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SEBI/CFD/DIL2/2024/29794/1
September 19, 2024

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre,
Pandurang Budhkar Marg, Worli
Mumbai - 400025

Kind Attention: Mr Sagar Jatakiya

महोदय / महोदया,
Dear Sir / Madam,

विषय / Sub: Proposed IPO of Waaree Energies Limited (Company/issuer)

1. 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) 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 (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.

- 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 filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

- यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम 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 विनियम बोर्ड [पैजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) 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.

4. 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 December 29, 2023 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 December 29, 2023, in accordance with SEBI ICDR Regulations, 2018.

5. 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.

6. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डाक्यूमेंट) 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.

7. 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.

8. 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.

9. 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.

10. आपसे अनुरोध है कि इस पत्र की प्राप्ति के 15 दिवस के भीतर अपना उत्तर प्रस्तुत करें।

You are requested to submit your response within 15 days of the receipt of this letter.

Place: Mumbai

Abhishek
Abhishek Ranjan

Annexure I

OBSERVATIONS

1. Please refer to our letter dated January 19, 2024 and the response from LM dated January 30, 2024 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. 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. The Issuer Company / BRLMs shall ensure that the "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor any underlying assumptions have been omitted for investors to make an informed decision.
3. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
4. The industry report disclaimers (if any) shall be removed from all places of the offer document.
5. LM is advised to include the 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.
6. The LM is advised to ensure that offer document is made in lucid and economical language with limited usage of abbreviations. Abbreviations, if any, shall be used only with prior and appropriate disclosure of the corresponding term. jargons or nomenclatures, if any, shall be properly explained at each and every mention of the same.
7. LM is advised to ensure all quantitative information be provided in tabular form and free from discrepancies/errors in all sections for the ease of reading. LM may provide with certainty all the relevant information sought by SEBI till the issue of this observation letter, in the offer document/UDRHP/RHP.
8. LM is advised to ensure that financial disclosures for the stub period and comparative periods shall be made on account of audited, restated and consolidated financials only.
9. LM is advised to ensure that the primary business of the company shall be disclosed in lucid and economical language. The disclosure shall specify the industry, sector, activity, products etc with clarity.
10. 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.
11. Though, these observations refer to a specific chapter or para, LM is advised to ensure that the principles of the observation are incorporated at all applicable places in the DRHP consistently.
12. LM is advised to ensure that the disclosure of risk factors are based on materiality, to be supported by quantifiable data to bring out the risk and to make cross-reference the exact page no. of DRHP, wherein the details of information has been disclosed.
13. LM is advised to disclose the date of Board Approvals obtained for disclosed initiatives, such as expansion, expenditures etc. Non-disclosures shall be qualified with reasons.
14. LM is advised to appropriately disclose delays, if any, in payment of ESIC, PF, IT and other statutory dues. Further, LM is advised to disclose in details, the number of employees for which the Provident Fund is applicable, paid and unpaid dues. The principle of disclosure shall be applicable for all employee related, statutory payments.



15. LM is advised to disclose the face value of the shares on offer on the cover pages and all applicable places.
16. LM is advised that KPIs and financial data wherever disclosed shall be in absolute terms and in % terms, and shall pertain to the disclosed financial period.
17. LM is advised to make uniform presentation of data in terms of the placement of time-periods. LM should ensure that the time-periods are either placed in ascending or descending order, uniformly across the offer document.
18. For each cross-referencing of the Industry report, LM is advised to mention the exact page of the Industry Report Section.
19. LM is advised to ensure that employee reservation shall be allocated only to eligible employees.

20. Summary of the offer document:

- a. Summary of primary business – LM is advised to disclose the utilised capacity in comparison with the installed capacity.
- b. Page 24 – Summary of financial information – LM is advised to disclose reasons attributable to increase in financial parameters during the disclosed financial period. The disclosure shall be made under section – Management Discussion and Analysis, with due cross-reference to be provided under the aforesaid para.

21. Risk Factors (RF):

- c. The LMs to ensure that any description of risk or description of the possibility of occurrence of an event/ situation shall necessary follow with a statement of detailed disclosure on past occurrences. If not, a categorical statement of disclosure on non-occurrence of such events shall be disclosed.
- d. Risk Factors - (i) every risk factor shall be provided with a cross-reference to the detailed description of the facts / reasons in the DRHP, wherever applicable. (ii) In all risk factors, wherever either only percentages or the absolute values are mentioned, LM shall ensure to disclose both the absolute values and percentages adequately.
- e. LM is advised that data-points for disclosure shall also incorporate the values in absolute terms along with the values in terms of percentages.
- f. RF 1 – LM is advised to disclose names of the top 5 customers, if not restricted by any confidentiality agreements. Due reasons for non-disclosure to be provided in RF. LM to disclose if information is available in public domain.

