

## **SCHEDULE VI - DISCLOSURES IN THE OFFER DOCUMENT, ABRIDGED PROSPECTUS AND ABRIDGED LETTER OF OFFER**

**[See regulations 17, 24(2)(b), 34(1), 57(1)(f), 70(2), 71(2)(d), 75, 122(2)(ii), 123(2)(d), 131(1), 153(1)(f), 186(3)(d), 218(2), 220(1)], 239, 246(2)(b), 282(1)(f), 287(2), 291]**

### **Part A – Disclosures in offer document/letter of offer**

**[See regulations 17, 24(2)(b), 57(1)(f), 70(2), 122(2)(ii), 153(1)(f), 239, 246(2)(b), 282(1)(f), 287(2), 291]**

All disclosures specified under this Part shall be made in the draft offer document or the draft letter of offer and the offer document or the letter of offer, as applicable.

#### **Instructions:**

- (a) All information shall be relevant and updated. The source and basis of all statements and claims shall be disclosed. Terms such as “market leader”, “leading player”, etc. shall be used only if these can be substantiated by citing a proper source.
- (b) All blank spaces in the draft offer document shall be filled up with appropriate data before registering the offer document, as applicable, with the Registrar of Companies or filing the same with the recognised stock exchanges.
- (c) Simple English shall be used to enable easy understanding of the contents. Technical terms, if any, used in explaining the business of the issuer shall be clarified in simple terms.
- (d) Wherever it is mentioned that details are given elsewhere in the document, the same shall be adequately cross-referenced by indicating the paragraph heading and page number.
- (e) There shall be no forward-looking statements that cannot be substantiated.
- (f) Consistency shall be ensured in the style of disclosures. If first person is used, the same may be used throughout. Sentences that contain a combination of first and third persons may be avoided.
- (g) For currency of presentation, only one standard financial unit shall be used.

#### **Applicability**

An issuer making a public issue or a rights issue of specified securities shall make disclosures specified in this Schedule.

Provided that:

- (a) an issuer making a fast track issue may not make the disclosures specified in Part B of this Schedule.
- (b) an issuer making a further public offer of specified securities may not make the disclosures specified in Part C of this Schedule if it satisfies the conditions specified in paragraph 2 of that Part.
- (c) an issuer making a rights issue may only make the disclosures specified in Part B of this Schedule if it satisfies the conditions specified in paragraph 1 of such Part.

- (1) **Cover pages:** The cover pages shall be of adequate thickness (minimum hundred GSM quality) and shall be white in colour with no patterns.

#### **(a) Front cover pages:**

- (1) Front inside cover page shall be kept blank.
- (2) Front outside cover page shall contain only the following issue details:
  - a) The type of the offer document (“Draft Red Herring Prospectus”/“Draft Letter of Offer”, “Red Herring Prospectus”, “Shelf Prospectus”, “Prospectus”, “Letter of Offer”, as applicable).
  - b) Date of the draft offer document or offer document.

- c) Type of issuance (“book built” or “fixed price”).
- d) In case of a public issue, the following clause shall be incorporated in a prominent manner, below the title of the offer document:  
“Please read Section 32 of the Companies Act, 2013”
- e) Name of the issuer, its logo, date and place of its incorporation, corporate identity number, address of its registered and corporate offices, telephone number, contact person, website address and e-mail address (where there has been any change in the address of the registered office or the name of the issuer, reference to the page of the offer document where details thereof are given).
- f) Names of the promoter(s) of the issuer.
- g) Nature, number and price of specified securities offered and issue size, as may be applicable, including any offer for sale by promoters or members of the promoter group or other shareholders.
- h) Aggregate amount proposed to be raised through all the stages of offers made through a shelf prospectus.
- i) In the case of the first issue of the issuer, the following clause on ‘Risks in relation to the First Issue’ shall be incorporated in a box format:  
"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is (-----). The issue price/floor price/price band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the issuer nor regarding the price at which the equity shares will be traded after listing."
- j) The following clause on ‘General Risk’ shall be incorporated in a box format:  
"Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘Risk factors’ given on page number ..... under the section ‘General Risks’."
- k) The following clause on ‘Issuer’s Absolute Responsibility’ shall be incorporated in a box format:  
"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The selling shareholders accept responsibility for and confirm the statements made by them in this offer document to the extent of information specifically pertaining to them and their respective portion of the offered shares and assume responsibility

that such statements are true and correct in all material respects and not misleading in any material respect"

- l) Names, logos and addresses of all the lead manager(s) with their titles who have signed the due diligence certificate and filed the offer document with the Board, along with their telephone numbers, website addresses and e-mail addresses. (Where any of the lead manager(s) is an associate of the issuer, it shall disclose itself as an associate of the issuer and that its role is limited to marketing of the issue.)
- m) Name, logo and address of the registrar to the issue, along with its telephone number, website address and e-mail address.
- n) Issue schedule:
  - (i) Anchor bid period, if any
  - (ii) Date of opening of the issue
  - (iii) Date of closing of the issue
  - (iv) Date of earliest closing of the issue, if any
- o) Credit rating, if applicable.
- p) IPO grading, if any
- q) Name(s) of the stock exchanges where the specified securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).

- (b) **Back cover pages:** The back inside cover page and back outside cover page shall be kept blank.

- (2) **Table of Contents:** The table of contents shall appear immediately after the front inside cover page.

(3) **Definitions and abbreviations:**

- (A) Conventional or general terms
- (B) Issue related terms
- (C) Issuer and industry related terms
- (D) Abbreviations

- (4) **Offer Document summary:** This section shall contain summary of the following information, as applicable:

- (A) Primary business of the Issuer and the industry in which it operates, in not more than 100 words each;
- (B) Names of the promoters;
- (C) Size of the issue disclosing separately size of the fresh issue and offer for sale;
- (D) Objects of the issue in a tabular format;
- (E) Aggregate pre-issue shareholding of the promoter and promoter group, selling shareholder(s) as a percentage of the paid-up share capital of the issuer;
- (F) Following details as per the restated consolidated financial statements for past 3 years and stub period in tabular format:
  - a. Share capital;
  - b. Net Worth;
  - c. Revenue;
  - d. Profit after tax;
  - e. Earnings per share;
  - f. Net Asset Value per equity share; and

g. Total borrowings (as per balance sheet).

- (G) Auditor qualifications which have not been given effect to in the restated financial statements.
- (H) Summary table of outstanding litigations and a cross-reference to the section titled '*Outstanding Litigations and Material Developments*'.
- (I) Cross-reference to the section titled '*Risk Factors*'.
- (J) Summary table of contingent liabilities and a cross-reference to contingent liabilities of the issuer as disclosed in restated financial statements.
- (K) Summary of related party transactions for last 3 years and cross-reference to related party transactions as disclosed in restated financial statements.
- (L) Details of all financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the draft offer document/offer document.
- (M) Weighted average price at which specified security was acquired by each of the promoters and selling shareholders in the last one year.
- (N) Average cost of acquisition of shares for promoter and selling shareholders.
- (O) Size of the pre-IPO placement and allottees, upon completion of the placement
- (P) Any issuances of equity shares made in the last one year for consideration other than cash.
- (Q) Any split/consolidation of equity shares in the last one year.

(5) **Risk factors:**

- (A) Risk factors shall be printed in a clear readable font (preferably of minimum point ten size).
- (B) Risk factors shall be classified as those which are specific to the project and internal to the issuer and those which are external and beyond the control of the issuer.
- (C) Risk factors shall be determined on the basis of their materiality. In doing so, the following shall be considered:
  - (1) Some risks may not be material individually but may be material when considered collectively.
  - (2) Some risks may have an impact which is qualitative though not quantitative.
  - (3) Some risks may not be material at present but may have a material impact in the future.
- (D) Each risk factor shall appear in the following manner:
  - (1) The risk as envisaged by the issuer.
  - (2) Proposals, if any, to address the risk.
- (E) Proposals to address the risks shall not contain any speculative statement on the positive outcome of any matter or litigation, etc. and shall not be given for any matter that is sub-judice before any court/tribunal.
- (F) Risk factors shall be disclosed in the descending order of materiality. Wherever risks about material impact are stated, likely or potential implications, including financial implication, wherever quantifiable shall be disclosed. If it cannot be quantified, a distinct statement about the fact that the implications cannot be quantified shall be made.
- (G) Risk factors covering the following subjects, shall necessarily be disclosed wherever applicable:
  - (1) Material statutory clearances and approval that are yet to be received by the issuer;
  - (2) Seasonality of the business of the issuer;

- (3) Any issue of the specified securities by the issuer within the last twelve months at a price lower than the issue price (other than bonus issues);
- (4) Where an object of the issue is to finance acquisitions and the acquisition targets have not been identified, details of interim use of funds and the probable date of completing the acquisitions;
- (5) Risk associated with orders not having been placed for plant and machinery in relation to the objects of the issue, indicating the percentage and value terms of the plant and machinery for which orders are yet to be placed
- (6) Lack of significant experience of the issuer or its promoters in the industry segment for which the issue is being made;
- (7) If the issuer has incurred losses in the last three financial years;
- (8) Dependence of the issuer or any of its business segments upon a single customer or a few customers, the loss of any one or more may have a material adverse effect on the issuer.
- (9) Refusal of listing of any securities of the issuer or any of its subsidiaries or group companies during last ten years by any of the stock exchanges in India or abroad.
- (10) Failure of the issuer or any of its subsidiary or group companies to meet the listing requirements of any stock exchange in India or abroad and the details of penalty, if any, including suspension of trading, imposed by such stock exchanges.
- (11) Limited or sporadic trading of any specified securities of the issuer on the stock exchanges.
- (12) In case of outstanding debt instruments, any default in compliance with the material covenants such as ~~in~~ creation of full security as per terms of issue, default in payment of interest, default in redemption, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable, non-availability or non-maintenance of asset cover, interest cover, debt-service cover, etc.
- (13) Unsecured loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.
- (14) Default in repayment of deposits or payment of interest thereon by the issuer and subsidiaries, and the roll over of liability, if any.
- (15) Potential conflict of interest of the promoters or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.
- (16) Shortfall in performance vis-à-vis the objects stated in any of the issues made by the listed issuer or listed subsidiaries in the last ten years, as disclosed under the heading "Performance vis-à-vis Objects" in the section "Other Regulatory and Statutory Disclosures", quantifying such shortfalls or delays.
- (17) Shortfall in performance vis-à-vis the objects stated in the issues made by any of its listed subsidiaries or listed promoter(s) in the previous five years, as disclosed under the heading "Performance vis-à-vis Objects" in the section "Other Regulatory and Statutory Disclosures", quantifying such shortfalls or delays.
- (18) Interests of the promoters, directors or key management personnel of the issuer, other than reimbursement of expenses incurred or normal remuneration or benefits.
- (19) Any portion of the issue proceeds that is proposed to be paid by the issuer to the promoter, directors or key managerial personnel of the issuer.
- (20) Relationship of the promoter or directors of the issuer with the entities from whom the issuer has acquired or proposes to acquire land in the last 5 years, along with the relevant details.
- (21) Excessive dependence on any key managerial personnel for the project for which the issue is being made.

- (22) Any material investment in debt instruments by the issuer which are unsecured.
- (23) Non-provision for decline in the value of investments.
- (24) Summary of all outstanding litigations and other matters disclosed in the section titled 'Outstanding Litigations and Material Developments' in a tabular format along with amount involved, where quantifiable. Issuer shall also separately highlight any criminal, regulatory or taxation matters which may have any material adverse effect on the issuer.
- (25) The delay, if any, in the schedule of the implementation of the project for which the funds are being raised in the public issue.
- (26) If monitoring agency is not required to be appointed as per these Regulations, the statement that deployment of the issue proceeds is entirely at the discretion of the issuer.
- (27) Negative cash flow from operating activities in the last three financial years.
- (28) If the land proposed to be acquired from proceeds of the issue is not registered in the name of the issuer.
- (29) Any restrictive covenants as regards the interests of the equity shareholders in any shareholders' agreement, promoters' agreement or any other agreement for short term (secured and unsecured) and long term borrowings.
- (30) Existence of a large number of pending investor grievances against the issuer, listed subsidiaries and top 5 listed group companies by market capitalisation.
- (31) In case of issue of secured convertible debt instruments, risks associated with second or residual charge or subordinated obligation created on the asset cover.

**(6) Introduction:**

- (A) Issue details in brief.
- (B) Summary of consolidated financial information.

**(7) General information:**

- (A) Name and address of the registered and corporate offices, the registration number of the issuer, and the address of the Registrar of Companies where the issuer is registered.
- (B) Name, designation, address and DIN of each member of the board of directors of the issuer
- (C) Names, addresses, telephone numbers and e-mail addresses of the Company Secretary, legal advisor and bankers to the issuer.
- (D) Name, address, telephone number and e-mail address of the compliance officer.
- (E) Names, addresses, telephone numbers, contact person, website addresses and e-mail addresses of the lead manager(s), registrars to the issue, bankers to the issue, brokers to the issue and syndicate member(s); URL of SEBI website listing out the details of self certified syndicate banks, registrar to the issue and share transfer agents, depository participants, etc.
- (F) Names, addresses, telephone numbers peer review number, firm registration number and e-mail addresses of the auditors of the issuer.
- (G) Statement of inter-se allocation of responsibilities among lead manager(s).
- (H) Following details of credit rating in case of a public issue of convertible debt instruments:
  - (a) The names of all the credit rating agencies from which credit rating including unaccepted rating has been obtained for the issue of convertible debt instruments.
  - (b) Details of all credit ratings, including unaccepted ratings, obtained for the public issue of convertible debt instruments.

