



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

सहायक महाप्रबंधक / Assistant General Manager
निगम वित्त विभाग / Corporation Finance Department
निर्गम एवं सूचीबद्धता प्रभाग / Division of Issues and Listing
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SEBI/NRO/OW/VSS/AS/52027/1

October 12, 2022

By Courier / Email

Pantomath Capital Advisors (P) Limited
406-408, Keshava Premises,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051
Maharashtra

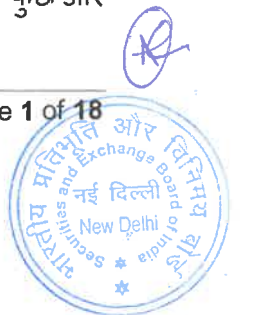
Kind Attention: Ms. Punam Thadeshwar/ Ms. Bharti Ranga

महोदया / Madam,

विषय / Sub: Plaza Wires Limited का प्रस्तावित आईपीओ / Proposed IPO of Plaza Wires Limited

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनिमय 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 विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्कलोजर 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

Page 1 of 18



“हम हिन्दी पत्राचार का स्वागत करते हैं।”

उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किदवाई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 26449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web : www.sebi.gov.in



Continuation Sheet

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

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। 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 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) 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।





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

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 (मर्चेंट बैंकर्स) विनियम, 1992 [सेबी (मर्चेंट बैंकर्स) रेग्युलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख 8 फरवरी, 2021 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 August 14, 2021, 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 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 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।





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

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 (twelve) months from the date of issuance of this observation letter.

स्थान / Place: दिल्ली / Delhi

भवदीय Yours faithfully,

आशु / Aashu 12/10/22

Page 4 of 18





भारतीय प्रतिभूति
और विनियम बोर्ड
**Securities and Exchange
Board of India**

अनुलग्नक / Annexure I

OBSERVATIONS

1. Please refer to our letters/emails dated July 18, 2022 and September 12, 2022 and your letters/emails dated May 5, 2022, August 10, 2022, August 30, 2022 and September 22, 2022 and all other correspondences exchanged. LM is advised to ensure compliance with the same and LM is advised to comply with the statements made for undertaking/confirming to disclose/update/make a part of RHP any kind of data/information.
2. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities is made in the Red Hearing Prospectus.
3. LM shall avoid using the following paragraph (including content of similar nature) in the RHP - *"the Company, the Selling Shareholders, the BRLMs or any other person connected with the Offer have not independently verified this information"* or *"neither the Company nor the BRLM nor any other person connected with the Offer has independently verified the Information"*. It may be mentioned that, in terms of Regulation 24(3) of SEBI (ICDR) Regulations, 2018, it is obligatory on the Lead Manager to perform necessary due diligence on the entire draft offer document, including the information provided under Industry Reports; and to ensure that the information provided in the DRHP is current, reliable and complete in all aspects, and no material information/data has been left out which may have bearing on the investor and which may adversely impact the decision of the investor before submitting the offer document to SEBI.
4. 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.
5. 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 Red Hearing Prospectus along with appropriate risk factors in this regard.
6. 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."*





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

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.

7. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.
8. LM is advised to ensure that at all places, where the Industry Report has been mentioned:
 - i) such report to be provided in bibliography / or as weblink.
 - ii) the Report needs to be included as a material document.
 - iii) LM to ensure that any terms which are not explained, substantiated shall not be used even if used in the industry report.
9. 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.
10. LM may be advised to confirm that the RHP/Industry report will not contain any information where no responsibility is taken by the LM or the Issuer Company or any Expert. Further, LM may be advised to take a confirmation from Brickwork Analytics that it has ensured that the information provided in the Industry Report is current, reliable and complete in all aspects, and no material information/data/any other has been left out which may have bearing on the investor interest and which may adversely impact the decision of the investor and make such confirmation as a part of disclosure.





