भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

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May 13, 2026

Anand Rathi Advisors Limited
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Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India.
Telephone:+912240477000
Kind Attention: Ms. Shivani Tapadia

महोदय / महोदया,
Dear Madam/Sir,
विषय /Sub: SS Retail Limited का प्रस्तावित आईपीओ / Proposed IPO of SS Retail 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 डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें । उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है । कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है । यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं ।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as ***ICDR Regulations*** 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 (**BRLM/LM**), you shall ensure that all changes are effected based on the observations/ conditions contained in the Annexure before you file the offer document with the stock Exchange/ ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us, before filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI**.
2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।
   It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for

disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to ICDR Regulations. 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 बैंककार) विनियम, 1992 [सेबी (मर्चेंट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख December 27, 2025, का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।
It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI, a Due Diligence Certificate dated December 27, 2025, 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 (“**Companies Act**”) 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 डाक्यूमेंट) में दी गई जानकारी से भिन्न हो । **इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है ।**

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

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 ICDR Regulations is submitted to SEBI <u>within seven days</u> of filing the Prospectus with ROC/ <u>within seven days</u> of filing the Letter of Offer with the stock exchange, as the case may be, along with <u>details of filing fees paid till date</u>.

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 शेषफीस 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 जिसके पक्ष में सेबी द्वारा भुगतान किया जा सकता है ।

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 / सब्स्क्रिप्शन) 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.

सेबी भवन, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, मुंबई - 400 051
SEBI Bhavan, "G" Block, Bandra Kurla Complex, Mumbai – 400 051
www.sebi.gov.in |022 - 2644 9000 / 4045 9000

स्थान /Place: मुंबई /Mumbai **Gonela Krishna Vamsy**

Digitally signed by Gonela Krishna Vamsy
Date: 13-05-2026 16:54:52

Annexure I

Observations - Proposed IPO of SS Retail Limited

1. Please refer to our letter/email dated February 16, 2026 and your reply vide emails/letters dated February 21, 2026, March 27, April 13, 2026, April 24, 2026, April 25, 2026, April 29, 2026, May 08, 2026 and all other correspondences exchanged in the matter. In the above regard, LM is advised to ensure that the changes made pursuant to our initial clarifications and all correspondences exchanged are duly incorporated in the updated DRHP/ RHP/ Prospectus.
2. LM is advised to verify the disclosure pertaining to underwriters in the offer document and ensure and confirm compliance with ICDR Regulations in this regard.
3. LM is advised to ensure that though our observations may refer to a specific chapter or point, the LM shall ensure to disclose the same across all pages/chapters wherever applicable in the DRHP. The LM shall also ensure that these disclosures are made in all filings with SEBI as and when made by the LM or wherever they are involved in the filing in any manner.
4. Wherever the LM has undertaken to modify the risk factors in its replies, the same shall be duly modified and incorporated in the updated DRHP/ RHP/ Prospectus.
5. Wherever the LM has mentioned "*Noted for compliance*" or "*Complied with and noted for compliance*" in its replies, LM shall ensure that the same are duly complied with.
6. The 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.
7. LM is advised to ensure that only eligible employees are allowed to be included in the concerned Employee Reservation Portion.
8. LM shall ensure that all data-points, wherever disclosed in the offer document, shall have disclosures corresponding to the disclosed financial period.
9. Draft offer document and the offer document, shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company/Expert. The Issuer Company/BRLM shall ensure that the "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor any underlying assumptions have been omitted for investors to make an informed decision.
10. LM is advised to incorporate all the certificates issued by the Chartered Accountants under the section Material Contracts and Documents for Inspection.

11. The table of pending litigations should be arranged giving priority to those litigations having material impact on the financials. LM is also advised to include the details of whether provisioning has been done by the company for the probable liabilities, if any arising out of outstanding litigations and also the quantum of the same, wherever quantifiable. LM is advised to mention the amount reflected as Contingent Liabilities with respect to the outstanding litigations, if any. LM is also advised to disclose contingent liabilities as a percentage of net worth.
12. 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 five fiscal years), and the reasons thereof.
13. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities are made in the DRHP/RHP/Prospectus.
14. During the interim period of issuance of observations 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, if required, are made in the RHP and other related material along with disclosures of financial impact of the same, if any. Further, LM is advised to incorporate a prominent risk factor, if required, for such complaints received.
15. LM is advised to update the financial information of the stub period in suitable places in the DRHP.
16. LM is advised to update the Industry Overview section with updated recent information, as applicable. Further, all statements that are not verifiable and substantiated with figures shall be deleted.
17. Outstanding Litigations information to be disclosed in the Summary of the Offer Document section of UDRHP/RHP as per the format given in the ICDR Regulations.
18. Where Risk Factors portray possible occurrences of certain events or situations, such Risk Factors should also indicate whether such events or situations have actually taken place in the past. If not, it should be clearly mentioned that no such events had happened in the past
19. When disclosing the status of government approvals in the Risk Factors, LM is advised to include a cross reference with specific page numbers to other sections where the disclosures are made. If approval has a validity, the same shall be mentioned. Consequences of withdrawal of licenses/approval shall be provided.
20. LM is advised to mention a separate Risk Factor, if any rent, interest, royalty or such other amount payable/ paid by the issuer company/ subsidiaries to Promoter/Promoter Group/ Directors or amount payable under any material agreement, if any, etc. in last three fiscals and stub period.