- (c) All credit ratings obtained during the preceding three years prior to the filing the draft offer document/offer document for any of the issuer's listed convertible debt instruments at the time of accessing the market through a convertible debt instrument.
- (I) Following details of IPO grading, if obtained:
  - (a) Names of all credit rating agencies from which IPO grading has been obtained.
  - (b) Details of all grades obtained from such credit rating agencies.
  - (c) Rationale or description of the grading(s), as furnished by the credit rating agencies.
- (J) Name, address, telephone number, website address and e-mail address of the debenture trustee, in case of a public issue of convertible debt instruments.
- (K) Name, address, telephone number and e-mail address of the monitoring agency, if appointed, and disclosure as to whether such appointment is pursuant to these regulations.
- (L) Name, address, telephone number and e-mail address of the appraising entity in case the project has been appraised.
- (M) Filing the draft offer document/draft letter of offer/offer document:
  - (a) Under this head, the office of the Board where the draft offer document/draft letter of offer/offer document has been filed.
  - (b) Address of the Registrar of Companies, where copy of the offer document, having attached thereto the material contracts and documents referred to elsewhere in the offer document, has been filed.
- (N) Where the issue is being made through the book building process, the brief explanation of the book building process.
- (O) Details of underwriting:
  - (a) Names, addresses, telephone numbers, and e-mail addresses of the underwriters and the amount underwritten by each of them.
  - (b) Declaration by the board of directors of the issuer that the underwriters have sufficient resources to discharge their respective obligations
  - (c) In case of partial underwriting of the issue, the extent of such underwriting.
  - (d) Details of the final underwriting arrangement indicating actual number of specified securities underwritten, to be provided in the prospectus before it is registered with the Registrar of Companies.
- (P) Changes in the auditors during the last three years along with name, address, email address, peer review number and firm registration number of auditors and reasons thereof.
- (Q) Green Shoe Option, if applicable:
  - (a) Name of the stabilising agent.
  - (b) Maximum number of equity shares in number and as a percentage of the proposed issue size, proposed to be over-allotted by the issuer.
  - (c) Maximum period for which the issuer proposes to avail of the stabilisation mechanism;
  - (d) the stabilising agent shall disclose if it proposes to close the stabilisation mechanism prior to the maximum period.
  - (e) Maximum increase in the equity share capital of the issuer and the post-issue shareholding pattern, in case the issuer is required to allot further equity shares to the extent of over-allotment in the issue.
  - (f) Maximum amount of funds to be received by the issuer in case of further allotment and the use of these additional funds.
  - (g) Details of the agreement or arrangement entered into by the stabilising agent with the promoters or shareholders to borrow equity shares from the latter. The details shall, inter-alia, include the name of the promoters or shareholders, their existing shareholding in the issuer, the number and percentage of equity shares to be lent by

them and other important terms and conditions including rights and obligations of each party.

- (h) Exact number of equity shares to be allotted/transferred pursuant to the public issue, stating separately the number of equity shares to be borrowed from the promoters or shareholders and over-allotted by the stabilising agent and the percentage of such equity shares in relation to the total issue size.

**(8) Capital structure:**

(A) The capital structure in the following order in a tabular form:

- (a) Authorised, issued, subscribed and paid-up capital (number of securities, description and aggregate nominal value).
- (b) Size of the present issue, giving separately the promoters' contribution, if any, reservation for specified categories, if any, and net offer (number of securities, description, aggregate nominal value and issue amount (to be disclosed in that order) and applicable percentages in case of a book built issue.
- (c) Paid-up capital:
  - (i) After the issue.
  - (ii) After conversion of convertible instruments (if applicable).
- (d) Share premium account (before and after the issue).

(B) The following tables/notes shall be included after the table of the capital structure:

- (a) Details of the existing share capital of the issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the name of allottee, nature of allotment, the number of shares allotted, the face value of the shares, the issue price and the form of consideration.
- (b) Where shares have been issued for consideration other than cash or out of revaluation reserves at any point of time, details in a separate table, indicating the date of issue, date of revaluation of assets, persons to whom issued, price, reasons for the issue and whether any benefits have accrued to the issuer out of the issue.
- (c) If shares have been allotted in terms of any scheme of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013, as applicable, the details of such shares allotted, along with the page numbers where details of such scheme is given.
- (d) Where the issuer has issued equity shares under one or more employee stock option schemes, particulars of equity shares issued under the employee stock option schemes may be aggregated quarter-wise, indicating the aggregate number of equity shares issued and the price range within which equity shares have been issued in each quarter.
- (e) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding one year, specific details of the names of the persons to whom such specified securities have been issued, whether they are part of the promoter group, reasons for such issue and the price.
- (f) Shareholding pattern of the issuer in the format as prescribed under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:
  - (i) Following details regarding major shareholders: Names of the shareholders of the issuer holding 1% or more of the paid-up capital of the issuer as on the date of filing of the draft offer document/ or end of last week from the date of draft letter of offer and the offer document, as the case may be. Provided that details of shareholding aggregating at least 80% of capital of company shall be disclosed.
  - (ii) Number of equity shares held by the shareholders specified in clause (i) including number of equity shares which they would be entitled to upon



- exercise of warrant, option or right to convert a debenture, loan or other instrument.
- (iii) Particulars specified in items (i) and (ii) as on a date two years prior to the date of filing of the draft offer document/ draft letter of offer and the offer document, as the case may be.
  - (iv) Particulars specified in items (i) and (ii) as on a date one year prior to the date of filing of the draft offer document/ draft letter of offer and the offer document, as the case may be.
  - (v) The particulars specified in items (i) and (ii) as on a date ten days prior to the date of date of filing of the draft offer document/ draft letter of offer and the offer document, as the case may be.
  - (vi) If the issuer has made an initial public offer of specified securities in the preceding two years, the particulars specified in items (i), (ii), (iii) and (iv) shall be disclosed to indicate separately the names of the persons who acquired equity shares by subscription to the public issue and those who acquired the equity shares by allotment on a firm basis or through private placement.
- (g) Proposal or intention, negotiations and consideration of the issuer to alter the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public offer of specified securities, within a period of six months from the date of opening of the issue.
  - (h) Total shareholding of each of the promoters in a tabular form, with the name of the promoter, nature of issue, date of allotment/transfer, number of shares, face value, issue price/ consideration, date when the shares were made fully paid-up, percentage of the total pre and post-issue capital, if any and the number and percentage of pledged shares, if any, held by each promoter.
  - (i) The number of members/shareholders of the issuer.
  - (j) Details of:
    - (i) the aggregate shareholding of the promoter group and of the directors of the promoters, where the promoter is a body corporate.
    - (ii) the aggregate number of specified securities purchased or sold by the promoter group and/or by the directors of the company which is a promoter of the issuer and/or by the directors of the issuer and their relatives in the preceding six months.
    - (iii) all financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of filing of the draft offer document/offer document.
    - (iv) In case it is not possible to obtain information regarding sales and purchases of specified securities by any relatives of the promoter, details on the basis of the transfers as recorded in the books of the issuer and/or the depository, as applicable and a statement to such effect.
  - (k) Promoters' contribution:
    - (i) Details of promoters' contribution and lock-in period in a tabular form, separately in respect of each promoter by name, with the date of allotment of specified securities, the date when fully paid-up, the nature of allotment (rights, bonus, preferential etc.), the number, face value and issue price, the percentage of promoters' contribution to total issued capital and the date up to which the specified securities are subject to lock-in.

- (ii) In the case of an initial public offer, details of all individual allotments from the date of incorporation of the issuer and in case of a further public offer by a listed issuer, such details for the preceding five years.
- (iii) In case of further public offers or rights issues, shares acquired by the promoters through a public issue, rights issue, preferential issue, bonus issue, conversion of depository receipts or under any employee stock option scheme or employee stock purchase scheme to be shown separately from the shares acquired in the secondary market and its aggregate cost of shares acquired in the secondary market, if available.
- (iv) Details of compliance with applicable provisions of these regulations with respect to promoters' contribution and lock-in requirements.
- (v) If the issuer is exempt from the requirements of promoters' contribution, the relevant provisions under which it is so exempt.
- (vi) A statement that the promoter undertakes to accept full conversion, if the promoters' contribution is in terms of the same optionally convertible debt instrument as is being offered to the public.
- (l) A statement that the issuer, its directors or the lead manager(s) have not entered into any buy-back arrangements for purchase of the specified securities of the issuer.
- (m) A statement that all securities offered through the issue shall be made fully paid-up, if applicable, or may be forfeited for non-payment of calls within twelve months from the date of allotment of securities.
- (n) Details of shareholding, if any, of the lead manager(s) and their associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) in the issuer.
- (o) Details of options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of issuer, in the preceding three years (separately for each year) and on a cumulative basis for all options or equity shares issued prior to the date of the offer document.
- (p) The following details in cases where options granted to employees in pursuance of any employee stock option scheme existing prior to the initial public offer, are outstanding at the time of the initial public offer:
  - (i) options granted;
  - (ii) options vested;
  - (iii) options exercised;
  - (iv) the exercise price;
  - (v) the total number of shares arising as a result of exercise of option;
  - (vi) options lapsed;
  - (vii) variation of terms of options;
  - (viii) money realised by exercise of options;
  - (ix) total number of options in force;
  - (x) employee-wise details of options granted to:
    - key managerial personnel;
    - any other employee who receives a grant in any one year of options amounting to five per cent. or more of options granted during that year;
    - identified employees who were granted options, during any one year, equal to or exceeding one per cent. of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant;
  - (xi) diluted Earnings Per Share pursuant to the issue of equity shares on exercise of options calculated in accordance with applicable accounting standard on 'Earnings Per Share'.

- (xii) where the issuer has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on the Earnings Per Share of the issuer.
- (xiii) description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option.
- (xiv) impact on the profits and on the Earnings Per Share of the last three years if the issuer had followed the accounting policies specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options granted in the last three years.
- (xv) intention of the key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of an employee stock option scheme, this information same shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer.
- (xvi) specific disclosures about the intention to sell equity shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions), which inter-alia shall include name, designation and quantum of the equity shares issued under an employee stock option scheme or employee stock purchase scheme and the quantum they intend to sell within three months.
- (xvii) details of the number of shares issued in employee share purchase scheme, the price at which such shares are issued, employee-wise details of the shares issued to
  - key managerial personnel;
  - any other employee who is issued shares in any one year amounting to 5 per cent. or more shares issued during that year;
  - identified employees who were issued shares during any one year equal to or exceeding 1 per cent. of the issued capital of the company at the time of issuance;
- (xviii) diluted Earnings Per Share (EPS) pursuant to issuance of shares under employee share purchase scheme; and consideration received against the issuance of shares.
- (q) In case of a further public offer by a listed issuer, which has earlier (after being a listed issuer) made any preferential allotment or bonus issue or qualified institutions placement of specified securities in the ten years preceding the date of the draft offer document/offer document, a confirmation that the relevant provisions of the regulations have been complied with.

**(9) Particulars of the issue:**

**(A) Objects of the issue:**

- (1) Objects of the issue.
- (2) If one of the objects of the issue is loan repayment:
  - (a) details of loan proposed to be repaid such as name of the lender, brief terms and conditions and amount outstanding;
  - (b) certificate from the statutory auditor certifying the utilization of loan for the purposed availed.
- (3) If one of the objects is investment in a joint venture or a subsidiary or an acquisition, following additional disclosures:
  - (a) details of the form of investment, i.e., equity, debt or any other instrument;
  - (b) If the form of investment has not been decided, a statement to that effect;
  - (c) If the investment is in debt instruments, complete details regarding rate of interest, nature of security, terms of repayment, subordination, etc.;
  - (d) Nature of benefit expected to accrue to the issuer as a result of the investment
- (4) If one of the objects of the issue is to grant a loan to an entity other than a subsidiary, details of the loan agreements, including the rate of interest, whether secured or unsecured, duration, nature of security, terms of repayment, subordination etc. and the nature of benefit expected to accrue to the issuer as a result of the investment. If such a loan is to be granted to any of the group companies, details of the same.
- (5) If one of the objects of the issue is utilisation of the issue proceeds for long term working capital, the following additional disclosures on a standalone basis:
  - (a) Basis of estimation of working capital requirement along with the relevant assumptions.
  - (b) Reasons for raising additional working capital substantiating the same with relevant facts and figures.
  - (c) Details of the projected working capital requirement, including detailed assessment of working capital after implementation of the project or achievement of objects of the issue, as the case may be, capacity utilisation assumptions, break up of expected current assets into raw materials, finished goods, work in progress, sundry debtors etc., with assumption about the holding norms for each type of current asset, total current liabilities, net current assets and envisaged sources of finance for net current assets, i.e., bank finance, institutional finance, own funds, etc.
  - (d) Total envisaged working capital requirement in a tabular form, the margin money thereof and the portion to be financed by any bank(s) or otherwise.
  - (e) Details of the existing working capital available to the issuer with a break up for total current assets into raw materials, finished goods, work in progress, sundry debtors, etc., total current liabilities, net current assets and sources of finance for net current assets i.e. bank finance, institutional finance, own funds etc.
  - (f) If no working capital is shown as a part of project for which the issue is being made, the reasons for the same.
- (6) **Land:**
  - (a) Names of the entities from whom land has been acquired/ proposed to be acquired along with the cost of acquisition, and the relationship, if any, of such entities to any promoter or director of the issuer, in case the proceeds of the issue are being utilised for acquisition of land.
  - (b) Details of whether the land acquired by the issuer is free from all encumbrances and has a clear title and whether it is registered in the name of the issuer.

- (c) Details of whether the issuer has applied/ received all the approvals pertaining to land. If no such approvals are required to be taken by the issuer, then this fact may be indicated by way of an affirmative statement.
- (d) Figures appearing under this section shall be consistent with the figures appearing under the section "Cost of the Project".

(7) **Project:**

If one of the objects of the issue is to fund a project, details of:

- (a) location of the project;
- (b) plant and machinery, technology, process, etc.;
  - i) Details shall be given in a tabular form, which shall include the details of the machines required to be bought by the issuer, cost of the machines, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
  - ii) In case machines are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned.
  - iii) The percentage and value terms of the plant and machinery for which orders are yet to be placed shall be stated.
- (c) The details of the second hand machinery bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc. shall also be given. collaboration, performance guarantee if any, or assistance in marketing by the collaborators. The following information regarding persons or entities with whom technical and financial agreements have been entered into shall be given:
  - i) place of registration and year of incorporation.
  - ii) paid up share capital.
  - iii) turnover of the last financial year of operation.
  - iv) general information regarding such persons relevant to the issuer.
- (d) infrastructure facilities for raw materials and utilities like water, electricity, etc.

