



सहायक प्रबंधक/ Assistant Manager

र.मं.प.-निर्गम एवं सूचीबद्धता प्रभाग-2 / RAC- Division of Issues and Listing-2

निगम वित्त विभाग/ Corporation Finance Department

ई-मेल/Email :- narendranp@sebi.gov.in

SEBI/HO/CFD/RAC-DIL2/P/OW/2025/13255/1

May 15, 2025

Axis Capital Limited Axis House,
1st Floor, Axis House, Pandurang Budhkar Marg,
Worli, Mumbai – 400 025
Maharashtra, India

Kind attention: Mr. Pavan Naik / Mrs. Mayuri Arya

Sir / Madam,

Sub: Proposed IPO of Euro Pratik Sales Limited

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



2. 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. 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 January 20, 2025 in accordance with SEBI (ICDR) Regulations, 2018.
4. 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. 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. 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.

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.

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.



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

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

स्थान / Place: मुंबई / Mumbai

नरेंद्रन पी. / Narendran P

Annexure I

OBSERVATIONS

The following are observations of SEBI in respect of the Draft Red Herring Prospectus ('DRHP') of Euro Pratik Sales Limited. While these observations refer to a specific chapter or point, the LM shall ensure to disclose the same across all pages/chapters where the same/similar matter occurs in the DRHP. The BRLM shall also ensure that these disclosures are made in all filings with SEBI.

1. Please refer to our email dated February 13, 2025, and your response dated February 21, 2025 and all subsequent correspondences 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 DRHP ('UDRHP') and Red Herring Prospectus ('RHP') and Abridged Prospectus.
2. 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.
3. LM is advised to ensure that all abbreviations used in the offer document should be described in "Definition and Abbreviations" section. Kindly note that merely writing the full form of Abbreviations does not define the terms used in the offer document.
4. LM is advised to ensure all quantitative information is 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.
5. LM is advised to ensure that offer documents are 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 in the same page/heading. Jargons or nomenclatures, if any, shall be properly explained at each and every place where they are used. LM is advised to ensure that acronym used in the headings of risk factors or any other information is accompanied by its full form.
6. 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.





7. Clause 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 BRLMs 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. The industry report disclaimers (if any) shall be removed from all places of the offer document.
8. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
9. LM is advised to make reference to exact page number of the DRHP, wherein details of information are provided.
10. LM is advised to ensure that the currency denomination is mentioned at all places and ensure compliance with point (g) under Instructions of Part A to Schedule VI of the SEBI (ICDR) Regulations, 2018.
11. 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.
12. LM is advised to refrain from using adjectives and replace the words such as largest, biggest, leading, etc. or other such similar terms used at various places in the draft offer document.
13. LM is advised to disclose name of Independent Chartered Accountant along with its FRN at all the relevant sections/ relevant footnotes in the offer document. Further, LM is advised to ensure that certificate issued by independent Chartered Accountant/ Statutory Auditor or any other expert shall form part of Material Contracts and Documents available for inspection.
14. LM shall confirm and disclose whether there has been a change in auditor(s) before completion of the appointed term (in any of the past three fiscal years), and the reasons thereof.