21. In risk factors relating to existing financing arrangements, confirm whether the company has violated any of the restrictive covenants/events of default or undergone rescheduling for repayment of loans in the past three fiscal years with respect to the debt financing that the company has availed.
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 disclose details and provide specific disclosures with respect to the adverse remarks/ qualifications/matter of emphasis /statements by the Statutory Auditor in reports to financial statements, in the top 10 Risk Factors. Further, provide the current status of such adverse remarks/qualifications/ matter of emphasis/ statements by the Statutory Auditor.
24. With respect to acquisitions/slump sale/business transfer agreement made by /entered into by the issuer company/subsidiaries, LM is advised to mention whether an independent valuation report was obtained for the same. If so, the same may be disclosed and included as a material 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. LM is also advised to provide details of unsuccessful instances of strategic investment, if any, in the past 3 years and the effect of the same on profit shall be disclosed.
25. Related Party Transactions – LM is advised to ensure that the names of the related parties have been disclosed, for each transaction and for outstanding balances.
26. LM is advised to incorporate 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.
27. LM is advised to make consistent usage of the term BRLM; and also include quantitative/ financial information in tabular form, wherever possible.
28. LM is advised to ensure that no discrepancies be present in the quantitative data provided in the DRHP/RHP/UDRHP/LM's reply and other key documents.
29. LM is advised to ensure that data sets wherever disclosed shall include disclosure in absolute figures in addition to disclosure in % terms
30. LM is advised to ensure and disclose that the Issuer Company/Promoter/Promoter Group shall submit an undertaking stating that they are not involved in any illegal money mobilization scheme, in violation of law.
31. LM is advised to ensure all quantitative information be provided in tabular form and free from discrepancies/errors in all sections for the ease of reading. LM may provide with certainty all the relevant information sought by SEBI till the issue of this observation letter, in the offer document/UDRHP/RHP.

32. Wherever the LM has undertaken to modify the risk factors in its replies, the same shall be duly modified and incorporated in the UDRHP/RHP/Prospectus.
33. Wherever the LM has mentioned “Noted for Compliance” or “Complied with and noted for Compliance” or “Complied with to the extent possible” in its replies, LM shall ensure that the same are duly complied with.
34. LM shall ensure compliance with enhanced disclosures in the Price band advertisement as per advisory issued to AIBI vide an email dated November 15, 2021.
35. LM is advised to mention the operational Key Performance Indicators for the past 3 years in the relevant section.
36. LM is strictly advised to remove excerpts from the commissioned report from all sections except Industry Overview section. LM may provide suitable cross-referencing to exact page no. of the report.
37. LM is advised to categorically disclose in the DRHP under section “History and Certain Corporate Matters” of the offer document that none of the special rights available to the Promoters / Shareholders would survive post listing of the Equity Shares of the Company and same shall cease to exist or shall expire / waived off at filing of RHP, without requiring any further action.
38. LM is advised to ensure that all information sought from LM shall be duly disclosed in the offer document. If the same is not tracked, LM is advised to disclose reasons for not tracking the same in the offer document.
39. LM is advised to ensure that all requisite disclosures, as required under ICDR Regulations, are disclosed appropriately in the offer document (DRHP/RHP/Prospectus).

Summary of the Offer Document

40. Page 24 - LM is advised to disclose the rationale for manifold increase in net worth, profit, EPS, NAV per equity share and total borrowings for the period 2023-25. LM is also advised to suitably disclose that while in the past it has experienced growth, such growth in profit, EPS, net worth etc. may not continue in the future, in risk factors under a suitable heading.
41. LM is advised to confirm compliance with Regulation 5 of SEBI ICDR Regulations, 2018 (“ICDR Regulations”).
42. Page 27 - LM is advised to disclose contingent liabilities as a % of net worth for the past 3 years in risk factors under a suitable heading. LM is also advised to disclose the details of the bank guarantees and indirect tax matters.
43. Page 27-31 - LM is advised to confirm and disclose whether all the entities falling under the definition of group company under Regulation 2(1)(t) of ICDR Regulations are disclosed in the DRHP.
44. Page 32 – LM is advised to disclose the rationale for huge variation in acquisition price per equity share

45. LM is advised to disclose who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise in the offer document appropriately.

