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SEBI/HO/CFD/RAC-DIL3/P/OW/2025/2995/1
January 29, 2025

Systematix Corporate Services Limited
The Capital, A-wing, No. 603–606
6th Floor, Plot No. C-70
G Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051, India

Kind Attention: Mr. Jinal Sanghvi / Kuldeep Singh

महोदय, Sir,

विषय / Sub: Proposed IPO of Indogulf Cropsciences Limited (Indogulf / the Company/Issuer)

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 [यूजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) 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 रजिस्टार 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 draft offer document in respect of the 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 Annexures 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 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 [पेजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) 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 विनियम बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोजर रिकायरमेंट्स) रेग्यूलेशन, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख September 25, 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 25, 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 डॉक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

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

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम 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 संदाय 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 payment may be made 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.

8. 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



Anmola Agrawal

Annexure I

OBSERVATIONS

1. Please refer to our letter dated October 23, 2024, and the response from LM dated November 08, 2024 and all other correspondences dated December 05, 2024, November 28, 2024; December 10, 2024; December 26, 2024, January 9, 2025, January 9, 2025 and January 16, 2025 exchanged. Wherever the LM has undertaken to modify/delete/amend the risk factors or in other relevant section of the DRHP in its replies, the same shall be duly modified and incorporated in the updated Draft Red Herring Prospectus ("UDRHP")/Red Herring Prospectus ("RHP").
2. Regulation 24 (3) of SEBI (ICDR) Regulations, 2018, requires LM to exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosures in the offer document. In view of the same, LM is advised to ensure that:
 - i. The offer document shall not contain any information where no responsibility is taken by the LMs or the Issuer Company / Expert.
 - ii. 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.
3. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
4. Wherever the LM has mentioned "*Complied with*" or "*Noted for compliance*" or "*Complied with and noted for compliance*" or "*Complied with to the extent applicable*" or "*Complied with, to the extent applicable and noted for compliance*" or "*Complied with and noted for compliance, to the extent applicable*" in its replies, LM shall ensure that the same are duly complied with.
5. 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.
6. LM is advised to ensure that UDRHP is filed with SEBI not less than seven working days prior to submission of the draft price band advertisement.

7. LM is advised to ensure that UDRHP contains necessary updated disclosures justifying the offer price under Section "*Basis for offer price*", "*Risk Factors*" etc., particularly emphasizing on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates, in quantitative terms, with corresponding suitable explanations so as to justify the offer price. (For illustration, P/E ratio in case DRHP is filed under Regulation 6 (1) of the SEBI (ICDR) Regulations, 2018 (and /or) Market Cap / Total Revenue ratio in case DRHP is filed under Regulation 6 (2) of the SEBI (ICDR) Regulations, 2018.
8. LM is advised to ensure that the currency denomination is mentioned at all places.
9. LM is advised to refrain from using adjectives and replace the words such as largest, biggest, leading, etc. used at various places in the draft offer document.
10. LM is advised to take note of amendments to SEBI (ICDR) Regulations, 2018 dated November 21, 2022 with respect to Key Performance Indicators and ensure compliance with the same.
11. LM is advised to ensure that the company is in compliance of Regulation 17(1A) of SEBI (LODR) Regulations, 2015 and submit an undertaking to this effect along with UDRHP.
12. LM is advised to ensure to disclose the observations across all pages/chapters where the same/similar matter is published in the DRHP. LM is also advised to ensure to take these comments into consideration and accordingly update the disclosure as part of their future/in process documents filed with SEBI.
13. LM is advised to ensure that in the entire DRHP, the language used 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 every place where they are used.
14. Cover Page – LM is advised to disclose the Om Prakash Aggarwal (HUF) and Mr. Sanjay Aggarwal (HUF) as promoter group selling shareholder. Further, LM is advised to make appropriate changes and disclosure with respect to disclosure of Om Prakash Aggarwal (HUF) and Mr. Sanjay Aggarwal (HUF) as Promoter Group selling shareholder in the RHP and Prospectus.
15. LM is advised to ensure and provide a negative disclosure that the selling shareholders shall not be involved directly/indirectly in any manner in the allocation and pricing of the equity shares of the issuer including through the IPO committee.

16. In case the company is contemplating issuance of Equity Shares through pre-IPO placement:

16.1. LM is advised to confirm and disclose that the Pre-IPO allottees have been appropriately informed that there is no guarantee that the IPO may come through or listing will happen and the investment is being done solely at the risk of the investor. Such information shall be provided to the investors prior to the allotment of shares.

16.2. LM is advised to disclose that the amount of Pre-IPO placement is to be used for the object of the Issue as disclosed in the draft offer document.

