प्रबंधक/ Manager
RAC-निर्गम एवं सूचीबद्धता प्रभाग-1/RAC-Division of Issues and Listing-1
निगम वित्त विभाग/Corporation Finance Department
दूरभाष सं./Phone: +91 22 2644 9892
ई-मेल/Email: kartikit@sebi.gov.in

May 30, 2025
SEBI/HO/CFD/RAC-DIL1/P/OW/2025/14499/1

PL Capital Markets Private Limited
3rd Floor, Sadhana House,
570, P.B. Marg, Worli,
Mumbai – 400 018
Maharashtra, India

Kind Attention: Mr. Uday Patil/ Nipun Lodha

महोदय,
Dear Sir,

विषय /Sub: A-One Steels India Limited का प्रस्तावित आईपीओ /Proposed IPO of A-One Steels India 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 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 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 SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (मर्चेंट बैंककार) विनियम, 1992 [सेबी (मर्चेंट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते

जाने के संबंध में तारीख December 30, 2024 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है ।
It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated December 30, 2024, in accordance with SEBI (Merchant Bankers) Regulations, 1992.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो । हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है ।
The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर 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 विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए ।
The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC/ within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को 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 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 / 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.

8. आपसे अनुरोध है कि इस पत्र की प्राप्ति के उत्तर अपना भीतर के दिवस 15प्रस्तुत करें ।
You are requested to submit your response within 15 days of the receipt of this letter.

स्थान /Place: मुंबई /Mumbai

Tulaskar

Kartiki Mahesh Tulaskar
प्रबंधक
Manager

Annexure I

OBSERVATIONS

1. Please refer to our letter/email dated February 7, 2025 and your reply vide letters/email dated February 21, 2025, March 13, 2025, March 27, 2025, April 7, 2025, April 9, 2025, April 23, 2025, April 28, 2025, and May 14, 2025 and all other correspondences exchanged. 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. 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 BRLM shall also ensure that these disclosures are made in all filings with SEBI as and when by the BRLM or wherever they are involved in the filing in any manner.

3. 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.

4. 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.

5. 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.

6. LM is advised to ensure that the disclosure of risk factors are based on 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.

7. 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.

8. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.

9. Summary of the Offer Document- Simple conversational language to be used. No abbreviations shall be used.

10. 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.

11. LM is advised to disclose KPIs in abbreviations section of DRHP.

12. LM is advised to disclose risk factor related to fluctuations in Steel industry in *Forward looking statements*. (Page 26)

13. LM is advised to ensure and confirm that all financial information disclosed in DRHP is certified by Chartered accountant/ statutory auditor of the company and such certificates shall form part of material documents available for inspection.

14. LM is advised to verify all financial information/ information derived from financial statements disclosed in the DRHP. All such information/ data disclosed shall also be certified by independent chartered accountant/ statutory auditor. Capacity/ production, etc. related relevant data shall also be certified by chartered engineer.

15. LM is advised to delete logo of the company from all pages of DRHP.

16. In *Summary of primary business of issuer company*, LM is advised to disclose the revenue model and the business model of the issuer company along with the manner in which the orders are procured and revenue is generated.

17. In the *Summary of Offer document*, LM is advised to disclose the details of related party transactions including the name of each parties / relationship / nature of transaction /transaction value / and RPTs as percentage of total revenue. LM is advised to disclose a separate Risk Factor in top 10 highlighting the risk involved in such transactions. LM shall ensure that exact page reference is given for detailed RPT disclosure in DRHP. Also, explain / disclose as Risk Factor - Personal Guarantee taken by Gold Pipes, which is a substantial RPT.

18. LM is advised to disclose a risk factor related to bank guarantees and high value of personal guarantees issued by Promoters (exceeding total outstanding borrowings of the company). Further, explain what is meant by Personal guarantee satisfied disclosed on page 32.

19. In page 19 and in "*Objects of the Offer*" section it is noted that the issue proceeds are proposed to be used for "*Equity Investment in Indian Subsidiary of the Company, Vanya Steels Private Limited*". In this regard, LM is advised to disclose the details of the subsidiary, its operations, brief financials/ ratios etc.