Risk Factors (RF)

46. LM is advised to rearrange the risk factors in order of importance/ materiality to be supported by quantifiable data to bring out the risk and to make cross-reference the exact page no. of DRHP, wherein the details of information has been disclosed.
47. Every Risk Factor shall be provided with a cross-reference to the detailed description of the facts/reasons in the updated DRHP / RHP, wherever applicable. Any past instances in the last three financial years and stub period and their impact, if material, shall be disclosed in Risk Factors
48. LM is advised to disclose equivalent amount in INR wherever foreign currency values are disclosed.
49. LM is advised that Market Value at Issue Price to Total Turnover and P/E Ratio at issue price shall be added in Price Advertisement. LM is also advised to add a suitable risk factor in this regard (if applicable).
50. 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.
51. The risk factors, to the extent possible, should disclose the specific as well as financial/economic impact on the company rather than being generic.
52. When disclosing the status of government approvals in the Risk Factors, LM is advised to include a cross reference with specific page numbers to other sections where the disclosures are made. If approval has a validity, the same shall be mentioned. Consequences of withdrawal of licenses/approval shall be provided.
53. LM is advised to ensure that disclosure made with respect to Offer Price and Price Band are in compliance with Part VII of Chapter II of ICDR Regulations. LM is advised to refrain from making any disclosure in the offer document w.r.t. offer price which are not in line with ICDR Regulations such as "*The Offer Price will be decided by our Company <u>and the Selling Shareholders</u>, in consultation with the Selling Shareholders and the BRLMs after the Bid/Offer Closing Date*". LM is advised to make necessary changes in the offer document wherever applicable. LM is advised to ensure for all future issues as well.
54. LM is advised to disclose the following with respect to Related Party Transactions (RPTs):
    i) Confirm whether all RPTs are done on arm's length basis;

ii) Whether a transfer pricing audit has been conducted for RPTs;
iii) Confirm whether RPTs taken together for the last three fiscal years is more than 10% (for all 3 fiscal years) of the total transactions of a similar nature;
iv) If any loan/advances given by issuer/subsidiaries to related parties and guarantees given/securities provided to related parties, mention Risk Factor on recoverability/ any default in the past and its effect on the financials of the issuer/subsidiaries

55. LM is advised to disclose the revenue split from different categories of customers and different product types in tabular format and their trend in risk factors under a suitable heading.
56. LM is advised to disclose any past instances of shutdown of operations, non-compliance of quality standards, instances of penalties imposed in risk factors under a suitable heading.
57. LM is advised to separately highlight any criminal, regulatory or taxation matters which may have any material adverse effect on the issuer
58. RF 01 - LM is also advised to disclose the revenue split from different categories of customers, as applicable. LM is advised to disclose the name of the top 10 customers, if applicable and if not limited by the confidentiality clauses. If limited by confidentiality clauses, statement to the same effect shall be disclosed. LM is also advised to disclose details such as whether the top 5 customers are domestic or international, whether they are individuals or corporate entities etc. LM is further advised to disclose in a tabular format the percentage contribution made by domestic and international clients. (The data shall be in absolute as well as in percentage figures). LM is also advised to confirm and disclose if these customers are related parties or not.
59. RF 02 – LM is advised to disclose the top countries from which the supply of raw materials is being done and the risks associated with it in the risk factor. LM is advised to disclose the name of the top 10 suppliers if not limited by the confidentiality clauses. If limited by confidentiality clauses, statement to the same effect shall be disclosed. LM is further advised to disclose, in a tabular format, the percentage contributed by domestic and international suppliers including the name and location of the suppliers. LM is also advised to confirm and disclose if these suppliers are related parties or not
60. RF 04 - LM is advised to disclose the number of stores closed in the table on stores under the 3 different business models.
61. RF 06 – LM is also advised to disclose if there is any royalty or payments of recurring nature paid to promoters or related parties for the use of trademarks or any other intellectual property rights(IPRs), as applicable in the risk factor. LM is also advised to disclose the details of the trademark agreement, validity period

and the consideration paid, risks if the transfer of trademark is rejected in the risk factor.

62. Page 338 – 339 – LM is advised to disclose the details of the Material Agreements and the risks related to them in risk factors under a suitable heading.
63. RF 07 - LM is advised to disclose the rationale for significant increase in net working capital requirement for the period 2023-25.
64. RF 08 – LM is advised to disclose the year-wise and total number of stores closed during the past 3 years and the stub period.
65. RF 10 – LM is advised to disclose the cities and the number of stores to opened in the risk factor.
66. RF 12 - LM is advised to disclose the details of lease agreement in tabular format with details including lease amount, lease period, lessee, lessor, commencement of lease etc. and possibility of escalation of the lease amount in the risk factor. LM is also advised to confirm if the lease is from related parties, and if yes, whether transaction was carried out on arm's length basis or not.
67. RF 14 – LM is advised to disclose debt service coverage ratio and debt equity ratio for the past 3 years in the risk factor
68. RF 15 - LM is advised to confirm and disclose whether non-receipt of clearances / licenses / permissions / approvals would lead to the issue proceeds not being utilized towards the stated objects of the issue and disclose the risks related to it in the risk factor.
69. RF 16 – LM is advised to move it top 15 risk factors.
70. RF 17 – LM is advised to disclose the status of criminal proceedings against the Company and the Promoter.
71. RF 18 – LM is advised to disclose the risks related to possibility of escalation of the lease/license amount in the risk factor. LM is also advised to confirm and disclose whether the lease / leave and license agreements are from related parties, and if yes, whether transaction was carried out on arm's length basis or not.
72. RF 19 – LM is advised to disclose the fact that out of 364 properties, 252 properties are duly registered, and 112 properties are not registered in the RF heading. LM is also advised to disclose the reasons and impact of not registering the lease / leave and license agreements in the risk factor. LM is advised to move it to top 10 risk factors
73. RF 25 - LM is advised to move it to top 15 risk factors. LM is also advised to disclose if there is any royalty or payments of recurring nature paid to promoters or related parties for the use of trademarks or any other intellectual property rights(IPRs), as applicable in the risk factor. LM is also advised to disclose the details of the trademark agreement, validity period and the consideration paid in the risk factor. LM is advised to disclose the fact that the Company has applied

for change in the registered proprietor of the trademark in the RF heading and disclose the status of the same.