(8) **Property:**

If one of the object of the issue is to purchase any property, where arrangements have been made, details of:

- (a) names address, descriptions and occupations of the vendors;
- (b) the amount paid or payable in cash, shares or debentures to the vendor and, where there is more than one separate vendor, or the issuer is a sub purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;
- (c) nature of the title or interest in such property acquired or to be acquired by the issuer;
- (d) short particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property to the issuer or any person who is, or was at the time of the transaction, a promoter, or a director or proposed director of the issuer had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction.
- (e) The property to which sub-clause (a) applies is a property purchased or acquired by the issuer or proposed to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue or the purchase or acquisition of which has not been completed as of the date of the draft offer document or offer document, as the case may be.

(9) **Plant/ Equipment/ Technology/ Process:**

If one of the objects of the issue is to purchase any plant, machinery, technology, process, etc.

- (i) Details in a tabular form, which shall include the details of the equipment required to be bought by the issuer, cost of the equipment, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
  - (ii) In case the order for the equipment is yet to be placed, the date of quotations relied upon for the cost estimates given.
  - (iii) The percentage and value terms of the equipment for which orders are yet to be placed.
  - (iv) The details of the second hand equipment bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc.
- (10) In case of a public issue of secured convertible debt instruments, description of the assets on which the security shall be created/asset cover, if required, shall be created, the basis for computation of the security cover, the valuation methods, the periodicity of such valuation and the ranking of the charge(s).
- (11) If warrants are issued, the objects for which the funds from conversions of warrants are proposed to be used.

**(B) Requirement of funds:**

- (1) Where the issuer proposes to undertake more than one activity or project, such as diversification, modernisation, expansion, etc., the total project cost activity-wise or project wise, as the case may be.
- (2) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented, shall be separately given.
- (3) Details of all material existing or anticipated transactions in relation to utilisation of the issue proceeds or project cost with promoters, promoter group, directors, key managerial personnel, and group companies. The relevant documents shall be included in the list of material documents for inspection.

**(C) Funding plan (means of finance):**

- (1) An undertaking by the issuer confirming that firm arrangements of finance have been made through verifiable means towards seventy five per cent. of the stated means of finance for the project proposed to be funded from issue proceeds, excluding the amount to be raised through proposed issue and existing identifiable internal accruals.
- (2) Balance portion of the means of finance for which no firm arrangement has been made without specification.
- (3) Details of funds tied up and the avenues for deployment of excess proceeds, if any.

**(D) Appraisal:**

- (1) Scope and purpose of the appraisal, if any, along with the date of appraisal.
- (2) Cost of the project and means of finance shall be as per the appraisal report.
- (3) Explanation of revision, if any, in the project cost and the means of finance after the date of issue of the appraisal report.
- (4) Weaknesses and threats, if any, given in the appraisal report, by way of risk factors.
- (5) Disclaimer clauses of the appraisal report, as applicable.

**(E) Schedule of implementation:** Schedule of implementation of the project in a tabular form and the progress made so far, giving details of land acquisition, civil works, installation of

plant and machinery, trial production, date of commercial production and reasons for delay, if any.

**(F) Deployment of Funds:**

- (1) Details of the sources of funds and the deployment of these funds on the project (where the issuer is raising capital for a project), up to a date not earlier than two months from the date of filing of the offer document, as certified by a statutory auditor of the issuer and the date of the certificate.
- (2) Where the promoters' contribution has been brought prior to the public issue, which is utilised towards means of finance for the stated objects and has already been deployed by the issuer, a cash flow statement from the statutory auditor, disclosing the use of such funds received as promoters' contribution.

**(G) Sources of Financing of Funds Already Deployed:** Means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue.

**(H) Deployment of Balance Funds:** Year-wise break-up of the expenditure proposed to be incurred on the project.

**(I) Interim Use of Funds:** A statement that net issue proceeds pending utilization (for the stated objects) shall be deposited only in the scheduled commercial banks.

**(J) Expenses of the Issue:** Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size):

- (1) Lead manager(s) fees including underwriting commission
- (2) Brokerage, selling commission and upload fees
- (3) Registrars to the issue
- (4) Legal Advisors
- (5) Advertising and marketing expenses
- (6) Regulators including stock exchanges
- (7) Printing and distribution of issue stationary
- (8) Others, if any (to be specified).

**(K) Basis for Issue Price:**

- (1) The basis for issue price, floor price or price band, as the case may be, on a consolidated basis, after giving effect to any bonus or split of shares undertaken after the last balance sheet date:
  - (a) Earnings Per Share and Diluted Earnings Per Share, pre-issue, for the last three years (as adjusted for changes in capital).
  - (b) Price to Earnings ratio pre-issue.
  - (c) Average Return on Net Worth in the last three years.
  - (d) Net Asset Value per share based on the last balance sheet.
  - (e) Net Asset Value per share after the issue and comparison thereof with the issue price.
  - (f) An illustrative format of disclosure in respect of the basis for issue price is given hereunder:

(1)	<b>Adjusted Earnings Per Share (EPS) and Adjusted Diluted EPS</b>	
	(a) Financial Year 1	` 0.41

	(b) Financial Year 2	` 8.39
	(c) Financial Year 3	` 13.82
	(d) Weighted Average	` 10.94
(2)	<b>Price to Earnings Ratio (P/E) in relation to Issue Price</b>	
	(a) Based on Financial Year 3 EPS	37.63
	(b) Industry P/E	
	(i) Highest	61.2
	(ii) Lowest	0.8
	(iii) Average	25.3
	(*Indicate relevant source)	
(3)	<b>Return on Net Worth</b>	
	(a) Financial Year 1	27.36 per cent.
	(b) Financial Year 2	28.77 per cent.
	(c) Financial Year 3	33.45 per cent.
	(d) Weighted Average	30.88 per cent.
(4)	<b>Net Asset Value</b>	
	(a) As at last day of Financial Year 3	` 46.40
	(b) After issue	` 94.29
	(c) Issue price	` 520.00

\* Formula or basis for calculation of these financial ratios to also be disclosed.

- (g) Comparison of accounting ratios of the issuer as mentioned in items (a) to (f) above with the industry average and with the accounting ratios of the peer group (i.e. companies of comparable size in the same industry), indicating the source from which industry average and accounting ratios of the peer group has been taken. In this regard, the following shall be ensured:

- Consistency in comparison of financial ratios of issuer with companies in the peer group, i.e., ratios on consolidated basis (wherever applicable) of issuer shall be compared with ratios on consolidated basis (wherever applicable) of peer group, respectively.

Financial information relating to companies in the peer group shall be extracted from the regulatory filings made by such companies to compute the corresponding financial ratios.

- (h) The fact of dilution of financial ratios consequent upon issue of bonus shares, if any, and justification of the issue price after taking into account the diluted ratios with reference to the expanded capital.
- (i) The following statement in case of a book built issue :  
"The price band/floor price/issue price has been determined by the issuer in consultation with the lead manager(s), on the basis of book-building."
- (j) The following statement In case of a fixed price issue :  
"The issue price has been determined by the issuer in consultation with the lead manager(s) and justified by the issuer in consultation with the lead manager(s) on the basis of the above information."
- (k) Accounting ratios in support of basis of the issue price shall be calculated after giving effect to the consequent increase in capital on account of



compulsory conversions outstanding, as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.

- (2) Issue of debt instruments bearing interest less than the bank rate: Whenever fully convertible debt instruments are issued bearing interest at a rate less than the bank rate, disclosures about the price that would work out to the investor, taking into account the notional interest loss on the investment from the date of allotment of fully convertible debt instruments to the date(s) of conversions).

- (L) **Tax Benefits:** Any special tax benefits (under direct and indirect tax laws) for the issuer and its shareholders and its material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(10) **About the Issuer:**

(A) **Industry Overview**

(B) **Business Overview**

(1) **Details of the business of the issuer:**

- (a) Primary business of the Issuer;
- (b) Plant, machinery, technology, process, etc.
- (c) Description of subsisting collaborations,, any performance guarantee or assistance in marketing by the collaborators, infrastructure facilities for raw materials and utilities like water, electricity, etc.
- (d) Products or services of the issuer:
  - (i) Nature of the product(s)/services, and the end users.
  - (ii) Approach to marketing of products and services

- (2) **Business Strategy:** Description of the business strategy of the issuer, without any forecast of projections relating to the financial performance of the issuer

- (3) **Capacity and Capacity Utilisation:** A table shall be incorporated giving the existing installed capacities for each product, capacity utilisation for such products in the previous three years.

(4) **Intellectual Property Rights:**

- (a) If the issuer is entitled to certain intellectual property rights such as trademarks, brand names, etc. whether the same are legally held by the issuer and whether all formalities in this regard have been complied with.
- (b) In case any of the material intellectual property rights are not registered in the name of the issuer, the name of the entity with which these are registered.
- (c) In case the intellectual property rights are registered in the name of an entity in which the promoters are interested, the salient features of the agreement entered into for the use of the intellectual property rights by the issuer.

- (5) **Property:** Details of its material properties

(C) **Key Industry-Regulations (if applicable):**

(D) **History and Corporate Structure of the issuer:**

- (1) History including the following details:
  - (a) Details of the issuer such as the date of incorporation, date of commencement of business, date of conversion of partnership into limited

company or private limited company to public limited company, as applicable, dates on which names have been changed, if applicable, reasons for change of name, changes in registered offices of the issuer and reasons thereof.

- (b) Details of the major events in the history of the issuer, such as:
    - (i) Significant financial or strategic partnerships
    - (ii) Time/cost overrun in setting up projects
    - (iii) Capacity/facility creation, location of plants
    - (iv) launch of key products or services, entry in new geographies or exit from existing markets
    - (v) Key awards, accreditations or recognition
    - (vi) Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks
  - (c) Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets etc., if any, in the last ten years.
- (2) Main objects as set out in the Memorandum of Association of the issuer and dates on which the Memorandum of Association of the issuer has been amended citing the details of such amendments in the last ten years
- (3) Details regarding holding company, subsidiary/subsidiaries and joint venture(s), if applicable, of the issuer including:
- (a) Name of the holding company/subsidiary/joint venture;
  - (b) nature of business;
  - (c) capital structure;
  - (d) shareholding of the issuer;
  - (e) amount of accumulated profits or losses of the subsidiary(ies) not accounted for by the issuer.

**(E) Shareholders' agreements and other agreements:**

- (a) Key terms of all subsisting shareholders' agreements, if any (to be provided even if the issuer is not a party to such an agreement, but is aware of such an agreement).
- (b) Any agreement entered into by a key managerial personnel or director or promoter or any other employee of the issuer, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the issuer.
- (c) Guarantees, if any, given to third parties by the promoter offering its shares in the proposed offer for sale, stating reasons, amount, obligations on the issuer, period of guarantee, financial implications in case of default, security available, consideration etc.
- (d) Key terms, dates, parties to and general nature of any other subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the issuer.
- (e) All such shareholders' agreements and other agreements shall be included in the list of material contracts as required under sub-item (1) of Item (17).

**(F) Management:**

**(a) Board of Directors:**

- (i) Name, Director Identification Number, date of birth, age, qualifications, experience, address, occupation and date of expiration of the current term of office of manager, managing director, and other directors (including nominee

directors and, whole-time directors), period of directorship, and their directorships in other companies.

- (ii) For each person, details of current and past directorship(s) in listed companies whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure, as follows:

- (a) Name of the Company:
- (a) Listed on (give names of the stock exchange(s)):
- (a) Date of suspension on the stock exchanges:
- (a) If trading suspended for more than three months, reasons for suspension and period of suspension.
- (a) If the suspension of trading revoked, the date of revocation of suspension.
- (a) Term (along with relevant dates) of the director in the above company(ies).

(The above details shall be given for the preceding five years. In case of fast track issues filed under the provisions of these regulations, the period of five years shall be reckoned on the date of filing of the offer document.)

- (iii) For each person, details of current and past directorship(s) in listed companies which have been/were delisted from the stock exchange(s), during his/her tenure, as follows:

- Name of the Company:
- Listed on [give name of the stock exchange(s)]:
- Date of delisting on the stock exchange(s):
- Compulsory or voluntary delisting:
- Reasons for delisting:
- If relisted, date of relisting on [give name of the stock exchange(s)]
- Term (along with relevant dates) of the director in the above company/companies.

- (iv) Nature of any family relationship between any of the directors or any of the directors and key managerial personnel.
- (v) Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the directors was selected as a director or member of senior management.
- (vi) Details of service contracts entered into by the directors with the issuer providing for benefits upon termination of employment and a distinct negative statement in the absence of any such contract.
- (vii) Details of borrowing powers.

(b) **Compensation of Managing Directors and/or Whole-time Directors:**

- (i) The dates, parties to, and general nature of every contract appointing or fixing the remuneration of a Director, Whole-time Director, Managing Director or Manager entered into in the preceding two years. During the last financial year, the amount of compensation paid, and benefits in kind granted on an individual basis to all such persons, by the issuer for services in all capacities to the issuer and remuneration paid or payable by subsidiary or associate company (as defined under the Companies Act, 2013). The disclosure shall also cover contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date.
- (ii) If any portion of the compensation was paid pursuant to a bonus or profit-sharing plan, a brief description of the plan and the basis upon which the directors participate in the plan.