20. Risk Factors – 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.

21. The risk factors, to the extent possible, should disclose the specific as well as financial/economic impact on the company rather than being generic.

22. 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.

Risk Factors-

23. LM is advised to rearrange the risk factors in order of importance/ materiality.

24. Risk Factor 1- LM is advised to modify the heading of risk factor to disclose that company has underutilized capacity of its manufacturing facilities in the last 3 FY and stub period. Disclose reasons for underutilized capacity. Further, verify and confirm why no capacity data has been disclosed for Anantpur Plant for last 2 FY and stub period; whether operations are continuing at Anantpur plant after FY 2022 and if not, disclose reasons for the same.

25. Risk Factor 2- LM is advised to disclose a separate risk factor in top 10 related to risks associated with proposed expansion plans including ongoing expansion and that proposed to be undertaken from IPO proceeds.

26. Risk Factor 3- LM is advised to disclose in heading average cost of raw materials consumed as percentage of revenue from operations for last 3 FY and stub period. Further, disclose details of other raw material cost (other than key raw materials). Disclose impact of price or availability of key raw materials and whether the company has any agreements with its suppliers. Also, disclose bifurcation of domestic and import raw material cost for last 3 FY and stub period.

27. Risk Factor 5- LM is advised to disclose details of manufacturing facilities in a tabular format with details of area of facility, owned/ leased, manufacturing which products, number of years operations, facility whether owned or acquired pursuant to scheme of amalgamation; and cross-reference to installed and utilized capacity, etc.

28. Risk Factor 7- LM is advised to modify heading of Risk Factor to disclose that Objects of the Offer have not been appraised by any bank or financial institution. Delete *".....or at all..."*; *"If actual utilisation towards the Objects of the Offer is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, if required. If estimated utilisation of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward."*

29. Risk Factor 7- In page 145, LM is advised to remove the words "*....and in accordance with such terms and conditions, including in respect of pricing of the*

Equity Shares, in accordance with our Articles of Association …." in the line "*In accordance with the Companies Act, 2013, …..*".LM is advised to disclose the same in heading of Risk Factor.

30. Risk Factor 8- LM is advised to disclose whether all products are sold under the same brand name of "AONE GOLD", if not, disclose revenue from sale of products with the brand name for last 3 FY and stub period.

31. Risk Factor 9- LM is advised to disclose in brief, facts of ongoing matters related to outstanding litigations disclosed. Also, disclose reasons for high value of bank guarantees issued by the company.

32. Risk Factor 10- LM is advised to move down the risk factor.

33. Risk Factor 11- LM is advised to modify heading to disclose risk associated with restrictive covenants and disclose amount of outstanding borrowings as on Sept 30, 2024. Disclose whether consent has been obtained from lenders for IPO and credit rating, if any, obtained for subsidiary, Vanya Steels Private Limited.

34. Risk Factor 14- LM is advised to disclose details of import duties and financial impact (revenue, margins, etc.) of change in import duties and low price imports, etc. from other countries in the past.

35. Risk Factor 15- LM is advised to disclose a separate Risk Factor in top 10 for penalties aggregating to Rs. 50.02 Lakhs levied by the Registrar of Companies and/ or Regional Director clearly disclosing all material instances of violation of Companies Act, 2013. In Risk Factor, disclose in brief, facts related to tax proceedings and regulatory/ statutory proceedings against the company.

36. Risk Factor 16- LM is advised to disclose names of key industries and any concentration of revenue from a specific industry.

37. Risk Factor 17- LM is advised to disclose working capital requirement as on Sept 30, 2024 in the heading of Risk Factor. Disclose working capital days with breakup of each line item, and source of funding working capital requirements. Disclose reasons for high trade receivables and trade payables (including specific reasons for transactions pertaining to related parties).

38. Risk Factor 19- LM is advised to move the risk factor to top 10. Disclose details of all RPTs (transaction-wise) constituting up to/ more than 10% of revenue from operations and reasons/ rationale for such high value transactions. Disclose details of such transactions, i.e. which products are purchased from/ sold to related parties, outstanding balances/ advances and nature of guarantees given by related parties during last 3 FY and stub period. LM is advised to verify all RPTs and confirm whether RPTs have been entered into at arm's length price in compliance with relevant laws and regulations.