74. RF 28 – LM is advised to disclose whether the franchise partners are related parties and if yes, disclose the % of the same.
75. RF 29 – LM is advised to disclose risks related to rapid inventory obsolescence due to new model launches. LM is also advised to disclose the rationale for manifold increase in revenue from mobile exchange wala brand for the period 2023-25.
76. RF 32 - LM is advised to move it to top 20 risk factors
77. RF 33 – LM is advised to move it to top 20 risk factors.
78. RF 34 – LM is advised to disclose any past instances of product recalls and voluntary removal of products. LM is advised to disclose the fact that a complaint has been filed by the inspector of legal metrology in the RF heading. LM is also advised to move it to top 15 risk factors.
79. RF 35 – LM is advised to move it to top 25 risk factors
80. R 36 – LM is advised to move it to top 25 risk factors
81. RF 37 – LM is advised to disclose the rationale for manifold increase in insurance coverage for the period 2023-25
82. RF 39 – LM is advised to disclose whether the unsecured loan from Siddharth Gunvant Shah is proposed to be repaid within the amount of Repayment of Short Term Borrowings as stated on page 164.
83. RF 46 - LM is advised to disclose details of credit rating for the period 2023-25 and confirm if there has been a rating downgrade for the period 2023-25.
84. RF 51 – LM is advised to disclose the contingent liabilities as a % of net worth in the RF heading. LM is also advised to move it to top 25 risk factors
85. RF 43 - LM is advised to move it to top 20 risk factors
86. RF 47 - LM is advised to move it to top 25 risk factors
87. RF 53 - LM is advised to move it to top 20 risk factors
88. LM is advised to disclose risks related to competition from online e marketplaces in risk factors under a suitable heading in top 15.
89. LM is advised to disclose the risks related to losses incurred by the subsidiaries in risk factors under a suitable heading
90. LM is advised to confirm whether RPTs taken together for the last three fiscal years is more than 10% (for all 3 fiscal years) of the total transactions of a similar nature and disclose the related party transactions which exceed 10% of the total transactions of similar nature in risk factors under a suitable heading in top 10
91. LM is advised to disclose the quality of earnings ratio for the past 3 years and the risks related to it in risk factors under a suitable heading.
92. LM is advised to disclose any past instances of breach of restrictive covenants under financing agreements.

93. LM is advised to disclose the details of the statutory approvals or clearances that are needed, applied, yet to be applied, received, past instances when approvals were revoked or rejected and the timelines of the same in tabular format in risk factors under a suitable heading.
94. LM is advised to confirm and disclose whether any of the directors of the issuer are associated with the securities market in any manner, and if yes, any outstanding action against them initiated by the Board in the past five years in risk factors under a suitable heading.
95. LM is advised to disclose risks related to the impact of the ongoing geopolitical tension, particularly w.r.t conflict in West Asia on the export-import and financials of the Company
96. LM is advised to disclose if any portion of the issue proceeds that is proposed to be paid by the issuer to the promoter, directors, key managerial personnel or senior management of the issuer, if applicable, in risk factors under a suitable heading.
97. LM is advised to confirm and disclose whether any of the directors of the issuer are associated with the securities market in any manner, and if yes, any outstanding action against them initiated by the Board in the past five years in risk factors under a suitable heading.
98. LM is advised to disclose the credit ratings for the past 3 years in risk factors under a suitable heading.
99. LM is advised to disclose the details of expiry of patents and any other Intellectual Property Rights (IPRs) held by the company and its impact on the operations, revenue and the competitive position of the company in the industry in risk factors under a suitable heading.
100. LM is advised to disclose default in repayment of deposits or payment of interest thereon by the issuer and subsidiaries, and the roll over of liability, if any in risk factors under a suitable heading.
101. LM is advised to disclose the actions taken by regulatory and statutory authorities in risk factors under a suitable heading.
102. LM is advised to disclose unsecured loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time in risk factors under a suitable heading
103. LM is advised to separately highlight any criminal, regulatory or taxation matters which may have any material adverse effect on the issuer.
104. LM is advised to disclose the details and status of the outstanding litigations against the company, promoters and directors and the status of the same in the risk factors under a suitable heading stating the aggregate amount involved.
105. Risk factor on Outstanding Litigation - LM is advised to disclose aggregate claim value of non-material civil litigation and count of such non-material civil litigation

Capital Structure

106. LM is advised to do the necessary due diligence and confirm and 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

i) Section 67(3) of Companies Act, 1956; or

ii) relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or

iii) the SEBI Act,1992 and Regulations made thereunder; or

iv) the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable

107. LM is advised to confirm and disclose, along with justification and its due diligence, whether the issuer company is in compliance with the Companies Act, 2013 with respect to the issuance of securities since inception till the date.