RF shall disclose the decrease observed in no. of customers (as disclosed in section-Our Business).

RF shall include reasons for increase in exports as disclosed under RF 26.

Refer para beginning with, *'Further, certain of our agreements..'*, LM is advised to disclose the number of instances w.r.t. the disclosed risks.

- g. RF 3- LM is advised to re-draft the RF to disclose the object to be as an investment in subsidiary for the disclosed purposes. The RF shall further disclose the manner of investment in subsidiaries.

LM is advised to disclose the material terms and conditions of the allotment letter dated October 09, 2023. LM is advised to disclose the current status of the lease agreement and the required governmental and environmental clearances. LM is advised not to use ambiguous disclosure such as *certain terms and conditions*, full disclosures shall be made with regards to such disclosures as and where applicable in the offer document.

LM is advised to include 'major portion of net proceeds', in the para head.

Refer sentence beginning with, '*the allotment letter..*' LM is advised to disclose the same as an additional and separate RF, under top 10 RFs.

Refer the phrase, '*which are routine in nature*', LM is advised to either justify the same or the same shall be removed.

h. RF 6 – LM is advised to place the same as and after top 20 RFs.

a. RF 8 – LM is advised to disclose the current stage and status of the proposed expansion. The RF shall further disclose the estimated cost of the project and its mode of funding. The RF shall further disclose the date of board approval for the disclosed expansion.

RF shall disclose the name of the subsidiary which will set up the USA facility.

Refer sentence beginning with, '*Further, the proposed facility..*', LM is advised to suitably disclose the same in the para head.

b. RF 9 – LM is advised to disclose the total no. of agreements.

LM is advised to remove the following sentence from the para head, '*related to execution.....such projects may increase*', and suitably redraft the risk description.

RF shall further disclose the past instances of delay during the disclosed financial period.

c. RF 10 – LM is advised to disclose the total value of the projects for the bids won.

d. RF 11 – LM is advised to disclose the period referenced in the para dealing with COVID-19 pandemic.

e. RF 16 – LM is advised to place the same as and under top 10 RFs.

f. RF 22 and RF 23 – LM is advised to disclose financial impact, if any, w.r.t. the disclosed remarks of the auditors. RF 23 to be placed as and under top 15 RFs.

g. Additional RF – LM is advised to place as and after top 20 RFs, an additional RF on risks associated with increase in usage of other renewable sources of energy such as wind, hydro etc.

h. RF 24 – LM is advised to disclose the order book at the beginning of the FY for the disclosed financial periods.

LM is advised to place the same as and under top 20 RFs.

i. RF 25 – LM is advised to disclose any concentration risk in trade receivables.

j. RF 26 – LM is advised to make tabular representations of the disclosed data.

k. RF 29 - LM is advised to place the same as and under top 15 RFs.

- l. RF 31 - LM is advised to place the same as and under top 15 RFs.
- m. RF 34 – LM is advised to disclose the period of lease.
- n. RF 45 – LM is advised to disclose whether such filings have been made in the relevant year with RoC. Further, if there are documents to suggest that these filings have been made in the subsequent years as well with RoC. To write to RoC clearly indicating whether the documents have been filed with RoC, proof of having made the relevant disclosure. Also the Company, promoters to give an undertaking on the relevant filings having been made.
- o. RF 46 – LM is advised to rectify the monitoring of *net proceeds* to *gross proceeds*. Such disclosure shall be made consistent across the offer document.

The RF shall be placed as and under top 30 RFs. LM is advised to disclose risks associated with OFS as a separate and additional RF under top 30 RFs.

RF 46 - LM is advised to place the same as and under top 20 RFs.
- p. RF 47 – Confirm that the allotments made to persons were not related to the company, promoters, promoter group, directors, KMPs or their relatives in any manner directly or indirectly.
- q. RF 56 – LM is advised to place the said RF as and under top 25 RFs.
- r. Additional RF – LM is advised to disclose an additional RF w.r.t. sourcing from China and its impact on the company's exports.

22. Capital Structure:

- a. Page 126 – Para 25 – LM is advised to confirm and disclose whether the disclosed holdings of BRLM are compliant with the code of conduct of the BRLM.
- b. LM, under the aforesaid chapter, shall appropriately disclose that past primary issuances of the company were made in accordance with applicable Acts.
- c. Page 105 – LM shall disclose the reasons for shares pending for dematerialisation.