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

11. LM is advised to appropriately disclose adequacy/ coverage of insurance.
12. LM is advised to disclose attrition rate for employees for last 3 years and stub period.
13. LM is advised to organise the Risk Factors according to materiality for instances-RF 3 as RF 1, RF 4 as RF 2. Further LM is advised to insert separate risk factor for Inventory & Trade receivable.
14. LM is advised to insert cross-reference of the chapter "Government and Other Statutory Approvals" and "Material Contracts and Documents" at Risk Factor 3 in the chapter titled **Risk Factors** on page 29 of the DRHP. Further, LM is advised to incorporate a cross-reference of the fact that Non-Compete Agreement dated March 2, 2022 between the Company and Plaza Cables Electric Private Limited has been made a part of the Material Documents for inspection, in the chapter titled **Risk Factors** on page 45 of the Draft of Red Herring Prospectus, in the UDRHP and post changes the revised risk factor shall appear as risk factor no. 1 under the chapter "Risk Factors".
15. LM is advised to provide a Confirmation that company has obtain all the approvals as required for its business & disclose the same under Govt. approvals.
16. LM is advised to confirm whether there are any employee in Issuer Company who is related to the Promoter, directors or KMPs in any manner.
17. LM is advised to place all issue related Advertisements on the website of the issuer company and provide a weblink in the RHP.
18. LM is advised to disclose past incident of any mishap with the product describe the after sale service procedure in RHP.
19. LM may be advised to disclose the details of hedging w.r.t. foreign currency along with amount involved with losses, if any in dealing with foreign exchange.
20. LM is advised to disclose the collectorate value of the land in dispute under the outstanding litigations.
21. Lm is advised to disclose the meaning of word "partially off set by" - in the chapter titled Management Discussion and Analysis of Financial Condition and Result of Operations.
22. LM is advised to disclose the details of Branch Offices in DRHP.





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

23. LM is advised to confirm that each and every disclosure/statement in DRHP or subsequent submissions to SEBI have been verified independently by LM and it has been ensured that the RHP shows true and correct picture of the business of the issuer and nothing material, which would adversely affect the interest of the investors, have been left out.
24. LM is advised to disclose the reasons of large no of cheque dishonouring, Customers with weak credit History in RHP.
25. LM is advised to update the Promoter lock-in details as per Regulations 14 and 16 of the SEBI ICDR Regulations in the chapter titled **Capital Structure** on page 75 and 76, respectively of the Draft of Red Herring Prospectus, in the UDRHP.
26. LM is advised to disclose the change in auditor's details for past 5 years in the RHP and provide a confirmation to SEBI for such change with exact page number.
27. LM is advised to disclose the source of fund (own or other) from which the bonus issue of shares was done and cross reference to details of bonus issue should be included.
28. LM shall ensure that the details of any issuance or Split or Consolidation of Equity Shares shall be disclosed for last 3 years.
29. LM is advised to ensure that specific suggestions on re-arrangement of risk factors by SEBI may be incorporated in the UDRHP.
30. LM is advised to provide name of the suppliers who contributes 70% of the total supplies and transport partners and also confirm and disclose if there is any conflict of interest between suppliers/ and transport partners and the issuer company/subsidiaries to Promoter/Promoter Group/Directors/KMPs or any other associate entity.
31. LM is advised to disclose details of outstanding credit given to distributors/customers and details of such distributors/customers. Further, LM is required to mention what is the average Working Capital Cycle of the issuer.
32. LM is advised to disclose the reasons for rating CRISIL BB+ /Stable (Issuer Not Cooperating) from April 2021 to March 2022 and rating BBB-/Stable (Migrated from CRISIL BB+/Stable ISSUER NOT COOPERATING*) from April 2021 to March 2022.
33. LM is advised to disclose the reasons for the following in the Consolidated Restated Statement of Assets and Liabilities:
- i) Sudden increase in Trade receivables from March 31, 2020 to March 31, 2021.