108. LM is advised to disclose if the secondary transactions of equity shares involving the promoters and members of the promoter group are in compliance with the provisions of Companies Act, ICDR Regulations and other applicable statutory provisions.

109. Page 121 – LM is advised to disclose the rationale for significant increase in Issue price per Equity Share for 2025 allotments.

110. LM is advised to confirm and disclose whether there are any outstanding convertible securities or any other right which would entitle any person any option to receive equity shares of the Company.

111. Page 128 – LM is advised to disclose whether the conversion of Convertible Debentures (CCDs) have any impact on lock-in and eligibility for minimum promoter contribution and disclose the conversion ratio of CCDs.

112. Page 131 - LM is advised to disclose if the secondary transactions of equity shares involving the promoters, members of the promoter group and selling shareholders are in compliance with the provisions of Companies Act, 2013, SEBI, ICDR Regulations, 2018 and other applicable statutory provisions.

113. Page 141 – LM is advised to disclose the rationale for pledge of 7.4 % of equity shares and its status and disclose the risks related to it in risk factors under a suitable heading.

114. LM is advised to disclose reasons for the issue and whether any benefits have accrued to the issuer out of the issue for issuance of equity shares for consideration other than cash.

115. LM is advised to confirm and disclose if all historical allotments have been made in compliance with the provisions of the Companies Act, 2013 and if there is any penal action or compounding application pending for missing filings

116. LM is advised to confirm and disclose if there are outstanding convertible securities or any other rights that entitle a person to receive equity shares.
117. LM is advised to disclose reasons for the issue and whether any benefits have accrued to the issuer out of the issue for issuance of equity shares for consideration other than cash.
118. LM is advised to disclose the details of consideration received for each private placement and confirm that shares were fully paid up on allotment.
119. LM is advised to confirm and disclose if the shares forming part of the promoter contribution are pledged, encumbered, or subject to any lien or not.
120. LM is advised to confirm and disclose whether the lock in period is in compliance with ICDR Regulations. LM is also advised to disclose whether only the eligible shares are included in the computation of shares for Minimum Promoters' Contribution as per ICDR Regulations.

Objects of the Issue

121. LM is advised to disclose that all the expenses shall be shared on pro rata basis between the selling shareholder and the company even if the Offer is withdrawn or unsuccessful or if the Offer fails to open during the period of validity of the final observations issued by SEBI.
122. Page 164 – LM is advised to provide detailed justification as to how repayment of Short Term Borrowings of Rs.300 million would be done for 2027 and 2028.
123. Page 164 - LM is advised to confirm and disclose whether the loans which are proposed to be repaid under the head Short Term Borrowings as stated on page 164 are not from related parties and also whether the repayment of short borrowings is from the Net proceeds or not.
124. Page 153 – LM is advised to disclose the city wise number of stores which are proposed to be opened, towards which net proceeds for funding capital expenditure for fit outs towards setting up of new stores would happen in Fiscal 2027 and Fiscal 2028.
125. Page 153 - LM is advised to confirm and disclose if the capital expenditure proposed under the objects of the issue will be incurred for the company's own operations and not for any subsidiary, joint venture, or group company
126. Page 153 – LM is advised to confirm and disclose compliance with paragraph 9(A)(5) of Part A of Schedule VI of the ICDR Regulations.
127. Page 155 – LM is advised to disclose the risks related to geographical concentration of the stores in Maharashtra in risk factors under a suitable heading.
128. Page 156 – LM is advised to confirm and disclose whether 120 new stores would be opened for both Fiscal 2027 and Fiscal 2028 combined together or 120 each in for each fiscal.

129. Page 157 – LM is advised to disclose the rationale for identifying Chhattisgarh as newly identified geography for expansion.
130. LM is advised to disclose the percentage and value terms of the equipment for which orders are yet to be placed
131. Page 158 – 160 - LM is advised to confirm and disclose if the vendor quotations are from related parties.
132. Page 163 – LM is advised to confirm and disclose whether the depiction of estimated working capital requirements is accurate or not. LM is also advised to disclose why repayment of short term borrowings is given under the head of funding pattern. LM is also advised to confirm and disclose whether short term borrowings are from related parties and if they would be repaid out of net proceeds of the issue. LM is also advised to confirm and disclose whether any of the clauses of Schedule XVI of ICDR Regulations w.r.t. changes which require fresh filing of the draft offer document are applicable or not.
133. Page 163 - LM is also add a confirmation that the repayment of short term borrowings would not be from net proceeds suitably in the offer document
134. Page 163 – LM is advised to confirm and suitably disclose whether the working capital requirements and working capital estimates of the Company have been certified by the Statutory auditor. Further, LM is advised to confirm if it has been approved by the Board resolution. LM is advised to include the same in Material Contracts and Documents for Inspection.
135. LM is advised to disclose the rationale for manifold increase in estimation of working capital for the period 2026-28 w.r.t increase in estimates of inventories and internal accruals.
136. LM is advised to confirm and disclose if the minimum promoter contribution lock-in period stated in the DRHP is in compliance with ICDR Regulations.