16.3. The Pre-IPO placement undertaken by the company, if any, to be disclosed as a risk to the investors applying in IPO, and whether the Pre-IPO was at a price higher / lower than the IPO price. Further, such Risk Factor to be included in the price band advertisement.

17. LM is advised that Financial Risk and Operational Risk shall be suitably corroborated with appropriate ratios.

18. LM is advised to submit whether there has been any instance of issuance of equity shares in the past by the issuer Company, the Group Companies or entities forming part of the Promoter Group to more than 49/200 investors in violation of:

- a. Section 67(3) of Companies Act, 1956; or
- b. relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
- c. the SEBI Regulations; or
- d. the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

19. Summary of the Offer Document

19.1. LM is advised to repeat the top 10/ other material risk factor under the "Risk Factor" section.

19.2. Point 10.3 – LM is advised to explain the impact of profit/market share/revenue etc. gained the company due to the indigenous manufacture of Pyrazosulfuron Ethyl in India.

19.3. LM is advised to mention the number of manufacturing plants managed by the company along with total production per year (in MT) under 'Primary Business of our Company' section.

19.4. LM is advised to explain the relevance of the line "We are also one of the first few indigenous manufacturers of Pyrazosulfuron Ethyl technical (Source: CareEdge Report), with the minimum purity of 97% indigenously in India and commenced production in 2018" under 'Primary Business of our Company' section".

19.5. Details of pre-IPO placement: LM is advised to disclose that the pre IPO placement, if any, shall only be for the stated object which shall be monitored by the monitoring agency.

20. Risk Factors –

- 20.1. 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 in tabular format. (iii) LM is advised to include past instances of occurrence of the risk in the last three years. (iv) LM is advised to ensure that disclosure of risk factors are based on materiality and provide adequate information. (v) LM is advised to give exact cross reference of the main content in the risk factors.
- 20.2. LM is advised to provide new risk factor in top 5 containing a table of absolute figures and %age Cumulative Average Growth Rate (CAGR) in revenue, EBITDA and PAT over the past 5 financial years. Further, LM is advised to provide that the projected revenue, EBITDA and PAT below the table and disclose that the projected working capital requirement are based on growth assumptions.
- 20.3. LM is advised to provide a separate risk factor in top 10 stating that a substantial amount of issue proceeds out of the fresh issue is intended to be used for working capital. The nature of working capital is such that it represents funds in motion and are relatively difficult to be monitored.
- 20.4. LM is advised to provide table containing the lease details of land/ buildings taken on lease by the issued from its promoter, the value of the lease amount and the tenure of the lease. LM is advised to provide a risk factor on the conflict of interest, if any, in such leased land/ buildings deals and implications on the issuer, if such lease is not renewed.
- 20.5. LM is advised to ensure that all risks and challenges mentioned in the chapter 'Industry Overview' and 'Our Business' has been appropriately incorporated in the risk factor section.
- 20.6. LM is advised to provide table containing geographic region-wise revenue for the last 3 financial years and include a risk factor regarding concentration of sales in Northern/ Eastern part of India.
- 20.7. RF2 – LM is advised to disclose whether the issuer has obtained any IP Rights and/or Copyright on its brands. If yes, whether any monetary value of such rights have been shown in the balance sheet.
- 20.8. RF3 - LM is advised to provide data of past bad debts, allowances for doubtful receivables for potential credit losses for past three years and stub period.

- 20.9. RF4 – (i) LM is advised to include risk factor relating to dependency on external supplier (import) for supply of any critical raw material. (ii) Bifurcation of raw material imported, own captive consumption etc. in tabular format to be provided. (iii) Impact on the issuer company on cost of acquiring the raw material due to price fluctuations in international market, geopolitical tensions etc. (iv) LM is advised to provide total revenue figures for last 3 financial years in the table, in addition to the cost of raw materials.
- 20.10. RF5 – LM is advised to provide a table containing the details of amount spent on R&D and R&D Spend as %age of revenue, during last 3 financial years.
- 20.11. RF6 - LM is advised to disclose data with respect to products not receiving the registration in past three years and stub period. Further, LM is advised to disclose a negative statement if no such instance exists.
- 20.12. RF10 - LM is advised to disclose data with respect to new developed products replacing existing products in past three years and stub period.
- 20.13. RF17 – LM is advised to include the said risk factor in top 10 risk factors.
- 20.14. RF19 – LM is advised to confirm and disclose whether there is a requirement to obtain NOC from lenders and creditors? If yes, whether NOC from 100% of such lenders has been obtained?
- 20.15. RF25 – The ROC filings related to allotment of shares are not available with the issuer. LM is advised to incorporate the steps taken/ mitigating factors to retrieve the missing filings, apart from writing to ROC. LM is advised to confirm whether the increase in share capital was reconciled with the next/ subsequent ROC filing. LM is advised to clearly disclose whether the fact of missing filings have been brought to the notice of ROC and whether any compounding application has been filed with ROC. Further, BRLM is advised to submit an affidavit from the issuer company and promoter regarding the non-traceability of documents and allotment of of the issuer company as disclosed in the said risk factor.
- 20.16. RF30 - LM is advised to include the said risk factor in top 5 risk factors.
- 20.17. RF32 - LM is advised to include the said risk factor in top 15 risk factors.
- 20.18. RF35 - LM is advised to include the said risk factor in top 15 risk factors.
- 20.19. RF36 - LM is advised to include the said risk factor in top 20 risk factors.
- 20.20. RF38 - LM is advised to confirm and disclose that the land mentioned are non-agricultural land.
- 20.21. RF 41 - LM is advised to include the said risk factor in top 15 risk factors.
- 20.22. LM is advised to confirm whether any of the subsidiaries, group companies, promoters or directors are associated with any other company engaged in a similar line of business, as that of issuer company. If yes, provide details thereof under the Risk Factors
- 20.23. LM is advised to explain reason for negative cash flow from operating activities for year ended March 31, 2023 and March 31, 2022.

