



सहायक महाप्रबंधक / Assistant General Manager  
RAC-निर्गम एवं सूचीबद्धता प्रभाग-2/RAC-Division of Issues and Listing-2  
निगम वित्त विभाग/Corporation Finance Department  
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SEBI/HO/CFD/RAC-DIL2/P/OW/2024/8245/1  
March 1, 2024

ICICI Securities Limited  
ICICI Centre  
HT Parekh Marg,  
Churchgate,  
Mumbai - 400020

Kind Attention: Mr Prem Dcunha and Sameer Purohit

महोदय / महोदया,  
Dear Sir / Madam,

**विषय / Sub: Go Digit General Insurance Limited का प्रस्तावित आईपीओ / Proposed IPO of Go Digit General Insurance Limited**

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in

the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। **इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।**

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

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनियम बोर्ड [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 SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्यूअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि

कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनियम बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोजर रिक्वायरमेंट्स) रेग्यूलेशन, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख March 30, 2023 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated March 30, 2023, in accordance with SEBI ICDR Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डाक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

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

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC/ within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर चेक जारी करना होगा।

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the cheque may be issued by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है।

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

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

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

Place: Mumbai

  
Sonal Pednekar

Annexure I

OBSERVATIONS

1. Please refer to our letter/email dated May 09, 2023 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. Draft offer document and the offer document, shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company/ Expert. The Issuer Company / BRLMs shall ensure that the "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor any underlying assumptions have been omitted for investors to make an informed decision.
3. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
4. The industry report disclaimers (if any) shall be removed from all places of the offer document.
5. LM is advised to include the industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
6. The LM is advised to ensure that offer 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. Jargons or nomenclatures, if any, shall be properly explained at each and every mention of the same.
7. LM is advised to ensure all quantitative information be provided in tabular form and free from discrepancies/errors in all sections for the ease of reading. LM may provide with certainty all the relevant information sought by SEBI till the issue of this observation letter, in the offer document/UDRHP/RHP.
8. LM is advised to ensure that financial disclosures for the stub period and comparative periods shall be made on account of audited, restated and consolidated financials only.
9. LM is advised to ensure that the primary business of the company shall be disclosed in lucid and economical language. The disclosure shall specify the industry, sector, activity, products etc with clarity.
10. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
11. LM is advised to note that These observations while referring to a specific chapter or point, however the LM shall ensure to disclose the same across all pages/chapters where the same/similar matter occurs in the DRHP. The BRLMs to also ensure to comply with these observations in all future Documents, where same / similar comments are applicable.
12. Cover Page – LM is advised to disclose the Face Value of shares under offer for sale on the cover page and all applicable places.
13. LM is advised to ensure compliance with the advisory issued by SEBI to all Merchant Bankers and AIBI vide mail dated July 04, 2023 with respect to disclosure of information pertaining to Pre-IPO placement and secondary transactions by promoter(s) and promoter group(s) in the Public Announcement, Price Band Advertisement and intimation to stock exchanges. LM is advised to disclose a statement to Pre-IPO investors and in DRHP cautioning them about risks associated in case company does not come out with IPO after pre-IPO placement.



14. As regard the employees of the Issuer company, LM is advised to disclose whether the statutory dues to the Government and provident fund and other dues for all employees (as given below) 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.
15. LM is advised to ensure and provide a negative disclosure that the selling shareholders shall not be involved directly/indirectly in any manner in the allocation and pricing of the equity shares of the issuer including through the IPO committee.