15. LM is advised to disclose financial figures for last 3 financial years and stub period, if any. Further, LM is advised to ensure that all financial and operational KPIs being disclosed in the offer document are certified as per SEBI (ICDR) (Fourth Amendment) Regulations, 2022.
16. LM is advised to disclose the details of allotment of securities in violation of the provisions of the Companies Act in UDRHP / RHP.
17. LM is advised to provide a confirmation that there are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already been disclosed in the offer document.
18. LM is advised to confirm that any of the investors of the company is not directly/indirectly related with BRLM and their associates. If yes, the same should be disclosed in the offer document. Further, LM is advised to disclose through a negative disclosure confirmation at all relevant sections of the offer document.
19. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities are made in the RHP.
20. During the interim period of issuance of observation and listing, for all the complaints received by LM/Company and complaints forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures are made in the RHP and other Offer related material along with the disclosures of the Financial Impact of the same, if any. Such correspondences shall be made part of the material contracts and documents for inspection. Further, LM is advised to incorporate a prominent Risk Factor, if required, for such complaints received.
21. LM is advised to update the UDRHP in respect to all pending litigations including for any legal notices where the Company is in receipt of such notices post filing of DRHP.
22. LM is advised to confirm whether any instance of promoter's personal guarantees and/or company guarantees have been invoked in the past 3 fiscal years and/or loan defaults.
23. LM is advised to provide an undertaking that the net proceeds from the issue if utilized for repayment of borrowings/loans are not being indirectly routed to promoters, promoter group, group companies, and associates.
24. LM is advised to ensure that no discrepancies in the quantitative data provided in the DRHP/RHP/UDRHP/LM's reply and other key documents.
25. Legal and Other Information-



- i. LM is advised to identify and include risk factor for material litigation, if any, which may adversely affect the company.
- ii. 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.
- iii. LM is advised to ensure disclosures of all actions taken by the statutory and regulatory authority.
- iv. LM is advised to ensure and disclose that the existing litigations are not so major that the issuer's survival is dependent on the outcome of the pending litigation.

26. LM is advised to adhere to the following conditions:

- i. UDRHP is filed with SEBI not less than seven working days prior to submission of the draft advertisement for announcement of price band advertisement.
- ii. UDRHP shall contain necessary updated disclosures justifying the offer price under Section - "Basis for offer price", "Risk Factors" etc., particularly emphasising on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates in quantitative terms, (For illustration, Price to Earnings ratio and/or Market Cap to Total Revenue ratio etc.), with corresponding suitable explanations so as to justify the offer price".

27. Price band advertisement:

- i. LM is advised to ensure compliance with all the directions given to Association of Investment Bankers of India (AIBI).
- ii. Price band Ad should contain risk factors related to business and financials.
- iii. The portion pertaining to "Risks to Investors" shall constitute at least 33% of the price band advertisement space.
- iv. Price band Ad may contain the top 5 risk factors under the Risks to Investors.
- v. The font size for price band and "Risk to investors" should be increased to match the font of BID/Offer Programme.
- vi. 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.
- vii. The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.
- viii. Mention market value at issue price to total turnover and P/E ratio at issue price. Total market valuation of the company considering the higher and lower price band may also be disclosed.
- ix. 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	Cap Price is 'X' times	Range of acquisition
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10

	Average Cost of Acquisition (in Rs.)	the Weighted Average Cost of Acquisition	price: Lowest Price - Highest Price (in Rs.)
Last 1 year			
Last 3 years			

28. 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]

- *"Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed]%. "*

iii. *Details of issue price and allottees of the pre-ipo placement from the date of filing of DRHP till the date of issuance of Price Band Advertisement.*

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 ad shall contain risk factors related to business and financials.

29. LM is advised to disclose major risk factors concisely in the "Risk to investors" section of the Price Band Advertisement.

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

31. **Summary of the offer Document:**

- i. LM is advised to ensure that information is updated and not more than six months old.





- ii. LM is advised to verify and disclose correct disclosures under the aggregate pre-issue shareholding of Promoter and Promoter group in line with details provided in the section – Capital Structure and ensure removal of discrepancies, if any. LM is also advised to include appropriate footnotes wherever applicable.
- iii. Page 20: LM is advised to disclose the rationale for related party transactions of different nature with the same related parties.