39. Risk Factor 20- LM is advised to modify heading of risk factor to disclose risks involved with delays in filing of MCA forms. Disclose details of all delayed filings

along with number of days delay for such filings. Also, disclose details of penalty or fine imposed by regulatory authorities in the past.

40. Risk Factor 21- LM is advised to disclose details of changing trends and standards in technologies and equipment in the steel industry and whether company has adopted them or is technologically lagging.

41. Risk Factor 22- LM is advised to move the Risk Factor to top 15. Disclose impact of fluctuations in Steel prices and demand on company's financial position, performance and market share.

42. Risk Factor 23- LM is advised to disclose impact on company's financial position and performance due to volatility in prices of raw materials.

43. Risk Factor 25- LM is advised to move the risk factor to top 15.

44. Risk Factor 26- LM is advised to move the risk factor to top 15. Disclose reasons for negative cash flow from operations for last 3 FY and stub period except Fiscal 2024 and negative cash flows from investing activities for last 3 FY and stub period. Explain whether cash flow needs of business and investment are funded from cash inflows from financing activities.

45. Risk Factor 28- LM is advised to move the risk factor to top 10. Disclose in heading what percentage of revenue is derived from sale of top 3 products.

46. Risk Factor 29- LM is advised to move the risk factor to top 12. Disclose average number of years relationship with top 10 customers. Further, confirm and disclose if any of the top 10 customers is a related party.

47. Risk Factor 30- LM is advised to move the risk factor to top 20. Disclose revenue from distributors channel and commission/ fees, etc. paid to distributors for last 3 FY and stub period.

48. Risk Factor 31- LM is advised to disclose what percentage of total equity may be diluted and confirm compliance with lock-in provisions with regard to such pledged shares.

49. Risk Factor 32- LM is advised to disclose market share of company in the products manufactured by it and in overall domestic steel industry.

50. Risk Factor 33- LM is advised to move the Risk factor to top 20. Disclose details of defaults in receivables/ bad debts written off for last 3 FY and stub period. Disclose reasons for and risks associated with increase in trade payables days for FY 2024.

51. Risk Factor 34- LM is advised to move the Risk factor to top 20.

52. Risk Factor 35- LM is advised to move the Risk factor to top 25.

53. Risk Factor 38- LM is advised to disclose details of statutory dues paid and number of days delay for delayed payments along with reasons for such delay. Explain and disclose reasons for delays in payment of GST which constitutes a substantial amount.

54. Risk Factor 40- LM is advised to disclose in heading of risk factor that majority products are sold in domestic markets and exports constitute a small percentage.

55. Risk Factor 41- LM is advised to disclose past instances during last 3 FY and stub period, if any.

56. Risk Factor 42- LM is advised to disclose a consolidated risk factor for defaults or delays in payment by customers. Disclose instances of delayed, modified or cancelled orders in last 3 FY and stub period.

57. Risk Factor 43- LM is advised to move the Risk factor to top 15. Disclose total borrowings by company and total value of personal guarantees given. LM is advised to verify and disclose reasons for availing unsecured loans from Promoters and whether loans were received and utilized by the company for business purpose only.

58. Risk Factor 44- LM is advised to move the Risk factor to top 25. Disclose debt-equity ratio, debt service coverage ratio and interest service coverage ratio for last 3 FY and stub period.

59. Risk Factor 45- LM is advised to modify heading of risk factor to disclose risks involved. Disclose insured assets as percentage of total assets and reason for insurance claim during FY 2024.

60. Risk Factor 47- LM is advised to disclose details of contractual labor and attrition rates for last 3 FY and stub period.

61. Risk Factor 48- LM is advised to disclose past instances, if any.

62. Risk Factor 49- LM is advised to move the risk factor to top 25. Disclose details of businesses owned by Promoters/ promoter group/ directors, etc. engaged in similar line of business as that of company and details of entities with which company has had related party transactions.