Basis for Offer Price

137. As regards, qualitative factors, LM is advised to substantiate with the information/data/figures for the disclosure.
138. LM is advised to confirm and disclose if the stated peers are truly representative of the company’s business
139. Page 175 – LM is advised to disclose the reasons for increasing trend of store closure rate for the period 2023- 25 and disclose the risks related to it in risk factors under a suitable heading.
140. Page 176 - LM is advised to disclose debt service coverage ratio (DSCR) in the table on KPIs.
141. LM is advised to disclose the metrics on which the Company trails behind the stated peers such as PAT Margin, Operating EBITDA Margin etc. for the period 2023-25 in risk factors under a suitable heading. With reference to the response dated April 20, 2026, LM is advised to disclose only the details of the KPIs on which it trails behind in the risk factor. Also w.r.t gross profit margins

and PAT margin, the issuer trail behind multiple peers for the past 3 years. Hence LM is modify the risk factor suitably and place it in top 15.

Financial Information

142. LM is advised to confirm and disclose if there is any change in revenue recognition or accounting policies in the past 3 years and if yes, disclose the impact of the same.
143. LM is advised to disclose if there are any one-time non-recurring revenue items in the financial information.
144. LM is advised to confirm and disclose if there are any qualifications, adverse remarks, or emphasis of matter in the auditors' reports in risk factors under a suitable heading.
145. Page 378 – LM is advised to disclose details and provide specific disclosures with respect to the adverse remarks/ qualifications/emphasis of matter /statements by the Statutory Auditor in reports to financial statements, in risk factors under a suitable heading.
146. Page 379 - LM is advised to disclose the rationale for manifold increase in right of use assets, other financial assets, inventories, trade receivables, other equity for the period 2023-25
147. Page 380 - LM is advised to disclose the rationale for manifold increase in revenue from operations and profit after tax for the period 2023-25 Please see our response to query no. W(1) above for increase in revenue from operations and profit after tax of the Company from Fiscal 2023 to Fiscal 2025.
148. Page 380 – LM is advised to disclose the rationale for manifold increase in purchase of traded goods for the period 2023-25. LM is also advised to confirm and disclose if the purchase of traded goods for the period 2023-25 is from related parties.
149. Page 381 - LM is advised to disclose the rationale for negative net cash flow from operating activities in 2024 and manifold increase of the same by June 30, 2025 and disclose the risks related to it in risk factors under a suitable heading.
150. Page 379 - LM is advised to disclose the rationale for manifold increase in borrowings, trade payables, total outstanding dues of creditors other than micro enterprises and small enterprises for the period 2023-25
151. Page 380 -LM is advised to disclose the rationale for manifold increase in other expenses for the period 2023-25
152. Page 379 - LM is advised to disclose the increase in trade receivables and inventories for the period of 2023-25 in risk factors under a suitable heading
153. LM is advised to disclose if the subsidiaries have been audited by the statutory auditor or not and disclose the risks related to it risk factors under a suitable heading.

Industry Overview

154. LM is advised to ensure that all the challenges, weaknesses, and threats stated in the industry report are also disclosed as risk factors in the DRHP.

Our Business

155. LM is advised to disclose how orders are received, sale happens and revenue is realised in simple language.
156. LM is advised to disclose state wise and country wise revenue value in both absolute and % terms in tabular format.
157. LM is advised to disclose if significant revenues are contributed by certain formulations / product, the same needs to be disclosed. If limited by confidentiality clauses, statement to the same effect shall be disclosed.
158. LM is advised to disclose the % utilisation of existing equipment/infrastructure.
159. LM is advised to disclose (a) whether the issuer legally holds all material intellectual property rights(IPR) such as trademarks or brand names, (b) the names of entities in whose name such rights are registered if not with the issuer, and (c) the salient features of any agreements entered into for use of IPR held by promoter-related entities.
160. LM is advised to confirm if all the necessary approvals are in place or not and disclose impact of any pending approval from Government and other authorities on financials and operations of the company. Quantify the impact of non-approval wherever possible.
161. LM is advised to clarify whether any material properties are shared with group companies; if so, provide details; if not, include an explicit negative confirmation.
162. Page 282 – LM is advised to confirm and disclose whether the number of stores closed as per the store closure rate disclosed in KPIs and the number of stores closed as disclosed on page 282 match or not.

History and Certain Corporate Matters

163. LM is advised to disclose the dates and details of amendments to the Memorandum of Association made during the last ten years.
164. LM is advised to confirm to SEBI that they have reviewed the inter-se agreements/arrangements disclosed in the DRHP and that these do not contain any undisclosed or prejudicial clauses adverse to public shareholders.
165. LM shall specifically disclose that any special rights continuing post-listing shall be subject to approval by shareholders via a special resolution in the first general meeting after listing.
166. LM is advised to ensure that the DRHP discloses the full incorporation history of the issuer, including dates of incorporation, commencement of business (if applicable), conversions, name changes with reasons, and reasons for each change in registered office address.