- 20.24. LM is advised to insert a separate risk factor in respect of criminal proceedings initiated by criminal complaints due.
- 20.25. LM is advised to incorporate a risk factor in top 10 (if applicable) disclosing that average P/E of the listed peer set is [•] while our company's P/E will be at premium of [•] times at the higher price band and [•] times at the lower price band
21. Pg. 108 - LM is advised to disclose that the pre-IPO placement shall be utilised only for stated objectives and shall be subject to monitoring by monitoring agency.
22. Pg. 79- LM shall ensure that the employee reservation portion is allotted to only eligible employees.
23. Pg. 79- LM is advised to confirm the amount of securities premium before the offer amounting as Rs. 77.16 or Rs. 77.16 millions.
24. Pg. 85- LM is advised to write to ROC with respect to missing records and update the same in the UDRHP and RHP. Further, LM is advised to incorporate RF with respect to the same.

25. Objects of the Offer

- 25.1. Pg. 107: LM is advised to ensure compliance with Schedule VI of ICDR Regulations, 2018 that mentions that prescribes that there shall be no forwards looking statements that cannot be substantiated w.r.t to expected working capital requirement.
- 25.2. Pg. 113 – Objects of the issue - LM is advised to ensure that repayment of loans are towards the mentioned loans under objects of issue only.
- 25.3. Pg.120 - LM is advised to confirm and disclose that the general-purpose corporate borrowings shall not be utilized for the specified Objects of the Offer i.e. funding working capital requirements of our company.
- 25.4. Pg. 120 – LM is advised to disclose the document/ data to be submitted to the monitoring agency for monitoring of utilization of funds raised for general corporate purposes.
- 25.5. Pg. 120 – Offer Related Expenses: LM is advised to confirm and disclose that all offer related expenses and relevant taxes thereon shall be borne by the company and the selling shareholder on proportionate basis irrespective of whether the issue is completed or withdrawn.

26. Pg. 124 – LM is advised to include comparison with listed peers, especially for Industry peer group, comparison of accounting ratios with listed peers and KPIs at relevant places in DRHP.
27. Pg. 126 - LM is advised to disclose the parameter for peer selection and non-selection of other peer companies.
28. Page 129 to 131 – LM is advised to include the market price and market capitalization of listed peers, just below the KPI comparison tables.
29. Pg. 249 - LM is advised to confirm and disclose that all disclosed lands whether leased or owned are non-agricultural land.
30. Pg. 268 - LM is advised to ensure that area and number of years of experience has been disclosed for all the directors. Further, LM shall ensure that appointment of all directors complies with relevant provisions of Companies Act, 2013 and SEBI Regulations.
31. Pg. 268 - LM is advised to disclose whether the independent directors are not connected / related in any manner, directly or indirectly, to the issuer company / subsidiaries / group companies / promoter / promoter group / KMPs / directors or their relatives.
32. Pg. 402 – LM is advised to review and update the table with respect to aggregate outstanding borrowing as on the last three fiscal year and stub period.

33. Industry overview

- 33.1. LM is advised to include the industry report the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
- 33.2. LM is advised to avoid using the following paragraph (including content of similar nature) in the Offer document - "industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured". It may be mentioned that, in terms of Regulation 70(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, before submitting the offer document to SEBI.

33.3. LM is advised to ensure that the CareEdge Report relied upon while making disclosures in the draft offer document is included among the material contracts and documents for inspection. Furthermore, wherever (each instance) data from various reports have been used in support of disclosures made in the offer document, LM is advised to clearly qualify the source of such disclosures.