23. Objects of the Offer:

- a. Page 128 – LM is advised to disclose in clear terms that the object of the issuer is towards investment in subsidiary. The RF shall disclose the name of the subsidiary. The RF shall further disclose the stated purposes of the disclosed investment in subsidiary. Such disclosure shall be made standard across the offer document.
- b. Page 129 – LM is advised to elaborate the phrase *Limited assurance* w.r.t. Statutory Auditor's certificate.
- c. Page 130 – Para head – *Part-financing the cost of establishing the project* – LM is advised to disclose the name of the project company i.e. subsidiary along with its limited financials, which shall be housing the project.
- d. Page 131 - Para head – *Part-financing the cost of establishing the project*- LM shall disclose the impact, if any, of the pending definitive agreement in relation to the land acquisition, on the project.
- e. Page 132 – LM is advised to disclose the name of the subsidiary in which the estimates were sought.

- f. Page 133 – LM is advised to disclose the updated stage and status of *schedule of implementation*. Further, LM as an additional factor shall disclose the risks associated with delay, if any, in start of commercial production.
- g. Page 134 – Also show the risk factor on the other confirmations. Update the status of the approvals and also disclose whether the operations of the company are ongoing pending these approvals.
- h. Page 134 – Government Approvals – LM is advised to disclose the status and stage of the disclosed required government approvals.
- i. Page 137 - Interim Use of Net Proceeds :- LM is advised to confirm and disclose that for the funds kept with the Banks raised through the public issue and pending utilization, no lien of any nature shall be created on the underlying funds
- j. Page 128 – LM shall evaluate the sentence, “ *In the event, the net proceeds are unutilized...*”. LM shall ensure compliance with applicable regulation.

24. Basis for offer price:

- a. Basis of Offer Price – LM is advised to use long-form for KPIs’ description.
- b. Page 143 – LM is advised to disclose the WACA calculation.
- c. LM shall update the disclosures w.r.t. peer comparison (newly listed peers).

25. Industry Overview:

- a. Page 185 – Key risk factors- LM is advised to appropriately disclose the same under chapter – Risk Factors.

26. Our Business:

- a. Page 212 – Extensive Pan-India Retail Network – LM is advised to disclose connection, if any, between any of the franchises with promoter/PG/Directors or their relatives or with company/subsidiary etc.
- b. Page 213 – *Consistent track record of financial performance* – LM is advised to qualify the para head by limiting it to the disclosed financial period only.
- c. Page 224 – LM is advised to disclose facility-wise capacity utilisation.

27. Outstanding Litigation and Material Developments

- a. LM is advised to disclose the dates of the outstanding litigations.
- b. LM is advised to disclose the data points such as place and authority where such litigations are pending for each of the disclosed litigations.
- c. If not disclosed, LM shall disclose as separate RF, the implications if any on the contingency of an adverse outcome of disclosed litigations.

28. History and Certain Corporate Matters:

- a. LM to ensure that special rights as disclosed in the DRHP shall terminate before filing of RHP. LM is advised to include a categorical statement that it has gone through AoA of the issuer company and confirm to SEBI that no special rights to the promoters/shareholders in the AoA, at the time of filing of offer document.

- b. Under chapter, *History and certain corporate matters*, LM is advised to disclose all the material conditions of any disclosed agreement. LM is advised to avoid using phrases such as *certain conditions and applicable laws* unless accompanied with a negating disclosure on material covenants.
- c. LM is advised that inter-se agreements/ arrangements between the shareholders are disclosed under section “History and Certain Corporate Matters”.
- d. LM is advised that a categorical statement from the Issuer Company/ Promoters / Shareholders, may be provided that there are no other inter-se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders. Also that there are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than disclosed in the DRHP.
- e. Further, the LMs shall also confirm to SEBI that they have gone through the inter-se agreements/ arrangements, if any, as disclosed in the DRHP and they also do not see any clauses / covenants which are material and need to be disclosed, which have not been disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders.
- f. Page 251 – Details of Guarantees – LM is advised to disclose the name of the promoter and PG who have issued the disclosed guarantee.

29. Financial Indebtedness:

- a. Page 460 – LM is advised to elaborate on the underwriting commitment by SBI.

30. Our Management:

- a. LM is advised to ensure that details of the Directors in the section titled “Management” clearly depicts if any director is a nominee. If so, LM shall also disclose the details on the shareholders nominating them. Similarly, such details to be disclosed for the KMPs as well. LM to also confirm that apart from that disclosed in the offer document, there are no other nominee directors, KMPs or other persons etc. appointed on behalf any of the shareholders or any other person.
- b. LM shall disclose whether the structure of the Board is compliant with applicable corporate governance norms on the date of listing. If no, suitable RF to be provided.

31. 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.

32. 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.

33. 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 limited

cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate risk factors in this regard.

34. 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.

35. 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:**
 - i) 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.
 - ii) 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 **.*