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

- ii) Sudden increase in other current assets from March 31, 2021 to December 31, 2022.
 - iii) Sudden increase in current tax liabilities from March 31, 2021 to December 31, 2022.
 - iv) Sudden decrease in employee benefit expense from March 31, 2020 to March 31, 2021.
34. LM is advised to disclose the actual working capital requirement for last five years in the tabular form as per Schedule VIII, Part A, Clause (VII) Sub-Clause (A) (4) (f) of SEBI ICDR Regulations.
35. Under 'Justification for holding period levels', LM is advised to disclose and mention the price at which inventories, trade receivable and trade payables have been calculated.
36. It has been noted that financial statements of issuer reflects sufficient reserves. However, objects of the issue mention that funds are required to meet working capital requirements of the issuer. LM is advised to elaborate and disclose the reasons for the same.
37. At page 85, under Comparison with Industry Peers, LM is advised to give a disclosure here whether there are any unlisted private companies in the same business which are market leaders, with their names and other information and also give cross reference.
38. LM has done correction of typographical errors pertaining to number of shares under section "pre and post issue equity shares" vide Addendum cum corrigendum. LM is advised to check whole DRHP and correct all such mistakes and is advised to undertake that proper due diligence to remove and correct all such mistakes have been done.
39. LM is advised to disclose a list of all its registered trademarks and their purpose.
40. The use of terms such as 'leading', 'Strong', 'high quality', 'superior' 'secured', 'diversified' professional experience', 'consistent', 'robust' should be explained in detail. LM is advised to disclose how these terms are applicable to the Company and the same in not true for other companies in the industry. Else such word shall not be used.
41. LM is advised to ensure that with respect to any new installation of plants/factory etc., whether any Board decision has been taken recently in this regard and shall be clearly disclosed and such documents to be made part of Documents for inspection.
42. LM to ensure that all pre-IPO investors/ buyers are informed that the Issue may or may not be successful and the equity shares of the Company may or may not get listed. And the fact that such information have been shared with all pre-IPO investors/ buyers should be disclosed in the Offer Document.





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

43. LM is advised to disclose the details of all profit sharing arrangements involving the Issuer, promoters, promoter group, directors/KMPs and shareholders, if any.

44. LM is advised to disclose the following in RHP at appropriate places, if applicable:

- i) That there have been no past instances of delays and defaults in payment of statutory dues by the company in the past three years;
- ii) That there have been no past instances of termination or modifications or non – renewal of material agreements which have adversely impacted results of business operations and financials of the Company;
- iii) That no research and development has been carried out by the Company in connection with any areas of business of issuer;
- iv) That the Company has not taken any moratoriums under applicable laws

45. W.r.t. the following statements, LM is advised to disclose in the RHP, the justification provided regarding 'material incident', 'major loss', and 'material fraud, theft or such incident' etc.:

- i) *Even though we have not experienced any major loss due to technology systems failures in the past*
- ii) *Even though we have not experienced any major loss due to technology systems failures in the past*
- iii) *So far our company has not experienced any material fraud, theft or such incident*
- iv) *We have not experienced any material technology failure in the past*
- v) *There have been no material delays / defaults in payment of statutory dues for the past three years*
- vi) *There have been no material instances of termination / modification / non-renewal of material agreements which have adversely impacted results of business operations and financials of the company*

46. LM is advised to ensure that:





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

- i) Abbreviations/ defined terms used in the body of the Offer Document should be suitably defined in the section titled 'Definitions and Abbreviations'.
- ii) LM is advised to ensure that the headings in any section of the DRHP should not contain abbreviations. The abbreviations may continue in the paragraphs after the headings.
- iii) At "Summary of the Offer Document"
Simple conversational language to be used.
No abbreviations shall be used.
- iv) At "Definitions and Abbreviations"
For Technical, Company / Industry related Terms or Abbreviations, along with the expanded form, suitable meaning / explanation to be provided in simple language.

47. The LM may be advised to ensure that any terms which are not explained, substantiated shall not be used even if used in the industry report.
48. LM is advised to ensure that if adjectives such as "largest", "leader", "strong", "differentiated", "professional" etc. are used, the same should be explained and substantiated. If not substantiated, these terms should not be used.
49. LM is advised to disclose Weighted average price at which the Equity Shares were acquired by the Promoters and the Selling Shareholders- last one year preceding the date of this Draft Red Herring Prospectus.
50. LM is advised to confirm and ensure that necessary due diligence has been done to draft the RHP and that there are no errors/mistakes in RHP. LM is advised to provide a disclosure statement in this regard.
51. LM is advised to disclose the details of existing working capital for the last 3 fiscal years in the RHP and provide the exact details of sections and page numbers where such disclosures have been made.
52. LM is advised to disclose the details of Related Party Transactions which should be on the basis of materiality (maximum amount on top) in year wise terms.
53. LM is advised to include the restated financial statements about the issuer as on March 2022 in the RHP.
54. LM is advised to mention date of incorporation and specific dates at all the places wherever required.