34. History and Certain Corporate Matters

34.1. LM is advised to disclose if any of the selling shareholder are related to each other directly/ indirectly in any manner. If not, a negative confirmation to this effect should be disclosed in the relevant sections of the offer document.

34.2. LM is advised that inter-se agreements/ arrangements between the shareholders are disclosed under section 'History and certain corporate matters'.

34.3. LM is advised that a categorical statement from the issuer/promoter / promoter group / shareholder, may be provided that there are no other agreements, inter-se arrangements, any other agreements of like nature etc. other than disclosed in the DRHP. Further, confirmation may be provided that all the clauses / covenants which are material have been disclosed (in terms of the agreements already disclosed in the document) and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the public shareholders other than disclosed in the DRHP.

34.4. The LMs shall confirm to SEBI that they have gone through the agreements / inter-se agreements etc. as disclosed in the DRHP and they also do not see any clauses / covenants which are material, which need to be disclosed and have not been disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders.

34.5. LM is advised to disclose that AoA are in consonance with the Companies Act and the SEBI Act and regulations thereunder and that the Articles are meeting the requirements as laid down in the law and there are no special rights in any manner to any person.

35. LM shall ensure that the main/sub-headings in the UDRHP/RHP shall not have any abbreviations. The main/sub-headings shall be in fully expanded form with its abbreviations in brackets.

36. 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.
37. LM is advised to ensure that requisite steps are taken by the Company to comply with the compliance requirements pursuant to the listing including corporate governance norms, disclosure requirements, transactions with related parties, etc. as specified under SEBI (LODR) Regulations, 2015.
38. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities is made in the UDRHP/RHP.
39. 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 Herring Prospectus and other Offer related material along with its financial impact, if any.
40. LM is advised to include details of RPTs and RPTs as a percentage of revenue at relevant section of the offer document with updations, if any.
- 41. Outstanding Litigation and Material Developments**
- 41.1. LM is advised to identify and include risk factor for material litigation, if any, which may adversely affect the company.
- 41.2. LM shall update the details of the status of litigation with the latest/ updated position of litigations against promoter/ promoter group entities/ company and the companies promoted by the issuer.
- 41.3. LM is advised to ensure the disclosure of all actions taken by the statutory and regulatory authorities.
- 41.4. 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.
- 41.5. LM is advised to ensure that all litigation including three criminal matters disclosed vide letter dated December 11, 2024 are incorporated in the UDRHP / RHP.

42. Government and other approvals

- 42.1. LM is advised to disclose impact of any pending approval from Government and other authorities on financials and operations of the company. Further, please quantify the impact of non-approval, if any, if possible.
- 42.2. LM is advised to clearly disclose whether all approvals, which are required to be sought in relation to the business of the company, are in place. If no, LM is advised to include a separate risk factor with respect to the same.
- 42.3. Further, LM is advised to include and suitably update the details of pending licenses / approvals and permits (expired or under renewal) from statutory and regulatory authorities.

43. Financial information

- 43.1. LM is advised to ensure that the financial information provided in UDRHP/RHP is not more than 6 months old from the issue opening date.
- 43.2. LM is advised to ensure that Restated Consolidated Financial Statements are prepared as per relevant Indian Accounting Standards and calculation of Operating Profit to check the eligibility under Regulation 6 of SEBI (ICDR) Regulations, 2018 are in line with established practices.
44. LM is advised to provide justification to be disclosed in the price band where the PE is more than the industry average.
45. The LM is advised to ensure that the disclosures in abridged prospectus and front cover page of the offer document are in compliance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.
46. 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. LM is also advised to ensure that the Price Band advertisement shall contain risk factors related to business and financials.

47. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for comments, if any.
48. LM is advised to ensure compliance with the below email advisory sent to AIBI through email dated November 13 and November 15, 2021 and amendment to SEBI (ICDR) Regulations, 2018 dated November 21, 2022:-
- LM shall ensure that all issuer companies filing offer document should provide - Price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights. Following details may be disclosed for such transactions in tabular format – name of acquirer, date of acquisition, number of shares acquired and acquisition price per share.*
 - 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, 18 months and 1 year, from the date of RHP, in the following format :*

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in Rs.)
Last 1 year			
Last 18 months			
Last 3 years			

Range of acquisition should show lowest price of acquisition excluding gift/bonus.

- d. The font size for price band and "Risk to investors" should be increased to match the font of BID/Offer Programme.
- e. 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.

The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.

49. LM is advised to suitably incorporate the comments of the stock exchanges, if any, in the UDRHP/RHP.

50. LM is advised to ensure that the issuer shall be in compliance with minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.

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 relevant 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 an 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 Sub-Regulation 9(a) of Regulation 25 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:

- 1.1. 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.
- 1.2. 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**.*