**16. Risk Factors (RF):**

- i. RF 1 – Under the disclosed table, LM is advised to additionally disclose the PAT and Operating Profit/Loss ratio. Additionally, LM is advised to remove the description and associated table dealing with product contribution from the said RF. The same shall be included in appropriate RF or as an additional RF.  
LM is advised to delete phrase beginning with *although we....December 31, 2022* from the RF title. LM may place the said phrase at the end of RF.  
LM is advised to disclose the source for the disclosures made in sentence beginning *we are one of the first....at least 60 minutes*.
- ii. RF 2 - LM is advised to remove reference made to loss reserves of other insurers.
- iii. RF 3 – The disclosed table under the RF is not in sync with the intended risk disclosure. The RF deals with IRDAI mandated ratios, whereas the table provides for only one IRDAI mandated ratio. LM is advised to disclose under a table the IRDAI mandated ratios along with its definition, explanation and company's standing vis-à-vis the said ratios. Further, LM is further elaborate the phrase, *control level of solvency*, and disclose an appropriate IRDAI mandated ratio for the same. Reference made to other insurers shall be removed from the said RF and shall be disclosed under appropriate sub-section of Chapter – *Our Business*.  
LM is advised to replace phrase *if we do not* with *we are required to*, in the RF title.
- iv. RF 4 – LM is advised to disclose the two tables under comparative format i.e. same parameters of disclosure shall be taken e.g. GWP and RI. LM is advised to disclose the figure for re-insurance, in % of GWP.
- v. RF 5 – LM is advised to make segregated disclosures on the number of shares and name of shareholders, whose shares shall be locked-in in terms of SEBI ICDR Regulations and IRDAI Registration Regulations, 2022. LM shall also update the RF with updated information.  
LM is advised to place the said RF as and after top 20 RFs.
- vi. RF 7 – LM is advised to ensure complete disclosure of the outcomes of non-compliance with IRDAI's regulatory prescriptions; the disclosure shall be made under tabular representation. Limited disclosures of *examples* shall not be made. Alternatively, LM may split the RF in two separate RFs.
- vii. RF 8 - With reference to *EOM Regulations*, LM is advised to disclose the financial implications of the same in absolute figures and % terms. LM is advised to disclose the reasons for extensive supervisions by IRDAI

viii.RF 10 - LM is advised to update the RF with reference to the comments of IRDAI as received and disclosed under addendum to DRHP. LM is advised to ensure that CCPS shall be converted before the RHP and the implication of such conversion to be disclosed. LM is advised to elaborate and substantiate the disclosed phrase beginning with, *we may face certain impediments.....involving our company.*

LM is advised to disclose as separate RF, the risk disclosed in para beginning with, *further, Ratio 1 was.....financial condition and reputation.*

ix.RF 11 - LM is advised to replace *experienced* with *made* in the RF title

x.RF 12, RF 13, RF 14, RF 15 & RF 17 - LM is advised to place the said RFS as and under top 15 RFs.

xi.RF 13 - LM is advised to re-verify the % of *re-insurance risk ceded* and disclose the last two rows in *highlights*.

xii.RF 27 – LM is advised to disclose direct/indirect interest of directors/promoters/promoter group/KMPs or their relatives/related parties, of the company/subsidiary/group company/associate etc, in the distribution partners. If no, a negating statement shall be disclosed in the RF.

xiii. RF 41 – LM is advised to disclose the financial implications on the expiry of exemption granted by IRDAI.

xiv.RF 50 – Under the disclosed table, LM is advised to disclose comparative columns pertaining to financial period under disclosure.

xv.RF 83 – Refer para beginning – Furthermore, in accordance with transfer of. In terms of the various SEBI rules and regulations including ICDR and the depository mechanism, LM is advised to disclose the mechanism to be followed or followed by the company to comply with the disclosed IRDAI provisions.

xvi.RF 44 – LM is advised to include disclosures observations and actions of IRDAI with respect to Facility Service agreement with promoter of the company.

xvii.RF 50 – LM is advised to place the said RF as and under top 20 RFs.

xviii.Additional RF – LM is advised to include under top 15 RFs, an RF on risks associated with marketing/sale of insurance products not approved by IRDAI. The RF shall disclose the number of such instance in past and details of actions, if any, taken by IRDAI.

xix.Additional RF – LM is advised to disclose as an additional RF, the risks associated with operational losses.

xx.LM is advised to disclose an additional RF w.r.t. the RPTs with proper cross-reference to transactions disclosed on page 311-312.

xxi. LM is further advised to remove reference to other insurer's data from all RFs.