- (iii) All such contracts shall be included in the list of material contracts required under sub-item (1) of Item (17).
- (c) **Shareholding** of directors, including details of qualification shares held by them, if applicable.
- (d) **Interest of Directors:**
  - i) Nature and extent of interest, if any, of every director in the issuer, including in any property acquired or proposed to be acquired of the issuer or by the issuer or in the promotion or formation of the issuer.
  - ii) Where the interest of such a director consists in being a member of a firm or company, the nature and extent of the interest of the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer shall be disclosed.
- (e) Change, if any, in the directors during the last three years, and reasons, thereof.
- (f) Management Organisation Structure.
- (g) **Corporate Governance:**
  - (i) A statement that the issuer has complied with the requirements of corporate governance relating to the composition of its board of directors, constitution of committees such as audit committee, nomination and remuneration committee, stakeholders relationship committee, etc., as provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (ii) Details relating to the issuer's audit committee, nomination and remuneration committee, stakeholders' relationship committee and risk management committee (if applicable) including the names of committee members and the terms of reference under which the committees operate.
- (h) **Key Managerial Personnel:**
  - (i) Details of the key managerial personnel indicating name, date of joining, qualification, term of office with date of expiration of term and details of service contracts including termination/retirement benefits, if any, details of previous employment, etc.
  - (ii) Past business experience, and functions and areas of experience in the issuer. Nature of any family relationship between any of the key managerial personnel.
  - (iii) Any arrangement or understanding with its major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a key managerial personnel.
  - (iv) During the last financial year, the amount of compensation paid, and benefits in kind granted, to the key managerial personnel on an individual basis, by the issuer for services in all capacities to the issuer, including contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date.
  - (v) If any portion of the compensation or otherwise was paid pursuant to a bonus or profit-sharing plan, a brief description of the plan and the basis upon which the key managerial personnel participate in the plan.
  - (vi) Status of each key managerial personnel, as a permanent employee or otherwise.
  - (vii) Shareholding of each key managerial personnel in the issuer.

- (viii) **Changes in the Key Managerial Personnel:** Any change other than by way of retirement in the normal course in the key managerial personnel in the preceding three years
- (ix) If the attrition of key management personnel is high compared to the industry, reasons should be disclosed.
- (x) **Employees:**
  - Refer the page where disclosures regarding employees stock option scheme/ employees stock purchase scheme of the issuer, if any, as required by the Regulations or Regulations of the Board relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme, is given.
  - **Payment or Benefit to key managerial personnel of the issuer (non-salary related):** Any amount or benefit paid or given within the two preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.

**(G) Promoters/ principal shareholders:**

- (a) Where the promoters are individuals:
  - (i) A complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, Permanent Account Number, Aadhaar card number and driving license number.
  - (ii) A declaration confirming that the Permanent Account Number, Bank Account Number(s) and Passport Number of the promoters have been submitted to the stock exchanges on which the specified securities are proposed to be listed, at the time of filing the draft offer document or draft letter of offer
- (b) Where the promoters are companies:
  - (i) Brief history of the promoters such as date of incorporation, change in activities and present activities.
  - (ii) History of the companies and the promoters of the companies. Where the promoters of such companies are again companies or bodies corporate, names of natural persons in control (i.e., holding fifteen per cent. or more voting rights) or who are on the board of directors of such bodies corporate.
  - (iii) Details of change in control of the promoter companies, if any, including details of the persons who held the controlling interest in the preceding three years.
  - (iv) Declaration confirming that the Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the addresses of the Registrars of Companies where the companies are registered have been submitted to the stock exchanges on which the specified securities are proposed to be listed, at the time of filing the draft offer document or draft letter of offer with them;
- (c) Where alternative investment funds or foreign venture capital investors registered with the Board, are identified as promoters, the following shall be applicable,
  - (i) Details of the Fund Manager;
  - (ii) Generic details of the Fund, which is the investor in the issuer company;

- (iii) Details such as total number of investors in the Fund, distribution of investors category - wise (institutional, corporate, individual etc.) and percentage stake held by each investor category;
  - (iv) Details of companies funded by the Funds, namely:-
    - (a) Total number of companies funded;
    - (b) Distribution of such companies - country wise, holding period wise, sector wise;
    - (c) Number of companies under the control of the Fund, directly or indirectly;
    - (d) In respect of companies where such Funds have offered their shares for lock-in as part of minimum promoter's contribution:-
      - Name of the company
      - Date of listing on each stock exchange
      - Fund's shareholding in the company as on the date of listing
      - Fund's shareholding in the company as on the date of filing of the DRHP of the company that now seeks to get listed
  - (v) Average holding period of the Fund's investments;
  - (vi) Sector focus/core specialization of the Fund, if applicable.
- (d) If the present promoters are not the original promoters and control of the issuer was acquired in the preceding five years, details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for acquisition and compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable, and the Listing Agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.
- (e) If there is no identifiable promoter, details of the shareholders who control individually or as a group, fifteen per cent. or more of the voting rights of the issuer and of persons, if any, who have the right to appoint director(s) on the board of directors of the issuer.
- (f) If the promoters do not have experience in the proposed line of business, that fact shall be disclosed explaining how the proposed activities would be carried out/managed.
- (g) If the promoters have any interest in the issuer other than as promoters, brief details of the interest.
- (h) Full particulars of the nature and extent of the interest, if any, of promoter(s), directors or group companies:
- (i) in the promotion of the issuer;
  - (ii) in any property acquired by the issuer in the preceding three years or proposed to be acquired by it.
  - (iii) where the interest of such a director or promoter consists in being a member of a firm or company, the nature and extent of the interest of the firm or company, with a statement of all sums paid or agreed to be paid to such director or to the firm or company in cash or shares or otherwise by any person either to induce such person to become, or to qualify such person as a director, or otherwise for services rendered by such person or by the firm or company, in connection with the promotion or formation of the issuer.
  - (iv) in any transaction in acquisition of land, construction of building and supply of machinery, etc. with full details of the transaction and the amount involved

- (i) **Payment or benefit to the Promoter of the Issuer:** Any amount or benefit paid or given in the preceding two years or intended to be paid or given to any promoter or promoter group and consideration for payment of giving of the benefit.
- (j) Brief details of material guarantees, if any, given to third parties by the promoters with respect to specified securities of the issuer.
- (k) A list of all individuals and entities forming part of the promoter group of the issuer.
- (l) If the promoters have disassociated themselves from any of the companies or firms during the preceding three years, the reasons thereof and the circumstances leading to the disassociation together with the terms of such disassociation.

(H) **Dividend policy:** Dividend policy and mode of payment of dividend, details of dividend paid in the last three financial years and the stub period, as applicable, and the period between last audited period and the date of the filing the draft offer document / draft letter of offer/ offer document.

(11) **Financial Statements:**

**(I) Requirements in case Indian Accounting Standards (Ind AS) is applicable in the latest period presented in Restated Financial Information**

Financial information section of the offer document will be divided into two parts, viz., restated financial information and other financial information. The restated and other financial information should be complete in all respects. To avoid duplication of disclosures in the offer document, appropriate use of cross reference may be made to the restated and other financial information.

**(A) Restated Financial information**

- (i) Consolidated Financial Statements (CFS) prepared in accordance with Ind AS for three years and the stub period (if applicable) should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). The stub period CFS shall be required, if Ind AS CFS for latest full financial year included in the offer document is older than six months from the date of filing of the draft offer document/offer document. The stub period should not end up to a date earlier than six months of the date of filing of the draft offer document/offer document. In accordance with Ind AS 34 *Interim Financial Reporting*, the group should present a complete Ind AS CFS for the stub period, except the issuer has been exempted from presenting comparatives for the stub period. CFS shall be prepared as per Companies Act, 2013 (as amended).
  - (a) The CFS (including for the stub period if applicable) should be restated to ensure consistency of presentation, disclosures and the accounting policies for all the periods presented in line with that of the latest financial year/ stub period presented. Similarly, significant errors, non-provisions, regrouping, other adjustments, if any, should be reflected in the corresponding period. The changes in accounting policies and the correction of errors, should be disclosed in accordance with the requirements of Ind AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Changes in estimates, if any, need not to be restated, as they are events of that corresponding year. The issuer has an option to present comparatives for the stub period.
  - (b) SA 705 *Modification to the Opinion in the Independent Auditor's Report* requires a qualified opinion, adverse opinion or disclaimer of opinion for material

- misstatements. With respect to an eligible issuer, audit modifications, which are quantifiable or can be estimated shall be adjusted in the restated financial information in the appropriate period. In situations where the qualification cannot be quantified or estimated, appropriate disclosures should be made in the notes to account, explaining why the qualification cannot be quantified or estimated.
- (c) A reconciliation explaining the differences between the audited CFS equity and profit (loss) and the restated CFS should be presented in a columnar format.
  - (d) The auditor shall issue an examination report on the restated and audited financial information in accordance with the *Guidance Note* issued by the ICAI from time to time.
  - (e) Auditor should have a valid peer review certificate issued by the Peer Review Board of the ICAI as on the date of signing the restated financial information. If a new auditor holding a valid peer review certificate is appointed for the stub period, and the predecessor auditor did not hold a valid peer review certificate at the date of signing the last annual financial statement, then the last annual financial statement would need to be re-audited by the new auditor in accordance with applicable standards. The re-audit may exclude audit reporting matters on CARO, internal financial control and other pure regulatory matters. Where auditor earlier held a valid peer review certificate, but did not hold a valid certificate at the date of signing the restated financial information, the earlier certificate shall be considered valid provided there is no express refusal by the peer review board to renew the certificate and the process to renew the peer review certificate was initiated by the auditor.
  - (f) Where an issuer does not have a subsidiary, associate or joint venture, in any financial year, the issuer shall present separate financial statements for that financial year by following the applicable requirements of a restated CFS.
  - (g) List of the related parties and all related party transactions of the consolidated entities (whether eliminated on consolidation or not), which require disclosure under Ind AS 24 and/ or covered under section 188(2) of the Companies Act, 2013 (as amended), as disclosed in the separate financial statement of the consolidated entities, should be disclosed in the restated financial information.
    - All funding arrangements including inter-se guarantees among the entities consolidated; except contribution to equity share capital, shall be disclosed. The important terms and conditions of the funding arrangement and fund transfer restrictions, if any, should be disclosed in the restated financial information.
  - (h) In case where Ind AS is not applicable to the Company for any of the years the principles laid down in Circular No SEBI/HO/CFD/DIL/CIR/P/2016/47 of March 31, 2016 or any other relevant circular issued by the Board from time to time, shall apply.
- (ii) The separate audited financial statements for past three full financial years immediately preceding the date of filing of offer document of the issuer company and all its material subsidiaries should be made available on issuer's website in accordance with the materiality thresholds in (b) below. Alternatively, relevant link should be provided to the financial statement of subsidiaries on the Issuer's website. The link to the issuer's separate financial statement should be specified in the offer document. For this purpose, subsidiaries shall be identified based on definitions in the Companies Act, 2013. The above requirements shall apply for the periods of existence of the parent-subsidiary relationship.



- (a) a certified English translated copy of the financial statements should be made available on the Company's website for every entity consolidated whose financial statements are not presented in English.
- (b) The financial statements reported in any currency other than Indian Rupee shall be translated into Indian Rupee in accordance with Ind AS 21. The Effects of Changes in Foreign Exchange Rates. The financial statements of all foreign consolidated entities should be audited, unless they are not material to the CFS and the local regulation does not mandate audit. For this purpose, a consolidated entity shall be considered 'material' if it contributes 10% or more to the turnover or net-worth or profits before tax in the annual CFS of the respective year. Additionally, total unaudited information included in the in the CFS shall not exceed 20% of the turnover or net-worth or profits before tax of the CFS of the respective year. For the purpose of this clause, definition of turnover, net-worth and profits before tax should be as per Companies Act, 2013 (as amended).
- (c) The financial statements of foreign entities consolidated may be audited as per the requirements of local regulation applicable in the respective jurisdiction. However, in cases where the local regulation does not mandate audit, financial statements should be audited as per the auditing standards/ requirements applicable in India.
- (d) The financial statements of foreign subsidiaries may be acceptable in a GAAP other than Ind AS, if local laws require application of local GAAP.

**(B) Other Financial Information**

- (i) The following information shall be computed as per the *Guidance Note* issued by the ICAI from time to time and disclosed in other financial information
  - Earnings per share (Basic and Diluted)
  - Return on net worth
  - Net Asset Value per share
  - EBITDA
- (ii) If the proceeds, fully or partly, directly or indirectly, is to be used for acquisition of one or more material businesses or entities, the audited statements of balance sheets, profit and loss, cash flow for the latest three financial years and stub period (if available) prepared as per framework applicable to the business or subsidiary proposed to be acquired shall be included in the draft offer document/offer document. For this purpose, the proposed acquisition (covering all businesses or subsidiaries proposed to be acquired) shall be considered material if it will make 20% or more contribution in aggregate to either turnover, or net worth or profit before tax in the latest annual CFS. The issuer may voluntarily choose to provide financial statements of above acquisitions out of the proceeds of the issue even if they are below the above materiality threshold. In cases where the general purpose financial statement of the businesses/entities to be acquired/divested are not available, combined/carved-out financial statements for that business/entity shall be prepared in accordance with *Guidance Note* issued by the ICAI from time to time. The combined/carved-out financials statements shall be audited by the auditor of the seller in accordance with applicable framework.
- (iii) Proforma financial statements – The Issuer shall provide Proforma financial statements, as certified by the statutory auditor, of all the subsidiaries or businesses material to the consolidated financial statements where the issuer or its subsidiaries have made an acquisition or divestment including deemed disposal after the latest period for which financial information is disclosed in the offer document but before the date of filing of the offer document. For this purpose, the acquisition/divestment would be considered as material if acquired/ divested business or subsidiary in

aggregate contributes 20% or more to turnover, net worth or profit before tax in the latest annual CFS of the issuer. The Proforma financial statements shall be prepared for the last completed financial year and the stub period (if any). The Proforma financial statements shall be prepared in accordance with Guidance Note issued by the ICAI from time to time and certified by the statutory auditor. The issuer Company may voluntarily choose to provide proforma financial statements of acquisitions even when they are below the above materiality threshold. In case of one or more acquisitions or divestments, one combined set of Proforma financial statements should be presented. Where the businesses acquired/ divested does not represent a separate entity, general purpose financial statement may not be available for such business. In such cases, combined/ carved-out financial statements for such businesses shall be prepared in accordance with *Guidance Note* issued by the ICAI from time to time.. Further, in case of non-material acquisitions/divestments disclosures in relation to the fact of the acquisition/divestment, consideration paid/received and mode of financing shall be certified by the statutory auditor of the issuer company .