63. Risk Factor 52- LM is advised to move the risk factor to top 30 and disclose past instances, if any.

64. Risk Factor 54- LM is advised to move the risk factor to top 30. Disclose reasons for providing such corporate guarantees.

65. Risk Factor 55- LM is advised to move the risk factor to top 30. Disclose past instances, if any.

66. Risk Factor 56- LM is advised to disclose details of unsecured loans along with names of lenders, terms and conditions for such loans, purpose of loans and whether any of the lenders are related parties for last 3 FY and stub period. LM shall verify whether such funds were received by company and utilized for business purpose only.

67. LM is advised to disclose a risk factor in top 15 related to decreasing PAT and PAT margin for last 3 FY and stub period.

68. LM is advised to disclose a risk factor related to pending NCLT order and acquisition of Basai Steel Plant, its impact and risks involved.

69. LM is advised to disclose a risk factor in top 12 related to dependence on top 10 suppliers by company along with names of top 10 suppliers, any agreements entered into with suppliers and specifically highlighting RPTs with Suppliers during last 3 FY and stub period.

70. LM is advised to disclose a risk factor related to PPAs entered into by company and risks associated with such agreements.

71. LM is advised to disclose industry specific risks and its impact on company's financial position in a suitable risk factor.

72. LM is advised to suitably highlight the risks associated with significant related party transactions in the nature of purchase and sale of products.

73. LM is advised to disclose a risk factor related to funding the entire proposed capital expansion and captive solar power project out of IPO proceeds only and how the same is in line with company's past capital expenditure/ projects of similar nature.

74. LM is advised to disclose a risk factor in top 10 related to concentration of revenue of company in the state of Karnataka.

75. LM is advised to disclose reasons for low capacity utilization suitably in the UDRHP/ RHP in the *Risk factors* and *Our Business* section.

76. LM is advised to disclose status of ongoing expansion plans at Koppal manufacturing facility and complete details of land available at Koppal Facility at all relevant sections in the UDRHP/RHP.

77. LM is advised to disclose risk factor related to trademarks which have been objected to or opposed along with reasons for the same. (Page 247)

78. LM is advised to disclose risk factor in top 20 related to *Other matter paragraph* and CARO observations along with its impact on financials for last 3 FY and stub period.

79. LM is advised to disclose risk factor in top 20 related to high value of leased Plant and Machinery of the company disclosed in RoU assets for last 3 FY and stub period.

80. LM is advised to disclose a risk factor related to company's license and right to distribute steel with trademark "Jindal" in the state of Karnataka, details of agreements, material terms and conditions, etc.

81. LM is advised to disclose a risk factor in top 12 related to actions by statutory and regulatory authorities in the past/ ongoing litigations along with complete details of violations and actions taken against the company.

82. Page No. 149 - It is observed that Issuer Company is operating on low profit margins ranging between 3.65% for FY 2022 to 1.01% for FY 2024 and 1.70% for nine months period ended June 30, 2024. Considering that the steel prices have increased in recent past, LM is advised to disclose its effect on profit margin of company.

83. LM to confirm if the revenue generation by the issuer is seasonal. If so, an appropriate risk factor needs to be separately provided bringing out the seasonal nature of the business and the comparison of the seasonal nature of the generation of revenue during the year and bring out the risk of such seasonal nature of business.

84. 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).

85. 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.

86. LM is advised to include separate Risk Factors/ incorporate in existing risk factors under appropriate heading disclosing the risk involved on following points:

    i. Since majority of issue proceeds are proposed to be used for "Equity Investment in Indian Subsidiary of the Company, Vanya Steels Private Limited", LM is advised to disclose clearly the risk factors of subsidiary separately, along with the operational/ financial risks / major litigations, actions by statutory or regulatory authorities, its past credit ratings, risk factors highlighted in rating reports, competitors market share risk etc.
    ii. Disclose the percentage of revenue/ profits contributed by each of the subsidiaries where issue proceeds are to be deployed and also percentage of shareholding of issuer in the last 3 FY. Disclose the risk factor in Top 3 if the subsidiary is loss making along with details of losses.