Our Management /Promoters

167. LM is advised to provide details of the nature and extent of interest of promoters (distinct from directors /group companies) in (i) the promotion of the issuer, (ii) any property acquired in the last three years or proposed to be acquired, and (iii) any transactions relating to land, buildings, machinery or similar, including amounts, in the Promoters / Principal Shareholders Section.
168. LM is advised to provide details of any payments or benefits made to promoters or promoter group in the last two years, or intended to be given, in the Promoters / Principal Shareholders Section.
169. LM is advised to provide details of any material guarantees given by promoters to third parties with respect to the issuer's specified securities in the Promoters / Principal Shareholders Section.
170. LM is advised to provide details of any disassociation by promoters from companies/firms in the past three years, including reasons, circumstances, and terms, in the Promoters / Principal Shareholders Section.
171. LM is advised to provide details of nominee directors/KMPs (with the nominating shareholder), a confirmation that no other nominees exist, and a statement that any nomination rights terminate upon listing.
172. LM is advised to include a disclosure that the Audit Committee shall monitor the utilization of proceeds until the funds are fully utilized.
173. LM is advised to disclose an arm's-length/fairness basis (e.g., independent benchmarking/valuation) for the related-party lease arrangements with Promoters/Directors and their relatives, in addition to the tabular details already given and the generic "no conflict" statement.
174. LM is advised to disclose if the purchase or lease of certain properties from our Directors and their relatives was carried out at an arms' length basis and in compliance with the applicable provisions of Companies Act, 2013 and the risks related to it in risk factors under a suitable heading.

Other Sections

175. LM is advised to ensure that, whether the website links provided, accurately redirect to the stated details and ensure correct website links are provided across all sections of the offer document, wherever there is such requirement.
176. LM is advised to confirm and disclose if all the entities/persons falling under the definition of promoter, promoter group, subsidiary and group company as per ICDR Regulations are disclosed in the offer document.
177. LM is advised to confirm and disclose whether any promoter, promoter group, subsidiary, or group company has been debarred, or is under regulatory or criminal proceedings in India or abroad that restricts it from accessing capital markets

178. LM is advised to categorically disclose in the DRHP under section "History and Certain Corporate Matters" of the offer document that none of the special rights available to the Promoters / Shareholders would survive post listing of the Equity Shares of the Company and same shall cease to exist or shall expire / waived off at filing of RHP, without requiring any further action.

179. LM is advised to confirm and disclose whether the issuer, promoters, promoter group, directors, person(s) in control of the promoter or issuer, if applicable, or selling shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

180. Page 490 – LM is advised to disclose the criminal proceedings against the Company in risk factors under a suitable heading.

181. Page 491 – LM is advised to disclose the material outstanding civil litigations against the subsidiary in risk factors under a suitable heading.

182. Page 493 – LM is advised to disclose the outstanding actions by statutory and/or regulatory authorities and details of the SEBI Adjudication Order against Independent Director Asit Chimanlal Mehta in risk factors under a suitable heading in top 15 and disclose the latest status of the same.

183. LM is advised to disclose impact of any pending approval from Government and other authorities on financials and operations of the company. Quantify the impact of non-approval wherever possible.

184. Page 498 – LM is advised to disclose the risks related to approvals that have been applied for, including renewal applications, but not yet received by the Company and approvals required / expired but not applied for by the Company.

185. Page 501 – LM is advised to ensure that the website links given w.r.t group companies are accessible.

186. Page 505 – LM is advised to disclose the risks related to directors associated with the securities market in risk factors under a suitable heading in top 10.

187. Page 506 - LM is advised to disclose the rationale for manifold increase in Net Tangible Assets, Operating profit and Net-worth for the period 2023-25

Legal and Other Information

188. 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 the disclosures of all actions taken by the statutory and regulatory authority.
iv. LM is advised to confirm that the existing litigations are not so major that the issuer's survival is dependent on the outcome of the pending litigation.

189. LM is advised to confirm and disclose whether the litigations are not so major that the existence of the company is dependent on the outcome of the litigation.
190. LM is advised to suitably disclose the updated status of the litigations in the offer document.
191. LM is advised to ensure that the following details are provided in the UDRHP/RHP - Price at which specified security (including preference shares) 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.
192. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of ICDR Regulations.
193. Summary of the Offer Document- Simple conversational language to be used. No abbreviations shall be used.
194. 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
195. LM shall disclose the details of the pledged shares held by the promoters/promoter group in the Issuer Company / its subsidiaries.
196. Regulation 24 (3) of ICDR Regulations, 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.
    iii. LM is further advised to include industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.