(C) Management's Discussion and Analysis of Financial Position and Results of Operations as reflected in the restated Ind AS CFS shall be provided in other financial information.

- (i) Significant developments subsequent to the last financial year or when applicable subsequent to the stub period: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the offer document and which materially and adversely affect or is likely to affect within the next twelve months:
  - a. the trading or profitability of the issuer; or
  - b. the value of its assets; or
  - c. its ability to pay its liabilities.
- (ii) Factors that may affect the results of operations.
- (iii) Discussion on the results of operations: This information shall inter-alia contain the following:
  - a. A summary of the past financial results after adjustments as given in the restated financial statements for the past three full financial years and the stub period (if any) containing significant items of income and expenditure shall be given.
  - b. A summary of major items of income and expenditure for the last three years and most recent audit period.
  - c. The income and sales on account of major product/ main activities.
  - d. In case, the other income constitutes more than 10% of the total income, the break-up of the same along with the nature of the income, i.e., recurring or non-recurring shall be stated.
  - e. If a material part of the income is dependent upon a single customer/supplier or a few major customers/suppliers, disclosure of this fact along with relevant data. Similarly if any foreign customer/supplier constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business on account of exchange rate fluctuations.
  - f. In case the issuer has deviated from applicable accounting standards for recording sales and revenues, its impact may be analysed and disclosed.
  - g. The nature of miscellaneous income and miscellaneous expenditure for the interim period and the preceding years

- (iv) Comparison of last three years and the stub period on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure shall also be given, *inter-alia*, containing the following:
- unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.
  - significant economic changes that materially affected or are likely to affect income from continuing operations;
  - known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;
  - expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;
  - the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;
  - total turnover of each major industry segment in which the issuer operated;
  - status of any publicly announced new products or business segment, if applicable;
  - the extent to which business is seasonal;
  - any significant dependence on a single or few suppliers or customers;
  - competitive conditions.
- (v) 'Management's Discussion and Analysis shall be based on the restated financial information for the last three years and the stub period.

(D) Capitalisation statement

- Capitalisation Statement showing total borrowings, total equity, and the borrowing/equity ratios before and after the issue is made shall be incorporated. It shall be prepared on the basis of the restated CFS for the latest financial year or when applicable at the end of the stub period.
- In case of any change in the share capital since the date as of which the financial information has been disclosed in the offer document, a note explaining the nature of the change shall be given.
- An illustrative format of the Capitalisation Statement is specified hereunder

Particulars	Pre-issue at	As adjusted for the proposed issue
( in crores)		
<b>Total borrowings</b>		
Current borrowings*		
Non-current borrowings (including current maturity)*		
<b>Total equity</b>		
Equity share capital*		
Other equity*		
<b>Total Capital</b>		

Ratio: Non-current borrowings/ Total equity		
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\*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

## **(II) Requirements in case Indian GAAP is applicable in the latest period presented in Restated Financial Information**

Financial information section of the offer document shall be divided into two parts, viz., restated financial information and other financial information. The restated and other financial information should be complete in all respects. To avoid duplication of disclosures in the offer document, appropriate use of cross reference may be made to the restated and other financial information.

### **(A) Restated Financial information**

- (i) Consolidated Financial Statements (CFS) prepared in accordance with Indian GAAP for three years and stub period (if applicable) should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). The stub period CFS shall be required, if Indian GAAP CFS for latest full financial year included in the draft offer document/offer document is older than six months old from the date of filing of the draft offer document/offer document. The stub period should not end up to a date earlier than six months of the date of filing of the offer document. In accordance with *AS 25 Interim Financial Reporting*, the group should present a complete Indian GAAP CFS for the stub period, except the issuer has been exempted from presenting comparatives for the stub period. CFS shall be prepared as per the provisions of Companies Act, 2013 (as amended).
  - (a) The CFS (including for the stub period if applicable) should be restated to ensure consistency of presentation, disclosures and the accounting policies for all the periods presented in line with that of the latest financial year/stub period presented. Similarly, significant errors, non-provisions, regrouping, other adjustments, if any, should be reflected in the corresponding period. Changes in estimates, if any, need not to be restated, as they are events of that corresponding year. The issuer has an option to present comparatives for the stub period. Appropriate disclosures for correction of errors, changes in accounting policies and changes in accounting estimates should be made in accordance with *AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.
  - (b) SA 705 *Modification to the Opinion in the Independent Auditor's Report* requires a qualified opinion, adverse opinion or disclaimer of opinion for material misstatements. With respect to an eligible issuer, audit modifications, which are quantifiable or can be estimated shall be adjusted in the restated financial information in the appropriate period. In situations where the qualification cannot be quantified or estimated, appropriate disclosures should be made, in the notes to account, explaining why the qualification cannot be quantified or estimated.
  - (c) A reconciliation explaining the difference between the audited CFS equity and profit (loss) and the restated CFS equity and profit (loss) should be presented in a columnar format.
  - (d) The auditor shall issue an examination report on the restated and audited financial information in accordance with the *Guidance Note* issued by the ICAI from time to time.
  - (e) Auditor should have a valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as on the date of

signing the restated financial information. If a new auditor holding a valid peer review certificate is appointed for the stub period, and the predecessor auditor did not hold a valid peer review certificate at the date of signing the last annual financial statement, then the last annual financial statement would need to be re-audited by the new auditor in accordance with applicable standards. The re-audit may exclude audit reporting matters on CARO, Internal financial control and other pure regulatory matters. Where auditor earlier held a valid peer review certificate, but did not hold a valid certificate at the date of signing the restated financial information, the earlier certificate shall be considered valid provided there is no express refusal by the peer review board to renew the certificate and the process to renew the peer review certificate was initiated by the auditor.

- (f) Where an issuer does not have a subsidiary, associate or joint venture in any financial year, the issuer shall present separate financial statements for that financial year by following the applicable requirements of a restated CFS.
  - (g) List of the related parties and all related party transactions of the consolidated entities (whether eliminated on consolidation or not), which require disclosure under AS 18 and/ or covered under section 188(2) of the Companies Act, 2013 (as amended), as disclosed in the separate financial statement of the consolidated entities, should be disclosed in the restated financial information.
    - All funding arrangements including inter-se guarantees among the entities consolidated; except contribution to equity share capital, shall be disclosed. The important terms and conditions of the funding arrangement and fund transfer restrictions, if any, should be disclosed in the restated financial information.
  - (h) The following disclosures shall be made in the restated financial information on the basis of amounts recognized and measured as per Indian GAAP and in accordance with the Guidance Note of the ICAI issued from time to time:
    - i. Disclosures as per AS 13
    - ii. Disclosures as per AS 14
- (ii) The separate audited financial statements for past three full financial years immediately preceding the date of filing of offer document of the issuer company and all its material subsidiaries should be made available on issuer's website in accordance with the materiality thresholds in (b) below. Alternatively, relevant link should be provided to the financial statement of subsidiaries on the Issuer's website. The link to the issuer's separate financial statement should be specified in the offer document. For this purpose, subsidiaries shall be identified based on definitions in the Companies Act, 2013. The above requirements shall apply for the periods of existence of the parent-subsidiary relationship.
- (a) a certified English translated copy of the financial statements should be made available on the Company's website for every entity consolidated whose financial statements are not presented in English.
  - (b) The financial statements reported in any currency other than Indian Rupee shall be translated into Indian Rupee in accordance with Ind AS 21 *The Effects of Changes in Foreign Exchange Rates*. The financial statements of all foreign consolidated entities should be audited, unless they are not material to the CFS and the local regulation does not mandate audit. For this purpose, a consolidated entity shall be considered 'material' if it contributes 10% or more to the turnover or net-worth or profits before tax in the annual CFS of the respective year. Additionally, total unaudited CFS shall not exceed 20% of the turnover or net-worth or profits before tax of the CFS of the respective year. For the purpose of this clause, definition of

turnover, net-worth and profits before tax should be as per Companies Act, 2013 (as amended).

- (c) The financial statements of foreign entities consolidated may be audited as per the requirements of local regulation applicable in the respective jurisdiction. However, in cases where the local regulation does not mandate audit, financial statements should be audited as per the auditing standards/ requirements applicable in India.
- (d) The financial statements of foreign subsidiaries may be acceptable in a GAAP other than Indian GAAP, if local laws require application of local GAAP.

**(B) Other Financial Information**

- (i) The following information shall be computed as per the *Guidance Note* issued by the ICAI from time to time and disclosed in other financial information
  - Earnings per share (Basic and Diluted)
  - Return on net worth
  - Net Asset Value per share
  - EBITDA
- (ii) If the proceeds, fully or partly, directly or indirectly, is to be used for acquisition of one or more material businesses or entities, the audited statements of balance sheets, profit and loss, cash flow for the latest three financial years and stub period (if available) prepared as per framework applicable to the business or subsidiary proposed to be acquired shall be included in the draft offer document/offer document. For this purpose, the proposed acquisition (covering all businesses or subsidiaries proposed to be acquired) shall be considered material if it will make 20% or more contribution in aggregate to either turnover, or net worth or profit before tax in the latest annual CFS. The issuer Company may voluntarily choose to provide financial statements of above acquisitions out of the proceeds of the issue even if they are below the above materiality threshold. In cases where the general purpose financial statement of the businesses/entities to be acquired/ divested are not available, combined/ carved-out financial statements for that business/entity shall be prepared in accordance with *Guidance Note* issued by the ICAI from time to time. The combined/carved-out financials statements shall be audited by the auditor of the seller in accordance with applicable framework.
- (iii) Proforma financial statements – The Issuer shall provide Proforma financial statements, as certified by the statutory auditor, of all the subsidiaries or businesses material to the consolidated financial statements where the issuer or its subsidiaries have made an acquisition or divestment including deemed disposal after the latest period for which financial information is disclosed in the offer document but before the date of filing of the offer document. For this purpose, the acquisition/divestment would be considered as material if acquired/ divested business or subsidiary in aggregate contributes 20% or more to turnover, net worth or profit before tax in the latest annual CFS of the issuer. The Proforma financial statements shall be prepared for the period covering last completed financial year and the stub period (if any). The Proforma financial statements shall be prepared in accordance with *Guidance Note* issued by the ICAI from time to time and certified by the statutory auditor. The issuer Company may voluntarily choose to provide proforma financial statements of acquisitions even when they are below the above materiality threshold. In case of one or more acquisitions or divestments, one combined set of Proforma financial statements should be presented. Where the businesses acquired/ divested does not represent a separate entity, general purpose financial statement may not be available for such business. In such cases, combined/ carved-out financial statements for such businesses shall be prepared in accordance with *Guidance Note* issued by the ICAI

from time to time. Further, in case of non-material acquisitions/divestments disclosures in relation to the fact of the acquisition/divestment, consideration paid/received and mode of financing shall be certified by the statutory auditor of the issuer company.

(C) Management's Discussion and Analysis of Financial Position and Results of Operations as reflected in the restated Indian GAAP CFS shall be provided in other financial information.

(i) Significant developments subsequent to the last financial year or when applicable subsequent to the stub period: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the offer document and which materially and adversely affect or is likely to affect within the next twelve months :

- a. the trading or profitability of the issuer; or
- b. the value of its assets; or
- c. its ability to pay its liabilities.

(ii) Factors that may affect the results of operations.

(iii) Discussion on the results of operations: This information shall, inter-alia, contain the following:

- a. A summary of the past financial results after adjustments as given in the auditor's report for the past three full financial years and the stub period (if any) containing significant items of income and expenditure shall be given.
- b. A summary of major items of income and expenditure for the last three years and most recent audit period
- c. The income and sales on account of major product/ main activities.
- d. In case the other income constitutes more than 10% of the total income, the break-up of the same along with the nature of the income, i.e., recurring or non-recurring shall be stated.
- e. If a material part of the income is dependent upon a single customer/supplier or a few major customers/suppliers, disclosure of this fact along with relevant data. Similarly if any foreign customer/supplier constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business on account of exchange rate fluctuations.
- f. In case the issuer has deviated from statutorily prescribed manner for recording sales and revenues, its impact may be analysed and disclosed.
- g. The nature of miscellaneous income and miscellaneous expenditure for the interim period and the preceding years, if applicable.

(iv) Comparison of last three years and the stub period on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure shall also be given, inter-alia, containing the following:

- a. unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.
- b. significant economic changes that materially affected or are likely to affect income from continuing operations;
- c. known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;
- d. expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;

- e. the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;
  - f. total turnover of each major industry segment in which the issuer operated;
  - g. status of any publicly announced new products or business segment;
  - h. the extent to which business is seasonal;
  - i. any significant dependence on a single or few suppliers or customers;
  - j. competitive conditions.
- (v) Management's Discussion and Analysis shall be based on the restated financial information for the last three years and the stub period.