iii. Actions taken against the company and subsidiaries for violation of environmental norms/ other key laws and regulations required to be complied and penalties paid in the last 3 FY.
iv. Rights vested with parties to Share subscription and shareholders' agreement (PPA) such as put options etc. and its impact on the issuer company/ subsidiary.
v. Reasons for substantial increase in trade payables and total outstanding dues of creditors in the last 3 FY along with data and financial risk.
vi. Reasons for substantial reduction in profit in FY 2024 compared to FY 2023 and highlighting the decreasing trend in profitability (in last 3 FYs) and its impact on the issuer company. LM to also highlight the substantial reduction of ROCE in FY 2024 and disclose the same as part of top 5 risk factors.
vii. Reasons for negative operating cash flows in FY 2023 and risk due to such fluctuations.
viii. Risks involved in investment in Group Captive Company for procurement of Solar energy, where issue proceeds are proposed to be deployed along with details. Also, disclose risks associated with similar investments in the past.
ix. It is disclosed that "CRISIL Report, the company had a share of 0.27% in overall crude steel production in India and has ~1% share, as per FY24 sales figure of ASIPL, in domestic pipe market" LM to highlight the risk aspects as highlighted in the CRISIL report with regard to competition from major players and impact due to geopolitical situations.
x. Profitability depends on capacity utilization across six manufacturing facilities.
xi. Delays in project completion and regulatory approvals, cost overruns and challenges in raising additional funds.
xii. High dependency on raw materials like iron ore and coal, etc.
xiii. Significant price volatility in raw materials and power requirements of company.
xiv. Disruptions in supply due to domestic shortages or increased exports.
xv. High input costs (raw materials constitute about 80–88% of operating expenses).
xvi. Operations are working capital intensive, with high reliance on bank borrowings and fund-based limits.
xvii. Exposure to risks such as Equipment breakdowns, power outages, and industrial accidents.

87. LM to disclose data on outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors.

88. Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires LM to exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosures in the offer document. In view of the same, LM is advised to ensure that:

i. The offer document shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company / Expert.

ii. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.

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.

89. 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.

90. LM is advised to disclose updated financial information, as applicable.

91. LM is advised to delete statements whereby any ranking/ achievement/ performance of the Issuer company basis any selective parameters is disclosed in comparison to assessed peers/ listed peers/ selected Indian peers only and not on Industry/ market wide performance of Issuer company from all sections except *Industry Overview* section.

92. LM is advised to confirm that there are no buyback arrangements for purchase of specified securities of the company.

93. LM is advised to explain and disclose reasons for undertaking private placement of equity shares three times in FY 2024-25, purpose of such private placement and whether funds raised have been utilized for the purpose for which they were availed utilised as certified by auditors / details of approvals/ whether any of the entities are related to promoters / promoter group/ directors/ BRLMs. In case of unutilized funds, disclose a suitable risk factor.

94. LM is advised to disclose details of *Issue of Equity Shares pursuant to scheme of arrangement* on Page 119 instead of cross-reference. Further, disclose details of swap ratio determined and basis for such valuation, i.e. valuation report at all relevant sections of DRHP.

95. In page 14 of Addendum to DRHP, it is mentioned that "*10% of the total paid-up capital of the Company is pledge with the Tata Capital Financial Services Limited by promoters*". LM is advised to confirm/ disclose how the lock-in provisions of SEBI ICDR would be complied with.

96. LM is advised to confirm that there is no violation of any provision of Companies Act, 2013.

97. LM is advised to verify and confirm that there is no non-compliance of provisions of Companies Act, 2013 (section 25 and 42) regarding deemed public issue by the company in the past directly or indirectly through down selling at the time of filing DRHP / RHP.

98. LM is advised to verify and confirm whether there has been any instance of issuance of equity shares in past by Issuer Company to more than 50/200 investors.

Objects of the Offer -

99. LM is advised to disclose brief financial information of subsidiary, Vanya Steels Private Limited for last 3 FY and stub period.

100. LM is advised to disclose finalized schedule of implementation with final commencement and completion timelines for proposed capital expenditure before filing UDRHP.