197. LM shall confirm whether there has been a change in auditor(s) before completion of the appointed term (in any of the past five fiscal years), and the reasons thereof.
198. When disclosing the status of government approvals in the Risk Factors, LM is advised to include a cross reference with specific page numbers to other sections where the disclosures are made. If approval has a validity, the same shall be mentioned. Consequences of withdrawal of licenses/approval shall be provided.
199. LM is advised to disclose updated financial information, as applicable.
200. 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 <u>*justifying the offer price*</u> 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, (<u>*For illustration, P/E ratio in case DRHP is filed under Regulation 6 (1) of the ICDR Regulations (and /or) Market Cap / Total Revenue ratio in case DRHP is filed under Regulation 6(2) of the ICDR Regulations*</u>), with corresponding suitable explanations so as to justify the offer price.
201. 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.
202. LM is advised to disclose the details of all profit sharing arrangements involving the Issuer, promoters, promoter group, directors and shareholders, if any.
203. LM is advised to ensure that details of the Directors in the section titled "Management" clearly depicts if any director is a nominee along with the details of who have nominated them. Similarly, such details to be disclosed for the KMPs as well. LM is advised to confirm that apart from disclosure made in the offer document, there are no other nominee director, KMP or other person etc. appointed on behalf any of the shareholders or any other person.
204. 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. LM is advised to verify and disclose if the name of the promoter group companies and group companies are appearing in the list of struck-off companies by ROC/ MCA.

205. LM is advised to disclose all the complaints received so far, if any and forwarded by SEBI for comments be under material documents available for inspection along with their respective replies.
206. 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.
207. 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.
208. LM is advised to ensure that the details of all the criminal matters initiated against the company, group companies, directors, subsidiaries which are at FIR stage and no/some cognizance has been taken by court is incorporated in the UDRHP/RHP/Prospectus along with appropriate risk factors in this regard.
209. LM is advised to include a reference to the circulars CFD/DIL2/CIR/P/2018/22 dated Feb 15, 2018 and CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 at all applicable sections in DRHP.
210. Under section “Monitoring of Utilization of funds”, LM is also advised to make suitable disclosure on following points:
    i. The proceeds of the issue shall also be monitored by the Audit Committee till utilization of the proceeds.
    ii. For any investments made from IPO proceeds post-IPO, in acquisitions or strategic partnership or any inorganic growth initiative, detailed disclosures of same shall be made in public domain at that time.
    iii. Issuer Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency.
    iv. 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.
    v. Issue Company shall in its quarterly Notes to Accounts of its Financial Statements include the employment of issue proceeds under various heads.
211. LM is advised to disclose offer expense to be borne by the issuer vis-à-vis Gross Fresh proceeds only (excluding expenses for OFS). LM is advised to ensure that Net offer should be calculated as Proceeds from Fresh issuance deducted by offer expense to be borne by the issuer.

212. 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.

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

214. In respect of advertisement for announcement of Price Band, LM shall ensure the following is included/disclosed:

i. <u>Segment</u> - clearly disclose whether the company will be listed on the Main Board or the SME Exchange.
(Such disclosure shall be made immediately below the name of the Company and shall be of next lower font size, used in the advertisement, after the name of the Company; and shall be of the same colour)

ii. Issue size - disclose the issue size in value terms at both the upper and the lower end of the price band. Further, provide the bifurcation between the Fresh Issue and OFS portions at both the upper and the lower end.

iii. Company size - disclose the size of the company at both the upper and the lower end of the price band.
(The disclosures under Sr. No. 2 and 3 above, shall be made in a table placed above the "Bid / Offer period" table, and shall use the same font size)

iv. Price Band values - disclose the actual values of the upper and the lower ends of the price band at all relevant places in the advertisement.

v. Format for billboard and banner - ensure that only the appropriate format of the price band advertisement is used for billboard and banner.

vi. Recommendation of the Committee of Independent Directors that the price band is justified vis-à-vis the last round of fund raising giving quantitative factors / KPIs.

vii. The portion pertaining to "Risks to Investors" shall constitute at least 33% of the price band advertisement space.

viii. 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.

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 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 3 years			

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

xi. 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.

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

215. LM shall ensure that the details with respect to Fresh Issue and Offer for Sale be separately disclosed in the Price Band advertisement and details of selling shareholders be presented in a tabular format.

216. 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.

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

218. LM shall ensure that the details of past issues handled by BRLMs, which closed below the offer price on the listing date, to be published in the below mentioned format:

BRLMs	**Total Issues**	**Issues closed below IPO Price on listing date**
BRLM 1/ BRLM 2/ BRLM 3		
Common issues of BRLMs		
Total		

219. LM is advised to update the details of status of litigation with the latest/updated position of litigations against promoter/promoter group entities/company/ Key Managerial Personnel/Senior Managerial Personnel and the companies promoted by the issuer.

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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 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.

5. 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 ICDR Regulations.

6. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.

7. In terms of Regulation 7.(1)(c) of ICDR Regulations and Regulation 31.(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Issuer Company and the Lead Manager are advised to ensure compliance with the requirement pertaining to shareholding of promoter(s) and promoter group to be held in dematerialised form.

8. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.

सेबी भवन, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, मुंबई - 400 051
SEBI Bhavan, "G" Block, Bandra Kurla Complex, Mumbai – 400 051
www.sebi.gov.in |022 - 2644 9000 / 4045 9000

9. In pursuance of Regulation 25 Sub-Regulation 9(a) of ICDR Regulations, 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 ICDR Regulations, 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

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UNIFIED PAYMENTS INTERFACE ***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**.***

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