**(D) Capitalisation statement**

- (i) Capitalisation Statement showing total borrowings, total equity, and the borrowing/equity ratios before and after the issue is made shall be incorporated. It shall be prepared on the basis of the restated CFS for the latest financial year or when applicable at the end of the stub period.
- (ii) In case of any change in the share capital since the date as of which the financial information has been disclosed in the offer document, a note explaining the nature of the change shall be given.
- (iii) An illustrative format of the Capitalisation Statement is specified hereunder

Particulars	Pre-issue at	As adjusted for the proposed issue
(` in Crores)		
<b>Total borrowings</b>		
Short term borrowings*		
Long term borrowings (including current maturity)*		
<b>Total equity</b>		
Share capital*		
Reserves and surplus*		
Money received against share warrants*		
<b>Total Capital</b>		
Ratio: Long term borrowings/ Total equity		

*\*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).*

**(III) Financial Information of the Issuer in further public offers:**

- (i) An issuer making a further public offer may disclose the financial information specified in clause (ii) of this sub-item, in lieu of information specified under sub-item (B) if:
  - a. the issuer is making a further public offer through the fast track route in accordance with applicable provisions of these regulations;
  - b. the specified securities offered in further public offer are of the same class of those already listed on a stock exchange;



- c. financial reports of the issuer are available on the website of any stock exchange or on a common e-filing platform specified by the Board;
  - d. there has not been any change in management of the issuer;
  - e. specified securities of issuer have not been listed pursuant to relaxation granted from clause (b) of sub-rule (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957.
- (ii) The issuer satisfying the conditions specified in clause (i) may disclose consolidated financial statements as disclosed under Companies Act, 2013.
  - (iii) A report by the auditors of the issuer on a limited review of the profit or loss and assets and liabilities (indicating changes in accounting policies, if any), as at a date not earlier than six months prior to the date of the opening of the issue, where audited accounts as at such date are not available. For this purpose, it shall be sufficient if:
    - a. In the statement of the assets and liabilities, the main heads of assets and liabilities as provided in Part I of Schedule III of the Companies Act, 2013 have been provided. If an issuer is governed by a statute other than the Companies Act, 2013, the main heads of assets and liabilities as specified in such statute shall be provided in the statement of assets and liabilities.
    - b. In the statement of profit or loss, the information required to be disclosed under the heads of income and expenditure as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of quarterly financial information to be filed with the stock exchanges, has been provided.
  - (iv) Material changes and commitments, if any, affecting financial position of the issuer.
  - (v) Week-end prices for the last four weeks; current market price; and highest and lowest prices of equity shares during the period with the relative dates. If the equity shares of the issuer are listed on more than one stock exchange, the above information shall be provided for each stock exchange separately.
  - (vi) Stock market quotation of shares/ convertible instruments of the company (high/ low price in each of the last three years and monthly high/low price during the last six months). If the equity shares of the issuer are listed on more than one stock exchange, the above information shall be provided for each stock exchange separately.
  - (vii) Accounting and other ratios: The following accounting ratios for each of the accounting periods for which financial information is given:
    - Earnings per share (Basic and Diluted)
    - Return on net worth
    - Net Asset Value per share
    - EBITDA
  - (viii) Capitalisation Statement:
    - a. A Capitalisation Statement showing total debt, net worth, and the debt/ equity ratios before and after the issue is made.
    - b. In case of any change in the share capital since the date as of which the financial information has been disclosed in the prospectus, a note explaining the nature of the change.
    - c. An illustrative format of the Capitalisation Statement is specified hereunder:

Particulars	Pre-issue at	As adjusted for the proposed issue
(₹ in Crores)		
<b>Total borrowings</b>		
Current borrowings*		

Non-current borrowings (including current maturity)*		
<b>Total equity</b>		
Share capital*		
Reserves and surplus*		
Money received against share warrants*		
<b>Total Capital</b>		
Ratio: Non-current borrowings/ Total equity		

\*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

- (ix) Management's Discussion and Analysis of Financial Position and Results of Operations as reflected in the restated Indian GAAP CFS shall be provided in other financial information.
- (x) Overview of the business of the issuer.
- (xi) Significant developments subsequent to the last financial year or when applicable subsequent to the stub period: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the offer document and which materially and adversely affect or is likely to affect within the next twelve months :
  - a. the trading or profitability of the issuer; or
  - b. the value of its assets; or
  - c. its ability to pay its liabilities.
- (xii) Factors that may affect the results of operations.
- (xiii) Discussion on the results of operations: This information shall, inter-alia, contain the following:
  - a. A summary of the past financial results after adjustments as given in the auditor's report for the past three full financial years and the stub period (if any) containing significant items of income and expenditure shall be given.
  - b. A summary of major items of income and expenditure for the last three years and most recent audit period
  - c. The income and sales on account of major product/ main activities.
  - d. In case the other income constitutes more than 10% of the total income, the break-up of the same along with the nature of the income, i.e., recurring or non-recurring shall be stated.
  - e. If a material part of the income is dependent upon a single customer/supplier or a few major customers/suppliers, disclosure of this fact along with relevant data. Similarly if any foreign customer/supplier constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business on account of exchange rate fluctuations.
  - f. In case the issuer has deviated from statutorily prescribed manner for recording sales and revenues, its impact may be analysed and disclosed.
  - g. The nature of miscellaneous income and miscellaneous expenditure for the interim period and the preceding years, if applicable.

- (xiv) Comparison of last three years and the stub period on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure shall also be given, inter-alia, containing the following:
- a. unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.
  - b. significant economic changes that materially affected or are likely to affect income from continuing operations;
  - c. known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;
  - d. expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;
  - e. the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;
  - f. total turnover of each major industry segment in which the issuer operated;
  - g. status of any publicly announced new products or business segment;
  - h. the extent to which business is seasonal;
  - i. any significant dependence on a single or few suppliers or customers;
  - j. competitive conditions.

**(12) Legal and Other Information:**

**(A) Outstanding Litigations and Material Developments:**

- (1) Pending Litigations involving the issuer/ its directors/ promoters/ subsidiaries:
- (i) All criminal proceedings;
  - (ii) All actions by regulatory authorities and statutory authorities;
  - (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
  - (iv) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
  - (v) Other pending litigations - As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document.
- (2) Outstanding dues to creditors:
- (i) Based on the policy on materiality defined by the board of directors of the issuer, details of creditors which include the consolidated number of creditors and the aggregate amount involved
  - (ii) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved;
  - (iii) Complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor shall be disclosed, on the website of the company with a web link thereto.
- (3) If any of the above mentioned litigations, material developments, dues to creditors etc., arise after the filing the offer document, the facts shall be incorporated appropriately in the offer document. In case there are no such cases, a distinct negative statement is required to be made in this regard in the offer document. Material developments since the date of the last balance sheet.

- (4) **Disclosures pertaining to wilful defaulters in case of a further public offer or a rights issue:** If the issuer or any of its promoter or director has been declared as a wilful defaulter, it shall make the following disclosures with respect to each such person separately:
  - (a) Name of the person declared as a wilful defaulter;
  - (b) Name of the Bank declaring the person as a wilful defaulter;
  - (c) Year in which the person was declared as a wilful defaulter;
  - (d) Outstanding amount when the person was declared as a wilful defaulter;
  - (e) Steps taken, if any, by the person for removal of its name from the list of wilful defaulters;
  - (f) Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision;
  - (g) Any other disclosure as specified by the Board.
- (5) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the inside pages.
- (6) Disclosures specified herein shall be made in a separate chapter or section, distinctly identifiable in the Index /Table of Contents.

**(B) Government approvals:**

- (1) Investment approvals (GoI/ RBI, etc., as applicable), letter of intent or industrial license and declaration of the Central Government, Reserve Bank of India or any regulatory authority about the non-responsibility for financial soundness or correctness of the statements;
- (2) All government and other approvals which are material and necessary for carrying on the business and operations of the issuer and material subsidiaries.

**(13) Information with respect to group companies**

- (A) In case of an issuer not being a government company, statutory authority or corporation or any special purpose vehicle set up by any of them, the following information for the last three years, based on the audited statements, in respect of all the group companies for past three years shall be given, wherever applicable, along with significant notes of auditors.
  - (i) Date of Incorporation;
  - (ii) Nature of activities;
  - (iii) Equity Capital;
  - (iv) Reserves (excluding revaluation reserve);
  - (v) Sales;
  - (vi) Profit after tax;
  - (vii) Earnings per share and Diluted Earnings Per Share;
  - (viii) Net Asset Value;
  - (ix) In case of listed group companies, the highest and lowest market price of shares during the preceding six months; and
  - (x) If any of the companies has made public or rights issue in the preceding three years, the issue price of the security, the current market price.
- (B) In case there are more than five listed group companies, the financial information may be restricted to the five largest listed group companies to be determined on the basis of the market capitalization one month before the date of filing the draft offer document or in case of a fast track issue, one month before the reference date referred to in Explanation to sub-regulation (2) of regulation 99 and in Explanation to sub-regulation (2) of regulation 156. In case there are less than five listed group companies, the financial information shall

be given for all the listed group companies and in addition for the largest unlisted group companies (based on turnover) so that the total number of listed and unlisted group companies for which the information is required to be given does not exceed five.

- (C) In case there are no listed group companies, the financial information shall be given for the five largest unlisted group companies based on turnover.
- (D) Any pending litigation involving the group company which has a material impact on the issuer.
- (E) Information regarding significant adverse factors related to the group companies and in particular regarding:
  - (i) whether the company has become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up/insolvency proceedings;
  - (ii) whether the company has made a loss in the immediately preceding year and if so, the profit or loss figures for the immediately preceding three years.
- (F) Disclosure shall be made about group companies which had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of filing draft offer document with the Board. The disclosure shall include reasons for the company having become defunct as also all pending litigations, if any, in respect of such companies
- (G) Common Pursuits:
  - (i) In case there are common pursuits amongst the group companies/ subsidiaries/associates companies and the issuer, the reasons and justification for the same shall be spelt out and the conflict of interest situations shall be stated.
  - (ii) The related business transactions within the group and their significance on the financial performance of the issuer.
  - (iii) If any of the other group companies/subsidiaries/associate companies has business interests in the issuer then the amount of commercial business that the said company has /proposes to have with the issuer may be quantified. If no, a distinct negative statement may be incorporated to this effect.

**(14) Other Regulatory and Statutory Disclosures:**

- (A) Authority for the issue and details of resolution(s) passed for the issue.
- (B) A statement by the issuer that the issuer, promoters, promoter group, directors, person(s) in control of the promoter or issuer, if applicable, or selling shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.
- (C) A confirmation that the issuer, ~~any~~ of its promoters, promoter group or selling shareholders is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- (D) A confirmation whether any of the directors of the issuer are associated with the securities market in any manner, and if yes, any outstanding action against them initiated by the Board in the past five years.
- (E) Eligibility of the issuer to enter the capital market in terms of these Regulations. (Details of compliance with eligibility requirements to make a fast track issue, if applicable.)
- (F) Compliance with Part B of this Schedule, as the case may be, if applicable.
- (G) Disclaimer clauses:
  - (1) The offer document shall contain the following disclaimer clause in bold capital letters:  
"It is to be distinctly understood that submission of the draft offer document/draft letter of offer/offer document to the Securities and Exchange Board of India

(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 draft offer document/draft letter of offer/offer document. The lead manager(s), has certified that the disclosures made in the draft offer document/draft letter of offer/offer document are generally adequate and are in conformity with the Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that while the issuer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the draft offer document/draft letter of offer/offer document, the lead manager(s) is expected to exercise due diligence to ensure that the issuer discharges its responsibility adequately in this behalf and towards this purpose, the lead manager(s) \_\_\_\_\_ has furnished to SEBI a due diligence certificate dated \_\_\_\_\_ in the format prescribed under Schedule V(A) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, ~~2009~~ 2018.

The filing of the draft offer document/draft letter of offer/offer document does not, however, absolve the issuer from any liabilities under 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 lead manager(s) any irregularities or lapses in the draft offer document/draft letter of offer/offer document."

- (2) Disclaimer Statement from the issuer and lead manager(s): A statement to the effect that the issuer and the lead manager(s) accept no responsibility for statements made otherwise than in the draft offer document/draft letter of offer/offer document or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.
- (H) Disclaimer in respect of jurisdiction: A brief paragraph mentioning the jurisdiction under which provisions of law and the rules and regulations are applicable to the draft offer document/ draft letter of offer/ offer document.
- (I) Disclaimer clause of the stock exchanges.
- (J) Disclaimer clause of the Reserve Bank of India, the Insurance Regulatory and Development Authority of India or of any other relevant regulatory authority.
- (K) Listing: Names of the designated stock exchange and other stock exchanges to which application has been made for listing of the specified securities offered in the present issue.
- (L) Consent of the directors, auditors, solicitors or advocates, lead manager(s), registrar to the issue, bankers to the issuer and experts.
- (M) Expert opinion obtained, if any.
- (N) Previous public or rights issues, if any, during the last five years:
  - (1) Closing date.
  - (2) Date of allotment.
  - (3) Date of refunds.
  - (4) Date of listing on the stock exchange(s).
  - (5) If the issue(s) was at premium or discount, the amount thereof.
- (O) Commission or brokerage on previous issues in last five years.

- (P) Following particulars in regard to the issuer and other listed group companies/subsidiaries/associates which made any capital issue during the last three years shall be given:
- (1) Name of the Company.
  - (2) Year of Issue.
  - (3) Type of Issue (public/rights/composite).
  - (4) Amount of issue.
  - (5) Date of closure of issue.
  - (6) Date of allotment and date of credit of securities to the demat account.
  - (7) Date of completion of the project, where object of the issue was financing the project.
  - (8) Rate of dividend paid.
- (Q) Performance vis-à-vis objects:
- (1) Issuer:
    - (a) A list of all the public/rights issues made during the preceding five years, along with the year of issue.
    - (b) Details of non-achievement of objects, with quantification of shortfall and delays for such public/rights issues.
  - (2) Listed Subsidiaries/Listed Promoters:
    - (a) A separate paragraph entitled "Performance vis-à-vis objects - Last one public/rights issue of subsidiaries/Listed Promoters ", indicating whether all the objects mentioned in the offer document of the last one issue of each of such companies during the preceding five years were met.
    - (b) If not, details of non-achievement of objects, with quantification of shortfall and delays.
- (R) Price information of past issues handled by the lead manager(s) in the format given below:

**Format for Disclosure of Price Information of Past Issues Handled By Merchant Banker(s)**

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
20..-20..														
20..-20..														

Note:

1. Disclosures to be given for three financial years (current financial year and two financial years preceeding the current financial year)
2. Disclosures are subject to maximum 10 issues (initial public offerings) managed by Merchant Banker in Table 1
3. In Table 1, percentage change for benchmark indices to be provided in brackets with positive or negative sign, as applicable
4. Separate table for each merchant banker responsible for pricing the Issue
5. In case the 30<sup>th</sup>/60<sup>th</sup>/90<sup>th</sup> calendar day is a holiday, data from previous trading day to be considered.