**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

55. LM is advised to explain and disclose whether post issue, working capital requirements from banks would be reduced and disclose/confirm the same in DRHP wherever required.
56. LM is advised to include details of owned as well as rented 'Properties' in the RHP.
57. LM may be advised to be careful and refrain from making statements in DRHP for which no formal discussions/approvals have been held. Hence, LM may be advised to remove the statements regarding installation of new plants/factory etc. if no formal discussions/approvals have been held in this regard.
58. Under confirmations, LM is advised to confirm that the issuer company/subsidiaries to Promoter/Promoter Group/Directors/KMPs or any other associate entity have no conflict of interest with any of third party mentioned in DRHP.
59. LM is advised to disclose reason for the outstanding dues to 5 material creditors.
60. LM / Issuer should endeavour to provide the access to all material documents for inspection through online means apart from inspection at the registered office.
61. The LM may be advised to confirm and disclose that the Shareholder's Agreement shall not infringe upon the rights of any other shareholder in any manner directly or indirectly.
62. Outstanding Litigations information be disclosed in the Summary of the Offer Document section of DRHP/UDRHP/RHP as per the format given below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in million)
Company						
By the Company						





Continuation Sheet

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

Against the Company						
Directors						
By our Directors						
Against the Directors						
Promoters						
By Promoters						
Against Promoters						
Subsidiaries						
By Subsidiaries						
Against Subsidiaries						
*For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments"						

63. 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.

64. Price band advertisement:

- The portion pertaining to "Risks to Investors" shall constitute at least 33% of the price band advertisement space.
- The risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years and 1 year, from the date of RHP, in the following format :

Period	Weighted Average Cost of	Cap Price is 'X' times the Weighted	Range of acquisition price: Lowest Price - Highest Price (in Rs.)





**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

	Acquisition (in Rs.)	Average Cost of Acquisition	
<i>Last 1 year</i>			
<i>Last 3 years</i>			

- c. The font size for price band and "Risk to investors" should be increased to match the font of BID/Offer Programme.
- d. Matters related to ASBA and UPI may be brought subsequent to Price Band, Risks to Investors, Bid/ Offer Programme and other offer details, and can be of smaller font.
- e. The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.
- f. Mention market Value at Issue Price to Total Turnover and P.E. Ratio at issue price. LM is advised to add suitable risk factor as Risk Factor 1 in this regard.
- 65.** In relation to complaints received or to be received, please ensure:
- With respect to 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, 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.
 - 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.
 - LM is advised to ensure that the details of all the criminal matters initiated against the Company, its Promoter(s) and/or Promoter group, its group companies, its directors, its subsidiaries which are at FIR stage and no/some cognizance has been taken by court is incorporated in the RHP along with appropriate risk factors in this regard.
- 66.** Under section "Monitoring of Utilization of funds", LM is also 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.
 - 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.
 - Issuer Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency.
 - Issuer Company shall for the purpose of quarterly report by Monitoring Agency, provide item by item description for all the expense heads under each object of the issue. For the





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

purpose of same, the following expense heads as disclosed in offer document are to be considered:

- a. **Funding working capital requirements of our Company**
- b. **General Corporate Purpose**
- e. Issue Company shall in its quarterly Notes to Accounts of its Financial Statements include the employment of issue proceeds under various heads.





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

अनुलग्नक / 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 and make appropriate disclosure 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 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.
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. LM is advised that while making disclosures, it shall ensure that such disclosures should be precise, clear and without any ambiguity. LM to further ensure that intention of the disclosure is clearly brought out while making the disclosures.





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

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:

- 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





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**



**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**.*