101. LM is advised to disclose complete details of land available at Koppal Manufacturing facility proposed to be utilized for ongoing expansion and for proposed capital expenditure out of Issue proceeds.

102. LM is advised to confirm/ disclose that land on which the issue proceeds are proposed to be deployed for capital expenditure is owned and necessary material approvals for implementation of the project are in place. LM is advised to highlight the risk as a separate Risk Factor, as deemed appropriate.

103. LM is advised to substantiate and disclose details for necessary approvals / source of funding regarding statement in addendum "*We propose to purchase an additional 31 Acre17 Ghunta in terms of multiple sale agreements to set up this railway siding line out of which for 3 Acre 37 Ghunta sale deed has been executed.*"

104. LM is advised to ensure valid quotations are disclosed for all vendors for proposed capital expenditure.

105. LM is advised to disclose the risk highlighted in Detailed Project Report (DPR) dated December 10, 2024 prepared by Korus Engineering Solutions Private Limited as a separate Risk Factor and also disclose it as part of material documents for inspection.

106. LM is advised to complete details of plant and machinery proposed to be purchased out of issue proceeds including model, make, etc., as applicable.

107. LM is advised to disclose complete details of agreement entered into with Blupine Energy Private Limited, total project cost, source of funding of the Solar Project, details of SPV/ captive group company proposed to be funded out of Issue proceeds. LM shall verify and disclose total solar power requirement of the new/ proposed plant and whether the investment in Solar power project is

commensurate to past investments and power requirement of the Project/ Koppal manufacturing facility.

108. LM is advised to disclose details of disbursement date and repayment date for all loans proposed to be repaid out of Issue proceeds.

109. LM is advised to disclose detailed list of material approvals required to be obtained for capital expenditure by the subsidiary and proposed SPV for captive solar power plant. LM shall verify the status and undertake to file UDRHP/ RHP only post receipt of material approvals required for initiation of the respective projects.

110. LM is advised to disclose the certificate from the statutory auditor certifying the utilization of loans for the purposes availed at the time of filing DRHP as part of material documents available for public inspection.

111. LM is advised to ensure appointment of monitoring agency before filing UDRHP.

112. LM is advised to disclose operational KPIs of the company in *Basis for Offer Price* section, as deemed appropriate.

113. LM is advised to explain and disclose reasons/ rationale for selection of listed peers disclosed in *Basis for Offer Price* section. Further, explain reasons for non-inclusion of listed peers in similar line of business. LM is advised to disclose additional listed industry peer. (Page 148)

114. LM is advised to disclose KPIs for listed peers for stub period.

115. LM is advised to explain and disclose how issue price per equity share has been determined for Shares issued pursuant to Scheme of Amalgamation and why the same has not been disclosed at other relevant sections of DRHP.

116. It is noted that the Scheme of Amalgamation of A-One Steels India Private Limited, Aaryan Hitech Steels India Private Limited with issuer company became effective with effect from the appointed date, i.e. April 1, 2021, upon submission of the order of the National Company Law Tribunal, Special Bench – Bengaluru with the RoC on November 22, 2023. LM is advised ensure/ confirm / disclose the compliance of relevant provisions relating to SEBI ICDR regarding disclosure of financial statements for last 3 FY.

117. LM is advised to disclose Steel Industry Overview for South India in view of location of company's manufacturing facilities and its customers.

118. LM is advised to disclose Industry Overview specific to products manufactured by the company.

119. LM is advised to delete reference to the statement, *"………the company had a share of 0.27% in overall crude steel production in India and has ~1% share, as per FY24 sales figure of ASIPL, in domestic pipe market"* from *Our Business*

section and disclose only overall ranking and position of the company in Steel industry as a whole.

120. LM is advised to disclose complete details of manufacturing facilities of company in a tabular form, details of installed and utilized capacity of each manufacturing facility, products manufactured at each facility for last 3 FY and stub period.

121. LM is advised to disclose complete details of land and properties owned by company including cost of acquisition, date of acquisition and whether land/ property was originally owned by Company or was acquired pursuant to scheme of amalgmation in Our Business section. (Page 232-233)

122. LM is advised to explain reasons for inclusion of limited industry peers (Industry set 1 and industry set 2) in Industry Overview section. The industry peers set shall be revised appropriately in case there are no suitable reasons for exclusion of companies engaged in similar business.