**(S) Stock market data for equity shares of the issuer, if listed:**

Particulars of:

- (1) high, low and average market prices of the equity shares of the issuer during the preceding three years;
- (2) monthly high and low prices for the six months preceding the date of filing the draft offer document with the Board which shall be updated till the time of registering the offer document with the Registrar of Companies;
- (3) number of shares traded on the days when high and low prices were recorded in the relevant stock exchange(s) during the said period of (a) and (b) above and indicating the total number of days of trading during the preceding six months and the average volume of equity shares traded during that period and a statement if the equity shares were not actively traded;
- (4) stock market data referred to above shall be shown separately for periods marked by a change in capital structure, with such period commencing from the date the relevant stock exchange recognises the change in the capital structure (e.g. when the shares have become ex-rights or ex-bonus);
- (5) market price of equity shares immediately after the date on which the resolution of the board of directors approving the issue;
- (6) volume of securities traded in each month during the six months preceding the date on which the offer document is registered with the Registrar of Companies; and
- (7) volume of shares traded along with high, low and average prices of shares of the issuer shall also be stated for respective periods.

**Explanation:** If the equity shares of the issuer are listed on more than one stock exchange, the above information shall be provided for each stock exchange separately. Average market prices in point (1) above should be calculated on closing price on the stock exchange.

(T) Mechanism evolved for redressal of investor grievances:

- (1) arrangements or mechanism evolved by the issuer for redressal of investor grievances including through SEBI Complaints Redress System (SCORES)
- (2) number of investor complaints received during the preceding three years and the number of complaints disposed off during that period
- (3) number of investor complaints pending on the date of filing the draft offer document
- (4) number of investor complaints pending on the date of filing the draft offer document in respect of the five largest (in terms of market capitalization) listed group companies.
- (5) time normally taken by the issuer for disposal of various types of investor grievances.
- (6) Disclosures prescribed under sub-clauses (2) to (5) shall also be made in regard to the listed subsidiaries.

(15) **Offering Information:**

(A) **Terms of the Issue:**

- (a) Statement that the shares issued in the issue shall be pari passu with the existing shares in all respects including dividends.
- (b) Statement that in the case of offer for sale, the dividend for the entire year shall be payable to the transferees.
- (c) Face value and issue price/ floor price/ price band.
- (d) Rights of the instrument holders.
- (e) Market lot.
- (f) Nomination facility to investor.



- (g) Period of subscription list of the public issue.
- (h) Statement that “if, as prescribed, minimum subscription in the issue shall be 90% of the fresh issue portion” the issuer does not receive the minimum subscription of ninety per cent. of the offer through offer document (except in case of an offer for sale of specified securities) on the date of closure of the issue, or if the subscription level falls below ninety per cent. after the closure of issue on account of cheques having being returned unpaid (in case of rights issues) or withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchanges for the securities so offered under the offer document, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent. per annum.”
- (i) **For Composite Issues:** Statement that the requirement of ‘minimum subscription’ is satisfied both jointly and severally, i.e., independently for both rights and public issues, and that if the issuer does not receive the minimum subscription in either of the issues, the issuer shall refund the entire subscription received.
- (j) **Arrangements for Disposal of Odd Lots:**
  - (a) Any arrangements made by the issuer for providing liquidity for and consolidation of the shares held in odd lots, particularly when such odd lots arise on account of issues by way of rights, bonus, conversion of debentures or warrants, etc., shall be intimated to the shareholders or investors.
  - (b) The issuer is free to make arrangements for providing liquidity in respect of odd lot shares through any investment or finance company, broking firms or through any other agency and the particulars of such arrangement, if any, may be disclosed in the offer document related to the concerned issue of capital.
  - (c) The lead merchant banker shall ascertain whether the issuer coming for fresh issue of capital proposes to set up trusts in order to provide service to the investors in the matter of disposal of odd lot shares of the issuer held by them and if so, disclosures relating to setting up and operation of the trust shall be contained in the offer document.
- (d) Whenever any issue results in issue of shares in odd lots, the issuer, shall as far as possible issue certificates in the denomination of 1-2-5-10-20-50 shares.
- (k) Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting.
- (l) **New Financial Instruments:** Terms and conditions including redemption, security, conversion and any other relevant features of any new financial instruments such as deep discount bonds, debentures with warrants, secured premium notes etc.
- (m) **Allotment only in Dematerialised Form:** A statement to the effect that specified securities shall be allotted only in dematerialised form, subject to the availability of the option to receive physical certificates of specified securities in a rights issue for a period of six months from the date of coming into force of these regulations.

**(B) Issue Procedure:**

- (1) Fixed price issue or book building procedure as may be applicable, including details regarding bid form/application form, who can bid/apply, maximum and minimum bid/application size, bidding process, bidding, bids at different price levels, etc.
- (2) Issue of securities in dematerialised form:
  - (a) In case of a public issue or rights issue (subject to sub-regulation (1) of regulation 91, the specified securities issued shall be issued only in dematerialized form in compliance with the Companies Act, 2013. A

- statement that furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.
- (b) Statement that the specified securities, on allotment, shall be traded on stock exchanges in demat mode only.
  - (c) Statement that single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
  - (d) Statement that the correct procedure for applications by Hindu Undivided Families and the fact that applications by Hindu Undivided Families would be treated as on par with applications by individuals;
  - (e) Applications by mutual funds:
    - (i) Statement under the heads "Procedure for applications by mutual funds" and "Multiple Applications" to indicate that a separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications.
    - (ii) Statement that applications made by an asset management company or a custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made.
  - (f) Applications by non-resident Indians:
    - (i) Statement that "Non-resident Indian applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The non-resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category."
  - (g) Application by ASBA investors:
    - (i) Details of Application Supported by Blocked Amount process including specific instructions for submitting Application Supported by Blocked Amount.
    - (ii) A statement that each application form shall bear the stamp of the syndicate member/SCSBs/registrar and share transfer agents/depository participants/stock brokers and if not, the same shall be rejected.
  - (3) Escrow mechanism for anchor investors: Escrow account of the issuer.
  - (4) Terms of payment and payment into the escrow collection account by anchor investors.
  - (5) Electronic registration of bids.
  - (6) Build-up of the book and revision of bids. In this regard, it may be specifically disclosed that qualified institutional buyers and non-institutional investors can neither lower or withdraw their bids at any stage and retail individual investors can withdraw or revise their bids till issue closure date
  - (7) Price discovery and allocation.
  - (8) Signing of underwriting agreement.
  - (9) Filing of the offer document.
  - (10) Announcement of pre-issue advertisement.
  - (11) Issuance of Confirmation of Allocation Note ("CAN") and allotment in the Issue.

- (12) Designated date.
- (13) General instructions:
  - (a) Do's and don'ts.
  - (b) Instructions for completing the bid form.
  - (c) Bidders' bank account details.
  - (d) Bids by non-resident Indians or foreign portfolio investors, foreign venture capital investors on repatriation basis
- (14) Payment instructions:
  - (a) Payment into escrow account of the issuer.
  - (b) Payment instructions for Application Supported by Blocked Amount.
- (15) Submission of bid form.
- (16) Other instructions:
  - (a) Joint bids in the case of individuals.
  - (b) Multiple bids.
  - (c) Instructions to the applicants to mention the Permanent Account Number of the sole / first holder in the application form, irrespective of the amount for which application or bid is made, along with the instruction that applications without Permanent Account Number would be rejected except where the requirement to hold a permanent account number has been specifically exempt under applicable law.
  - (d) Instances when an application would be rejected on technical grounds
  - (e) Equity shares in demat form with the depositories.
  - (f) Investor's attention shall also be invited to contact the compliance officer in case of any pre-issue or post-issue related problems regarding share certificates/demat credit/refund orders/ unblocking etc.
- (17) Disposal of applications.
- (18) Provisions of the Companies Act, 2013, as applicable, relating to punishment for fictitious applications, including to any person who:
  - (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
  - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his/her name or surname for acquiring or subscribing for its securities, shall be punishable with fine and/or imprisonment for such amount and/or term as may be prescribed under section 447 of the Companies Act 2013.
- (19) Interest on refund of excess bid amount, in case of anchor investors.
- (20) Names of entities responsible for finalising the basis of allotment in a fair and proper manner.
- (21) Procedure and time of schedule for allotment and issue of certificates (for rights issues)/demat credit.
- (22) Method of allotment as may be prescribed by the Board from time to time.
- (23) Letters of Allotment or refund orders or instructions to Self Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.
- (24) Mode of making refunds:
  - (a) The mode in which the issuer shall refund the application money to applicants in case of an oversubscription or failure to list.
  - (b) If the issuer proposes to use more than one mode of making refunds to applicants, the respective cases where each such mode will be adopted.
  - (c) The permissible modes of making refunds and unblocking of funds are as follows:

- (i) In case of applicants residing in any of the centres specified by the Board: by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by or NACH (National Automated Clearing House), as applicable, Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
  - (ii) In case of other applicants: by dispatch of refund orders by registered post/unblocking in case of ASBA
- (25) Payment of Interest in case of delay in despatch of allotment letters or refund orders/instruction to self-certified syndicate banks by the registrar in the case of public issues:
  - (a) in case of a fixed price issue, a statement that the issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.
  - (b) In case of a book-built issue, a statement that the issuer shall allot securities offered to the public within the period prescribed by the Board. The issuer further agrees that it shall pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders/ unblocking instructions have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within six days from the date of the closure of the issue.
  - (c) In case of a rights issue, a statement that the issuer shall allot securities offered to the shareholders within fifteen days of the closure of the rights issue. The issuer further agrees that it shall pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders/ unblocking instructions have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue.
- (26) **Undertaking by the issuer:**
  - a) The following undertaking by the issuer shall be disclosed:
    - (i) that the complaints received in respect of the issue shall be attended to by the issuer expeditiously and satisfactorily;
    - (ii) that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within the period prescribed by the Board;
    - (iii) that the issuer shall apply in advance for the listing of equities on the conversion of debentures/ bonds;

- (iv) that the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue by the issuer;
  - (v) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
  - (vi) that the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations;
  - (vii) that no further issue of securities shall be made till the securities offered through the offer document are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19;
  - (viii) that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment;
- b) In case of an issue of convertible debt instruments, the issuer shall also give the following additional undertakings:
- (i) it shall forward the details of utilisation of the funds raised through the convertible debt instruments duly certified by the statutory auditors of the issuer, to the debenture trustees at the end of each half-year.
  - (ii) it shall disclose the complete name and address of the debenture trustee in the annual report.
  - (iii) it shall provide a compliance certificate to the convertible debt instrument holders (on yearly basis) in respect of compliance with the terms and conditions of issue of convertible debt instruments, duly certified by the debenture trustee.
  - (iv) it shall furnish a confirmation certificate that the security created by the issuer in favour of the convertible debt instrument holders is properly maintained and is adequate to meet the payment obligations towards the convertible debt instrument holders in the event of default.
  - (v) it shall extend necessary cooperation to the credit rating agency/agencies for providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- c) A statement that the issuer reserves the right not to proceed with the issue after the bidding and if so, the reason thereof as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly.
- d) a statement that if the issuer withdraws the issue at any stage including after closure of bidding, the issuer shall be required to file a fresh draft offer document with the Board.
- (27) **Utilisation of Issue Proceeds:**
- (a) A statement by the board of directors of the issuer to the effect that:

- (i) all monies received out of issue of specified securities to the public shall be transferred to a separate bank account other than the bank account referred to in the Companies Act, 2013;
  - (ii) details of all monies utilised out of the issue referred to in sub-item (i) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance sheet of the issuer indicating the purpose for which such monies had been utilised; and
  - (iii) details of all unutilised monies out of the issue of specified securities referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.
- (b) For an issue other than an offer for sale or a public issue made by any scheduled commercial bank or a public financial institution, a statement of the board of directors of the issuer to the effect that:
  - (i) the utilisation of monies received under promoters' contribution and from reservations shall be disclosed and continue to be disclosed under an appropriate head in the balance sheet of the issuer, till the time any part of the issue proceeds remains unutilised, indicating the purpose for which such monies have been utilised;
  - (ii) the details of all unutilised monies out of the funds received under promoters' contribution and from reservations shall be disclosed under a separate head in the balance sheet of the issuer, indicating the form in which such unutilised monies have been invested
- (28) **Restrictions on foreign ownership of Indian securities, if any:**
  - (a) Investment by non-resident Indians.
  - (b) Investment by foreign portfolio investors.
  - (c) Investment by other non-residents.

**(C) Description of Equity Shares and Terms of the Articles of Association:**

Main provisions of the Articles of Association including rights of the members regarding voting, dividend, lien on shares and the process for modification of such rights, forfeiture of shares and restrictions, if any, on transfer and transmission of securities and their consolidation or splitting.

- (16) **Any other material disclosures, as deemed necessary.**
- (17) **In case of a fast track issue, the disclosures specified in this Part, which have been indicated in Part B, need not be made.**
- (18) **Other Information:**
  - List of material contracts and inspection of documents for inspection:
  - (1) Material contracts.
  - (2) Material Documents
  - (3) Time and place at which the contracts, together with documents, will be available for inspection from the date of the offer document until the date of closing of the subscription list.
  - (4) IPO grading reports for each of the grades obtained

- (5) The draft offer document/ draft letter of offer and offer document shall be approved by the Board of Directors of the issuer and shall be signed by all directors including the Managing Director within the meaning of the Companies Act, 2013 or Manager, within the meaning of the Companies Act, 2013 and the Chief Financial Officer or any other person heading the finance function and discharging that function. The signatories shall further certify that all disclosures are true and correct.