17. Page 23 – *Summary of Primary Business*- LM is advised to state the disclaimer on *Red Seer Report (RSR)* at the beginning of the para and dependent statements may follow after.

18. Page 23 – LM is advised to maintain consistency in reference to *Red Seer Report*, at all places RSR shall be referred in correct terms and not as any other reference such as *Red Seer Analysis*.

19. Page 112 – How the limits prescribed under the Insurance Act, IRDA Regulations will be made applicable in the public issue to be disclosed.

20. Page 124 – Reasons to be disclosed on how IIFL is as associate company.

21. Page 133, 134 – Disclose on how the company is compliant with the Companies Act and SEBI Laws on the issuance of shares in 2021. (Including the date of receipt of application money and allotment.)
22. With respect to the ESOPs 2021, to disclose that all the persons to whom the allotment was made are the employees of the company and whether the same is in compliance with the Companies Act.
23. Page 136 – LM is advised to provide serial number in table disclosing List of Allottees.
24. Page 152 – Refer para on *ESOPs*. LM is advised to disclose the break-up amongst current and past employees for the outstanding options. Further, LM shall disclose past cancellations of ESOPs, if any, and its associated details such as reasons for cancellation, employees whom options were granted, price etc.
25. Page 161 – Refer para beginning – *Since our company has completed*. LM is advised to disclose in clear terms whose and in what number the shares are required to be locked-in under IRDAI Registration Regulations, over and beyond the MPC required under SEBI ICDR Regulations. The same shall be incorporated as an appropriate Risk disclosure.
26. Page 163 – Justify the reason for increase in the issuance price.
27. Page 164 – Refer footnote mentioned at \* *Based on the beneficiary position*. LM is advised to disclose the reason for such statement and whether proper due-diligence of the disclosure has been undertaken.
28. Page 165 – LM is advised to re-phrase the sentence beginning- *Our company proposes to utilize...towards maintenance...solvency ratio and disclose clearly that the same would be through investments in instruments as per IRDA laws*.
29. Page 166 – Footnote for the fresh issue to clearly disclose that the same would be for investing in instruments as per the IRDA Laws.
30. Page 168 – the issue expences shall be shared proportionately irrespective of whether the public issue happens and the listing happens.
31. Page 170 – “We propose to invest.....” to be part of the Objects of the issue. LM is advised to delete para on *Variation in Objects* as there cannot be any variance with the object as all funds raised immediately become part of solvency ratio.
32. Page 171 – The LM is advised to avoid qualitative adjectives such as *High-quality etc.*
33. Page 185 - Refer disclosed table, LM is advised to disclose the name and number of allottees for each transaction. For ESAR, number of employees shall suffice.
34. Page 224 – LM is advised to appropriately disclose the comparative details of the peer group. The said disclosure shall also include total GWP for the issuer and its peer group.
35. Page 272 – JV agreement to be shown as a RF. Refer Para –*Corporate Governance*. LM is advised to refer *K G Group* in full details. Further all special rights, vote items, transfer restrictions, and other rights disclosed to collapse before RHP and such rights shall not be referred to the shareholders in any manner any time.
36. Page 275 – Refer SSA agreement dated *December 23, 2019 and other agreements*. LM is advised to disclose the conditions precedent under the 2019 SSA and other agreements. Similar disclosures to be made for applicable conditions precedent to any other SSA. BRLMS to ensure that they shall always disclose all the covenants and shall not merely mention that there are certain covenants, conditions precedent etc, without disclosing the same.