123. LM is advised to delete company specific information from Industry Overview section and disclose it in Our Business section. LM shall ensure that wherever comparison is made among the company and its peers/ competitors, the same shall be made on same parameters and complete information shall be disclosed for peers/ competitors corresponding to information disclosed for company.

124. LM is advised to verify financial information disclosed in “Rs. Crores” for company and peers. (Page 209-214)

125. LM is advised to disclose company’s positioning on pan India basis rather than South India. (Page 215)

126. LM is advised to disclose cost incurred pursuant to PPAs and captive power plants separately for last 3 FY and stub period. (Page 216, 223)

127. LM is advised to verify and disclose status of completion of 10MW solar power plant at the Koppal facility at all relevant sections of DRHP.

128. LM is advised to disclose cost of acquisition of 85.34 acres of land adjacent to Koppal facility and source of its funding.

129. LM is advised to disclose raw material cost for last 3 FY and stub period. (Page 218)

130. LM is advised to disclose details/ cross-reference to certifications obtained for products in a tabular format. (Page 218)

131. LM is advised to disclose business model of company with respect to various sales channels. Disclose major terms and conditions of agreements with authorized distributors/ direct retail sales channels and location of network of authorized distributors/direct retail sales channels by state/ region/ sub-region for last 3 FY and stub period. (Page 218)

132. LM is advised to disclose details (including names) of top 10 customers and top 10 suppliers in Our Business section. Further, disclose wherever any top 10 customer or supplier is a related party.

133. LM is advised to disclose details of past acquisitions in a tabular format including date of acquisition, cost of acquisition, details of manufacturing facilities acquired in such acquisition, capacity addition, etc. (Page 220)

134. LM is advised to disclose details of nature of advertisement and sales promotion expenses incurred by company for last 3 FY and stub period. (Page 223)

135. LM is advised to disclose data to substantiate the statement, *"These acquisitions have helped us increase our production capacity of sponge iron, MS billet, TMT…………"* (Page 224)

136. LM is advised to verify units of production, etc. disclosed in DRHP.

137. LM is advised to disclose whether valuation reports were obtained for past acquisitions and the same shall be disclosed as part of material documents available for inspection. Further, disclose what is meant by/ terms and conditions of "*Lease cum acquisition*" and "*Lease cum sale*" acquisitions. (Page 228)

138. LM is advised to disclose details of installed and utilized capacity as per each manufacturing facility and product-wise (including intermediate products and final products). (Page 231, 234)

139. LM is advised to disclose cost of imported raw material with suitable bifurcation. The same shall be included in suitable risk factor, if material. (Page 236)

140. LM is advised to disclose details of cost incurred for purchase of shares under each PPA and power cost incurred (as per units consumed) during last 3 FY and stub period for each PPA. (Page 238-243)

141. LM is advised to disclose details of number of customers for each sales channel for last 3 FY and stub period. Further, disclose type of customers for Other Intermediary Sales and Other trading sales. (Page 244)

142. LM is advised to disclose details of all past violations for environment, health and safety laws and regulations. Disclose a suitable risk factor in this regard, if material. (Page 246)

143. LM is advised to disclose details of lease agreement, lease rent, security deposit, whether lease deeds are registered and stamped, any lease agreements entered into with related parties, etc. (Page 248-249)

144. LM is advised to disclose Major events and milestones separately for Issuer company and for companies amalgamated into Issuer company pursuant to scheme. (Page 266)

145. LM is advised to disclose NCLT Order, valuation reports, last audited standalone financial statements of companies amalgamated pursuant to scheme as part of material documents for inspection. LM shall disclose date of filing scheme and approval of scheme by NCLT along with explanation for delayed approval (filed in 2021 and approved in 2024). (Page 268)

146. Page No. 268 - LM is advised to confirm and disclose special rights, if any with respect to shareholders.

147. LM is advised to disclose summary of financial information of all subsidiaries for last 3 FY and stub period. (Page 274-278)