32. Pre-IPO placement:

- i. LM is advised to add relevant disclosures comparing Pre-IPO placement price and IPO price, variation between two, details of investors to whom shares have been allotted in Pre-IPO placement, information about selling of shares by selling shareholders through secondary sale at a price lower than IPO price, if applicable, etc. in Summary of the offer document, Risk Factors, Capital Structure and other relevant sections of the offer document. In case, if company does not undertake Pre-IPO placement, the same should be disclosed in the offer document including the fact that it made a provision of Pre-IPO placement at the time of filing of Offer Document.
 - ii. LM is advised to ensure that the utilization of Pre-IPO proceeds being discretionary in nature, if raised, shall be completely attributed/adjusted towards GCP portion; unless auditor certified disclosures are made with regards to its utilization towards the disclosed specific objects of the issue. A confirmation to this effect should be submitted at the time of filing of updated DRHP with the Board and the confirmation should form part of material contracts and documents for inspection.
 - iii. LM is advised to confirm that the issuer/LM has appropriately written / intimated in letter to the prospective investor (Pre-IPO investors) that there is no guarantee that the IPO may come through or listing shall happen and the investment is being done solely at the risk of the investor. Further such disclosure to be made part of the DRHP as well, in all places where Pre-IPO Placement is mentioned.
 - iv. LM is advised to prominently disclose the price and the name of the shareholder on the day of the allotment in case if any Pre-IPO placement is done, through public advertisement.
33. LM is advised to undertake that disclosures shall be made of the price and the name of the shareholder on the day of the allotment in case if any Pre-IPO placement is done, through stock exchange disclosures. A confirmation to this effect should be submitted at the time of filing of UDRHP/ RHP with the Board and the confirmation should form part of material contracts and documents for inspection. The details of the Pre-IPO shall also form part of the Price Band Advertisement.
34. LM is advised to ensure that the amount of pre-IPO shall be utilized only towards the stated objects and shall be subject to monitoring by the monitoring agency. LM is advised to make suitable disclosures w.r.t. price to stock exchanges and also in the price band advertisement.



35. LM is advised to ensure that employee reservation shall be only to eligible employees.

36. As regard the employees of the Issuer company, LM is advised to disclose whether the statutory dues to the Government and provident fund for all full time employees have been paid for the last three years. LM shall disclose total PF being paid for number of employees and whether the same is paid as per statutory law/obligation and the amount paid. Such details and bifurcation shall be disclosed for various dues such as PF, ESIC, GST, TDS, other statutory contributions etc. shall be given in the document and whether the obligation have been duly discharged in terms of the applicable laws.

37. **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. (iii) LM is advised to include past instances of occurrence of the risk in the last 3 years or else give negative confirmation. (iv) LM is advised to ensure that the disclosures of risk factors are based on materiality with adequate information and to make cross reference of the exact page no. of DRHP, wherein the details of information has been disclosed.

- i. LM is advised to provide details and specific disclosures with respect to the adverse remarks/ qualifications/ matter of emphasis/ statements by the Statutory Auditor in reports to financial statements, in the Risk Factor. Further, provide the current status of such adverse remarks/ qualifications/ matter of emphasis/ statements by the Statutory Auditor.
- ii. With respect to acquisitions/slump sale/business transfer agreement made by/entered into by the issuer company (if any), mention whether an independent valuation report was obtained for the same. If so, the same may be disclosed and included as a material contracts and document for inspection. If not, a Risk factor to this effect may be stated along with the fact whether the consideration paid is higher than the valuation obtained, if so, reason thereof. If such transaction happened with related party, same may be stated so. Also, provide details of unsuccessful instances of strategic investment, if any, in past 3 years and effect of the same on profit shall be disclosed.
- iii. LM is advised to verify and disclose if the name of any of the directors, promoter and promoter group persons is appearing in the list of directors of struck-off companies by ROC/ MCA. Also verify and disclose if the name of the promoter group companies and group companies is appearing in the list of struck-off companies by ROC/ MCA.
- iv. LM shall ensure that the range of acquisition price (lowest price-highest price), as disclosed in the RHP and Price Band advertisement, should not be 'Nil' and be computed exclusive of bonus and gift.
- v. LM is advised to confirm and disclose that no material clauses have been left out from disclosure having bearing on the IPO/disclosure.



