person and the promoters or their connected person. LM to disclose separate Risk Factor on further issue of bonus shares.
48. At page no. 96 - *w.r.t.* NCLT Reverse Merger Order, disclose the details of the scheme along with pictorial representation. Disclose revenues, assets, profits of entities and shareholding of promoters before and after merger.
49. LM is advised to disclose each of the reserve balance used, before and after bonus. LM is advised to confirm that the same is in compliance with Ind AS.
50. At Page no. 105 - LM is advised to provide disclosure on conflict of interest and proper Due Diligence on the holding of the India Inflection Opportunity Trust.
51. At Page no. 108 - LM is advised to disclose the data and parameters while obtaining the working capital loans from the Banks including for ascertaining the working capital requirements. Disclose all the assumptions shared with the Banks.
52. At Page no. 109 - LM is advised to disclose units of the data disclosed in the table.
53. At Page no. 110 - LM to disclose the reasons for sudden decrease in trade payables days and provide justification. LM to provides its comments on the working capital estimates and assumptions submitted by the issuer company.
54. At Page no. 111 - Issue expenses to be shared between the selling shareholders and the issuer company, even if the proposed IPO / listing does not happen.
55. At Page no. 113 - LM is advised to disclose that no lien shall be created on the issue proceeds pending interim use of Funds.
56. At Page no. 114 - LM is advised to disclose under Monitoring of Utilization of Funds that the monitoring will be strictly with respect to both the period and amount of utilization.
57. At Page no. 114 - LM is advised to disclose under variation of objects of the offer that any variation in respect to both period and amount of utilization is consider as the variation.
58. At Page no. 115 - The qualitative factors to be substantiated with suitable data / parameters.
59. At Page no. 116 - LM is advised to disclose how these peers were chosen with justification and parameters. LM is advised to disclose why other peers not chosen.
60. At Page no. 205 - LM is advised to bifurcate and disclose region wise data in the both the tables.

61. At Page no. 205 - LM is advised to disclose data on Actual Bided and Awarded contracts for Business vertical and type of clients.
62. At Page no. 211 - LM is advised to disclose the estimated date for completion, Actual completion date, given cost, actual cost delay in completion in Years and Months. LM is advised to disclose any penalty Imposed, Any BG / LC invoked for completed and ongoing projects in past 3 financial years.
63. At Page no. 238 - LM is advised to disclose that no right of any nature will survive post listing. LM is advised to disclose the date of investment by Indian Inflection Opportunity Fund and the date of signing of mandate by LM.
64. At Page no. 362 - LM is advised to quantify the figure given in table and disclose in Risk Factor
65. At Page no. 367 - for Criminal Proceedings, LM is advised to disclose as Risk Factor. LM is advised to disclose policy of company on such matters.
66. At Page no. 368 - for outstanding actions by regulatory and statutory authorities, LM is advised to disclose as Risk Factor.
67. At 'Industry overview': Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires that the LM shall exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document. In view of the same, LM is advised to ensure that:
- 67.1. The draft offer document and the offer document, shall not contain any information where no responsibility is taken by the BRLMs or the issuer company/ Expert.
- 67.2. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.
- 67.3. LM is further advised to include industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
68. 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.
69. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
70. With respect to all the complaints received by LM / company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant

disclosures of the same 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.

71. 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 no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate Risk Factors in this regard.

72. 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]
 - *"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.

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

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 the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. 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.
4. 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 RHP 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.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. 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.

9. ASBA:

73.1. LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs 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 SCSBs for sending to designated branches other than those located in mandatory collection center.

73.2. 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.



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**.*