148. LM is advised to disclose details of past work experience of Kamaldeep singh and Jeevika Poddar. (Page 282)

149. LM is advised to disclose details of past work experience of all KMP and SM instead of generic vague statements. (Page 294-295)

150. LM is advised to disclose details of preference shareholders of company and subsidiary and verify whether such preference shares are convertible in nature. (Page 307-308)

151. LM is advised to disclose names of other auditors who have audited financial statements which have been relied on by statutory auditor for the purpose of issuing examination report on restated consolidated financial information. (Page F-3 to F-6)

152. Page No. 346 – With respect to the subsidiary, Vanya Steels Private Limited, LM is advised to disclose credit rating of subsidiary, default by subsidiary, if any, in repayment of loans and whether the credit rating of subsidiary has been downgraded in the past.

153. LM is advised to disclose updated details of aggregate outstanding borrowings of company and its subsidiaries in Financial Indebtedness section. (Page 355)

154. LM is advised to disclose complete details of debentures including names of debenture holders, debenture trustees, and material terms and conditions in *Financial Indebtedness* section.

155. LM is advised to disclose amount involved in outstanding litigations, and updated status of each litigation with specific disclosure that the litigation is pending as on date.

156. LM is advised to disclose in detail, all violations and actions taken by statutory or regulatory authorities against the company/ subsidiaries. (Page 370)

157. LM is advised to disclose updated status of Other material litigations against the company including any action against the company and any action taken by company to ensure compliance required in terms of litigations.

158. LM is advised to ensure that all material litigations that may have a material impact on Company/subsidiaries and their business operations are disclosed suitably in Risk factor related to outstanding litigations.

159. LM is advised to disclose complete details and updated status of Other material litigations against the subsidiaries. LM shall ensure that confirmation is obtained from PCB for resolution of all cases against Vanya Steels (Koppal Plant) wherever non-compliances were noted by PCB and any action was proposed. LM shall verify and confirm before filing RHP whether there are any actions that may impact operations of company and its subsidiaries or have any impact on proposed *Objects of Issue* where IPO proceeds are proposed to be utilized. (Page 372)

160. LM is advised to disclose details of government and other approvals in a tabular format with suitable headings for company and its subsidiaries. Further, disclose details of pending material approvals (applied for but not received) and routine approvals pending for renewal, etc. separately from approvals which are valid as on date.

161. 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 SEBI (ICDR) Regulations, 2018. LM is advised to refrain from making any disclosure in the offer document w.r.t. offer price which are not in line with SEBi (ICDR) Regulations, 2018 such as "The Offer Price will be decided by our Company and the Selling Shareholders, 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.

162. **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.

163. LM shall disclose the details of the pledged shares held by the promoters/promoter group in the Issuer Company / its subsidiaries.

164. 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.

165. 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.

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

167. Ensure that details of the Directors in the section titled "Management" clearly depicts if any director is a nominee. If so, please also disclose the details who have nominated them. Similarly, such details to be disclosed for the KMPs as well. Please 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.

168. LM is advised to verify and disclose if the name of any of the directors, promoter and promoter group persons is appearing in the list of directors of struck-off companies by ROC/ MCA. Also verify and disclose if the name of the promoter group companies and group companies is appearing in the list of struck-off companies by ROC/ MCA.

169. LM 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.

170. 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.

171. 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.

172. 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 RHP along with appropriate risk factors in this regard.

173. 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.

174. 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 in acquisitions or strategic partnership or any inorganic growth initiative, post IPO from the IPO proceeds, detailed disclosures of same shall be made in public domain at that time.
   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.

175. 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.

176. 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.

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

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

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

iv. 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			

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

vi. Matters related to ASBA and UPI may be brought subsequent to Price Band, Risks to Investors, Bid/ Offer Programme and other offer details, and can be of smaller font.

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

179. 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.

180. 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.

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

182. 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		

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 red herring prospectus or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.

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 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 31.(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Issuer Company and the Lead Manger 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.

9. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.

10. **ASBA:**

i) LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.

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

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

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

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

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

ASBA *

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue .No cheque will be accepted

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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