- vi. LM is advised to comply with master circular SEBI/HO/CFD/PoD-1/CIR/2024/0154 dated November 11, 2024 with regard to disclosure on front outside cover page.
- vii. LM is advised to include a Risk factor related to inexperience of directors.
- viii. LM is advised to disclose about the appointment of IDs in LLP.
- ix. LM is advised to disclose a separate risk factor for the material impact of recently broke out fire accident at the Bhiwandi warehouse of the company which is informed to us vide your letter dated May 05, 2025. The risk factor should clearly quantify the risk in terms of monetary loss of inventories, potential revenue loss and other material losses to the company, residual claim expected from insurance policy etc. The RF should comprehensively cover the financial and non-financial impact of the incident on the company's performance. This should be placed at RF 1.
- x. Page 32 of RF 1 - LM is advised to revise the risk factor by splitting into two to include the dependency on single customer separately and the top 10 customers separately to provide clearer customer concentration disclosure. LM is also advised to disclose if any related party in top 10 manufacturers.
- xi. Page 33 of RF 2 - LM is advised to disclose any supply chain disruptions faced by the Company during the past 5 years, along with their impact.
- xii. Page 37 of RF 7 - LM is advised to revise the risk factor title to explicitly include reference to "adverse effect of trade tariffs" and explain its potential impact on operations.
- xiii. Page 38 of RF 8 - LM is advised to confirm whether the agreement with the brand ambassadors are still valid and subsisting. If not, the reference should be removed from the UDRHP. LM is advised to disclose the key terms of agreement in relevant sections of UDRHP.
- xiv. Page 41 of RF 11 - LM is advised to modify the title of the risk factor to include the proportion of purchases in foreign currency as a percentage of total purchases.
- xv. Page 43 of RF 14 - LM is advised to include unorganized market as a potential competition.
- xvi. Page 50 of RF 21 - LM is advised to disclose the credit loss.
- xvii. Page 63 of RF 43 LM is advised to move this RF among top 15.
- xviii. Page 45 of RF 15 - LM is advised to disclose the high Related Party Transaction (RPT) figure of 137% in the risk factor title and ensure this risk is part of the top 10. The associated table should present the RPT in percentage terms.
- xix. Page 48 of RF 18 - LM is advised to either substantiate the claim that the Company has "no comparable global peers" or remove such language altogether.



- xx. Page 51 of RF 22 - LM is advised to include data on workplace accidents over the last 5 years, especially the recently reported fire accident. This risk factor should be moved to the top 5.
- xxi. Page 56 of RF 28 - LM is advised to include a disclosure on non-material civil proceedings by providing both the number of proceedings and the aggregate contested amount. The section titled "Outstanding litigation and material developments" should be updated on the similar lines.
- xxii. Page 56 of RF 29 - LM is advised to disclose the outstanding amount of the loan in the title of this risk factor.
- xxiii. Page 57 of RF 31 - LM is advised to include the amount of capital commitments in the title of the risk factor and to provide appropriate clarifications on the nature and materiality of contingent liabilities.
- xxiv. Page 58 of RF 33 - LM is advised to disclose data on employee strikes or work stoppages over the last 5 years.
- xxv. Page 61 of RF 39 - LM is advised to clarify whether any non-compete agreements have been entered into by the Company or its promoters. This risk factor should be moved to the top 15.
- xxvi. Page 62 of RF 40 - LM is advised to list the specific non-GAAP metrics used by the Company and provide clear definitions or explanations.
- xxvii. Page 63 of RF 42 - LM is advised to reclassify this risk factor under the top 25 risks disclosed in the DRHP.
- xxviii. Page 63 of RF 43 - LM is advised to revise the risk factor title to clearly state that the Company will not receive "any proceeds" from the Offer. This should be moved to the top 15.
- xxix. Page 64 of RF 46 - LM is advised to move this risk factor into the top 25 disclosures.
- xxx. Page 67 of RF 54 - LM is advised to ensure that the risk factory appropriately explains the potential impact of anti-takeover provisions under applicable corporate laws and the Company's Articles of Association. Specifically, LM is advised to clarify whether company's articles contain any provisions that may hinder, delay or prevent a change in control or takeover. LM should clarify if there are any existing contractual or structural mechanism (eg., staggered board terms, supermajority voting, shareholder rights agreements, or board nomination rights) that could restrict acquisition of control.
- xxxi. Page 67 of RF 55 - LM is advised to redraft this risk factor with clearer indication and appropriate quantification of the identified risk.