37. Page 280 – Refer *Shareholder's agreement entered into with employees*. LM shall confirm that acquisition of shares by the disclosed employees have not been directly/indirectly funded by the company/subsidiary/group company or its promoter/PG/Director/KMP or their relatives, in any manner.
38. Page 281 – the word retail investors may not be used as they are not retail.
39. Page 284 – Refer details for *Chintan Ratnaswami* on directorships in foreign companies – Fairfax Consulting Services India Limited is appearing twice. LM is advised to re-verify the disclosures for any error or omission.
40. Page 310 – Disclose the shareholding of Fairfax Asia Ltd. To also confirm and disclose whether there is any arrangement / agreement between FFHL, FAL and the promoters/PG/shareholders/Directors directly / indirectly in any manner. LM is advised to disclose the activities of FAL Corporation Limited.
41. Page 314 – LM is advised to disclose the date of incorporation, brief financials and nature of activity undertaken by the group companies.
42. Page 473 – LM is advised to disclose the ageing of the awards pending for compliance.
43. Page 490 – LM is advised to disclose a separate RF on customer complaints disclosing all associated risks. Further, LM shall disclose a descriptive para under '*Our Business*' on company's policy of processing and dealing of complaints.

**44. History and Certain Corporate Matters:**

- a. LM to ensure that special rights as disclosed in the DRHP shall terminate before filing of RHP.
- b. LM is advised to include a categorical statement that it has gone through AoA of the issuer company and confirm to SEBI that no special rights to the promoters/shareholders in the AoA, at the time of filing of offer document.
- c. LM is advised that inter-se agreements/ arrangements between the shareholders are disclosed under section "History and Certain Corporate Matters".
- d. LM is advised to ensure that Part B of the AoA of the company shall be deleted prior to the filing of RHP. Further, as part of corporate governance and continuing listing compliance, the issuer shall ensure that no reference is ever made about the special rights to any shareholder in any way or any communication.
- e. LM is advised that a categorical statement from the Issuer Company/ Promoters / Shareholders, may be provided that there are no other inter-se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders. Also that there are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than disclosed in the DRHP.
- f. Further, the LMs shall also confirm to SEBI that they have gone through the inter-se agreements/ arrangements, if any, as disclosed in the DRHP and they also do not see any clauses / covenants which are material and need to be disclosed, which have not been disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders.

45. **Our Management:** LM is advised to ensure that details of the Directors in the section titled “Management” clearly depicts if any director is a nominee. If so, LM shall also disclose the details on the shareholders nominating them. Similarly, such details to be disclosed for the KMPs as well. LM to also confirm that apart from that disclosed in the offer document, there are no other nominee directors, KMPs or other persons etc. appointed on behalf any of the shareholders or any other person.

46. **Restated Consolidated Financial Information:**

- a. Notes to restated Consolidated Financial Information – LM is advised that disclosures related to RPT shall be disclosed entity wise and not clubbed as and under categories such as subsidiary, group companies etc.

47. **Management’s Discussion and Analysis:** LM is advised to include the terms and conditions of such ICDs under MDMA section of the offer document along with the reasons attributable for choice of such investments.

48. At ‘Industry overview’: Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires that the LM shall exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document. In view of the same, LM is advised to ensure that:

- i. The 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.
- 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.

49. 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.

50. With respect to all the complaints received by LM / Company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures of the same are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.

51. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and limited

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

52. 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.

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

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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 prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.
9. ASBA:
  - i) LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of

mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least

two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.

- ii) LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

- a. The following may appear just below the price information of the issue as shown below:

***"PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH***

***THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE***

***BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.***

### **ASBA \***

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

**Mandatory in public issue .No cheque will be accepted**



***now available in ASBA for retail individual investors.***

*\* ASBA is a better way of applying to issues by simply blocking the fund in the bank account.*

*For further details check section on ASBA below."*

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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](http://www.sebi.gov.in).\*\* List of banks supporting UPI is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)\*\*.*

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