38. Capital Structure:



- i. LM is advised to confirm whether there has been any instance of issuance of equity shares/preferential 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.
 - ii. LM is advised to ensure compliance w.r.t. lock-in requirements of minimum promoters' contribution as per ICDR Regulations, 2018.
 - iii. LM may be advised to disclose a RF with respect to allotment of equity shares pursuant to subscription on February 11, 2011 as the date of subscription to memorandum was January 08, 2010 and disclose PCS certificate certifying compliance with the provisions of Companies Act, 2013 as 'Material Contracts and Documents for inspection'.
 - iv. In page 87 & 88, LM is advised to disclose the reasons for buyback in the footnote under the table.
 - v. In page 90, LM is advised to ensure to mention final call date.
 - vi. In page 99, LM is advised to correct the presentation of data in the table with regard to the column 'Number of voting rights held in each class of securities (IX)' and ensure correctness.
39. LM is advised to confirm and disclose that no revenue is generated from the sub-clauses mentioned regarding trading, settlement, etc.
40. LM is advised to confirm that AoAs are in conformity with the SEBI laws and Companies Act and there are no special rights in any manner to any person.
41. LM is advised to confirm that the AoA does not confer any special rights and AoA is in conformity with SEBI Act and Regulations issued thereunder.
42. LM is advised to include updated audited financials at the time of filing UDRHP/RHP.
43. 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.
44. LM is advised to ensure that requisite steps are taken by the Company in order 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.
45. In page 177, LM is advised to remove all the references to industry report of Technopak wherever the internal information pertaining to the issuing company is mentioned.

46. In page 178, LM is advised to ensure that the first line under the heading 'Recent Acquisitions' should state that majority of the acquisitions are from RP.
47. In page 185, LM is advised to state explicitly whether 199 employees include contract labors.
48. In page 198, LM is advised to disclose the average relationship with the top 5/10 distributors in RF6.

49. Financial information:

- i. 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.
 - ii. LM is further advised to comply with the conditions specified in the Schedule VI of SEBI (ICDR) Regulations, 2018 while disclosing the financial information in UDRHP/RHP.
 - iii. 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.
 - iv. Page 76 - LM is advised to clearly state the reasons for the revenue decline in FY 2024 in both the Summary of Financial Information, in the Management Discussion and Analysis section and in all other relevant sections.
 - v. Page 111 - LM is advised that in the event certain information is not available, the same must be clearly mentioned in the form of a footnote for transparency.
50. Page 214 - LM is advised to provide details of valuation reports for all the business acquisitions undertaken by the Company. LM is also advised to confirm & disclose any connection of promoter / promoter group with those valuers engaged in such acquisitions.

51. Government and other approvals:

- i. 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.
- ii. 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.





52. 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.
53. LM is advised to suitably incorporate the comments of the stock exchanges, if any in the UDRHP/RHP.
54. LM is advised to disclose inter-se agreements/ arrangements between the shareholders in the UDRHP/RHP, if any.
55. At 'Offer procedure' LM is advised to remove the following statement, if any or of similar nature:
Our Company, the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus.
56. 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 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 cover page to be strictly in compliance with the ICDR Schedule VI- all extra texts may be avoided to ensure that the focus remains on the statutory texts mentioned in the Schedule.
4. LM is advised to ensure compliance of relevant circulars issued by SEBI in addition to circulars specifically mentioned in this observation letter.
5. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
6. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the 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.
7. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
8. 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.
9. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.



10. 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.

11. LM shall confirm to SEBI that as on the date of the offer document, the clauses/ covenants of Articles of Association (AoA) of the issuer company are in compliance with the Companies Act and the Securities Laws, as applicable.

12. 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 **.*