**DECLARATION BY THE ISSUER:** We hereby declare that all relevant provisions of the the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

### **Part B - Disclosures in a letter of offer**

**[See regulation 70(2)]**

- (1) An issuer, if it satisfies the following conditions, shall make disclosures as specified in clause (5) of this Part, in the draft letter of offer/letter of offer:
- (a) it has been filing periodic reports, statements and information in compliance with the listing agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable for the last three years immediately preceding the date of filing the letter of offer with the designated stock exchange in case of a fast track issue and in any other case, the date of filing the draft letter of offer with the Board;
  - (b) the reports, statements and information referred to in sub-clause (a) above are available on the website of any stock exchange;
  - (c) the issuer has investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the board of directors of the issuer as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
- (2) If the issuer does not satisfy the conditions specified in clause (1), it shall make disclosures in the letter of offer:
- (a) as specified in Part A, except for disclosures as specified in clause (4) below;
  - (b) as specified in items (XVIII)(2)(d), (e) and (f) in clause (5) of this Part.
- (3) Irrespective of whether the conditions specified in clause (1) are satisfied or not, the following issuers shall make disclosures in the draft letter of offer / letter of offer as specified in Part A of this Schedule, except for disclosures as specified in clause (4) below:
- (a) an issuer whose management has undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable and is making a rights issue of specified securities for the first time subsequent to such a change;

- (b) an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, 2013, as applicable, and is making a rights issue of specified securities for the first time subsequent to such listing.
- (4) In respect of an issuer making disclosures in terms of clauses (2) and (3) above, the disclosures specified in the following items in Part (A) shall not be applicable:
- (a) Sub-item (M) of item (4);
  - (b) Sub-para (b) of para (2) of sub-item (B) of item (14);
  - (c) Sub-para (d) of para (2) of sub-item (B) of item (14);
  - (d) Sub-para (d) of para (16) of sub-item (B) of item (14);
- (5) An issuer referred to in clause (1) shall make the following disclosures, as far as possible, in the letter of offer in the order in which the disclosures are specified in this clause:
- (i) **Cover Pages:** The cover page paper shall be of adequate thickness (minimum hundred GSM quality).
- (A) **Front Cover Pages:**
- i. Front inside cover page shall be kept blank.
  - ii. Front outside cover page shall contain only the following details:
    - (a) Type of letter of offer ("Draft Letter of Offer" or "Letter of Offer").
    - (b) Date of the draft letter of offer / letter of offer.
    - (c) Name of the issuer, its logo, date and place of its incorporation, corporate identity number, telephone number, address of its registered and corporate offices, contact person, website address and e-mail address (where there has been any change in the address of the registered office or the name of the issuer, reference to the page of the offer document where details thereof are given).
    - (d) Nature, number and price of specified securities offered and issue size, as may be applicable.
    - (e) The following clause on "General Risk" shall be incorporated in a box format:
 

"Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number ..... under the section 'General Risks'."
    - (f) The following clause on 'Issuer's Absolute Responsibility' shall be incorporated in a box format:
 

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this letter of offer contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the letter



of offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

- (g) Names, logos and addresses of all the lead manager(s) with their titles who have signed the due diligence certificate and filed the letter of offer with the Board, along with their telephone numbers, website addresses and e-mail addresses. (Where any of the lead manager(s) is an associate of the issuer, it shall disclose itself as an associate of the issuer and that its role is limited to marketing of the issue.)
- (h) Name, logo and address of the registrar to the issue, along with its telephone number, website address and e-mail address.
- (i) Issue schedule:
  - Date of opening of the issue
  - Date of closing of the issue
  - Last date for request for split
- (j) Name(s) of the stock exchanges where the specified securities are listed and the details of their in-principle approval for listing obtained from these stock exchange(s).

(II) **Back cover pages:**

The back inside cover page and back outside cover page shall be kept blank.

(III) **Table of contents:** The table of contents shall appear immediately after the front inside cover page.

(IV) **Definitions and abbreviations:**

- (A) Conventional or general terms
- (B) Issue related terms
- (C) Issuer and industry related terms
- (D) Abbreviations

(V) **Letter of offer summary:** This section shall contain summary of the following information, as applicable:

- (A) Primary business of the Issuer in not more than 50 words;
- (B) Objects of the issue in a tabular format;
- (C) Intention and extent of participation by the promoter and promoter group in the issue with respect to:
  - a. their rights entitlement.
  - b. the unsubscribed portion over and above their rights entitlement
- (D) The following details shall be disclosed as per the audited consolidated financial statements for past 3 years and stub period in tabular format:
  - a. Share capital;
  - b. Net Worth;
  - c. Revenue;
  - d. Profit after tax;
  - e. Earnings per share;
  - f. Net Asset Value per equity share; and

- g. Total borrowings (as per balance sheet).
  - (E) Auditor qualifications which have not been given effect to in the audited financial statements.
  - (F) Summary table of outstanding litigations and a cross-reference to the section titled '*Outstanding Litigations and Material Developments*'.
  - (G) Cross-reference to the section titled '*Risk Factors*'.
  - (H) Summary table of contingent liabilities and a cross-reference to contingent liabilities of the issuer as disclosed in restated financial statements.
  - (I) Cross-reference to related party transactions as disclosed in restated financial statements.
  - (J) The details of all financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the draft offer document/offer document.
  - (K) Any issuances of equity shares made in the last one year for consideration other than cash.
- (VI) **Risk factors:**
- (A) Risk factors shall be printed in clear readable font (preferably of minimum point ten size).
  - (B) Risk factors shall be in relation to the following:
    - (1) issue and objects of the issue;
    - (2) issuer and its ongoing business activities;
    - (3) material litigations which impact the business of the issuer.
  - (C) Risk factors shall be determined on the basis of their materiality. In doing so, the following shall be considered:
    - (1) Some risks may not be material individually but may be found material collectively.
    - (2) Some risks may have an impact which is qualitative though not quantitative.
    - (3) Some risks may not be material at present but may have a material impact in the future.
  - (D) Each risk factor shall appear in the following manner:
    - (1) Risk as envisaged by the issue.
    - (2) Proposals, if any, to address the risk.
  - (E) Proposals to address the risks shall not contain any speculative statement on the positive outcome to any matter or litigation, etc.
  - (F) Proposals to address the risks shall not be given for any matter that is sub-judice before any court or tribunal.
  - (G) Risk factors shall be disclosed in the descending order of materiality. Wherever risks about material impact are stated, likely or potential implications, including any financial implication, on the Company for the same shall be disclosed.
- (VII) **Introduction:**
- (A) **Summary:**
    - (1) Issue details in brief.
    - (2) Summary consolidated financial information.

**(B) General Information:**

- (1) Name, addresses of the registered and corporate offices, corporate identity number and the registration number of the issuer, along with the address of the Registrar of Companies where the issuer is registered.
- (2) Name, designation, address and DIN of each member of the board of directors of the issuer.
- (3) Names, addresses, telephone numbers and e-mail addresses of the Company Secretary and compliance officer of the issuer.
- (4) Names, addresses, telephone numbers, contact person, website addresses and e-mail addresses of the bankers to the issue, self-certified syndicate bankers and legal advisors to the issue; URL of SEBI website listing out the details of self- certified syndicate banks, registrar to issue and share transfer agents, depository participants, etc.
- (5) Statement of inter-se allocation of responsibilities among lead manager(s),
- (6) Following details of credit rating in case of an issue of convertible debt instrument:
  - (a) The names of all the credit rating agencies from which credit rating including unaccepted rating has been obtained for the issue of convertible debt instruments.
  - (b) Details of all credit ratings, including unaccepted ratings, obtained for the issue of convertible debt instruments.
  - (c) All credit ratings obtained during the preceding three years for any of the issuer's listed convertible debt instruments at the time of accessing the market through a convertible debt instrument.
- (7) Name, address, telephone number, website address and e-mail address of the debenture trustee in case of an issue of convertible debt instruments.
- (8) Name, address, telephone number and e-mail address of the monitoring agency, if appointed, and disclosure as to whether such appointment is pursuant to these regulations.
- (9) Name, address, telephone number and e-mail address of the appraising entity in case the project has been appraised.
- (10) Details of underwriting:
  - (a) Names, address, telephone numbers, and e-mail address of the underwriters and the amount underwritten by each of them.
  - (b) Declaration by the board of directors of the issuer that the underwriters have sufficient resources to discharge their respective obligations.
  - (c) In case of partial underwriting of the issue, the extent of such underwriting.
  - (d) Details of the final underwriting arrangement, indicating actual number of specified securities underwritten, in the letter of offer filed with the designated stock exchange.
- (11) The fact of filing the letter of offer with the Board and the stock exchange(s) and the office of the Board where the letter of offer has been filed.

**(C) Capital Structure:** The capital structure in the following manner in a tabular form:

- (1) Authorised, issued and subscribed capital, after suitable incorporation of the outstanding convertible securities (number of securities, description and aggregate nominal value).
- (2) Paid-up capital.

- (a) After the issue.
- (b) After conversion of convertible instruments (if applicable).
- (3) The following details of outstanding instruments:
  - (a) Details of options, if any.
  - (b) Details of convertible securities, if any.
- (4) Details of specified securities held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such specified securities.
- (5) Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the letter of offer with the designated stock exchange in case of a fast track issue and in any other case, the date of filing of the draft letter of offer with the Board.
- (6) Intention and extent of participation by the promoter and promoter group in the issue with respect to:
  - (1) their rights entitlement.
  - (2) the unsubscribed portion over and above their rights entitlement:
 

**Provided that** such participation shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (7) Ex-rights price as referred under clause of (b) of sub-regulation 4 of regulation 10 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.
- (8) Shareholding pattern as in the format prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as submitted to the stock exchanges.
- (9) Details of the shareholders holding more than one per cent. of the share capital of the issuer.

(VIII) **Particulars of the Issue**

(A) **Objects of the Issue:**

- (1) Objects of the issue for which funds are being raised.
- (2) If one of the objects is investment in a joint venture or subsidiary or an acquisition, the following additional disclosures shall be made:
  - (a) details of the form of investment, i.e., equity, debt or any other instrument;
  - (b) if the form of investment has not been decided, a statement to that effect;
  - (c) if the investment is in debt instruments, complete details regarding the rate of interest, nature of security, terms of repayment, subordination, etc.;
  - (d) nature of benefit expected to accrue to the issuer as a result of the investment
- (3) If one of the objects of the issue is to grant a loan to an entity other than a subsidiary, details of the loan agreements including the rate of interest, whether secured or unsecured, duration, nature of security, terms of repayment, subordination, etc. and the nature of benefit expected to accrue to the issuer as a result of the investment. If such a loan is to be granted to any of the group companies, details of the same.

- (4) If one of the objects of the issue is utilisation of the issue proceeds for long term working capital, the following additional disclosures on a standalone basis:
  - (a) Basis of estimation of working capital requirement, along with relevant assumptions.
  - (b) Reasons for raising additional working capital, substantiating the same with relevant facts and figures.
  - (c) Details of the projected working capital requirement including detailed assessment of working capital after implementation of the project or achievement of objects of the issue, as the case may be, capacity utilisation assumptions, break-up of expected current assets into raw materials, finished goods, work in progress, sundry debtors etc., along with the assumption about the holding norms for each type of current asset, total current liabilities, net current assets and envisaged sources of finance for net current assets, i.e., bank finance, institutional finance, own funds, etc.
  - (d) Total envisaged working capital requirement in a tabular form, the margin money thereof and the portion to be financed by any bank(s) or otherwise.
  - (e) Details of the existing working capital available with the issuer, along with a break-up of total current assets into raw materials, finished goods, work in progress, sundry debtors, etc., total current liabilities, net current assets and sources of finance for net current assets, i.e., bank finance, institutional finance, own funds, etc.
  - (f) If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same.
- (5) If an object of the issue is to fund a project, the following details shall be given:
  - (a) location of the project
  - (b) plant and machinery, technology, process, etc.
  - (c) collaboration, performance guarantee if any, or assistance in marketing by the collaborators.
  - (d) infrastructure facilities for raw materials and utilities like water, electricity, etc.
- (6) If one of the objects of the issue is to purchase any plant, machinery, technology, process, etc.
- (7) Details shall be given in a tabular form, which shall include the details of the equipment required to be bought by the issuer, cost of the equipment, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
- (8) In case the order for the equipment is yet to be placed, the date of quotations relied upon for the cost estimates given shall also be mentioned.
- (9) The percentage and value terms of the equipment for which orders are yet to be placed shall be stated.
- (10) The details of the second hand equipment bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc. shall also be given.
- (11) If warrants are issued in a rights issue, disclosure of the objects towards which the funds from conversions of warrants are proposed to be used.

**(B) Requirement of Funds:**

- (1) Where the issuer proposes to undertake more than one activity or project, such as diversification, modernisation, expansion, etc., the total project cost activity-wise or project wise, as the case may be.
- (2) Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any, which has already been implemented.
- (3) Details of all material existing or anticipated transactions in relation to the utilisation of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies (as defined under the Companies Act, 2013). The relevant documents shall be included in the list of material documents for inspection.
- (4) If any part of the proceeds of the issue is to be applied directly or indirectly:
  - (A) in the purchase of any business; or
  - (B) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith; the issuer will become entitled to an interest in respect to either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof;
 

a report made by accountants (who shall be named in the letter of offer) upon:

    - (i) the profits or losses of the business of each of the five financial years immediately preceding the issue of the letter of offer; and
    - (ii) the assets and liabilities of the business at the last date to which the accounts of the business were made, being a date not more than six months before the date of the issue of the letter of offer.
- (5) If:
  - (A) any part of the proceeds of the issue is to be applied directly or indirectly in any manner resulting in the acquisition by the issuer of shares in any other body corporate; and
  - (B) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate will become a subsidiary of the issuer;
 

a report made by accountants (who shall be named in the letter of offer) upon:

    - (i) the profits or losses of the other body corporate for each of the five financial years immediately preceding the issue of the Letter of Offer; and
    - (ii) the assets and liabilities of the other body corporate at the last date to which its accounts were made.
- (C) Strategic partners to the project or objects of the issue.
- (D) Financial partners to the project or objects of the issue.
- (E) **Funding plan (Means of Finance):**
  - (1) An undertaking by the issuer confirming that firm arrangements of finance through verifiable means towards seventy five per cent. of the stated means of finance, excluding the amount to be raised through the proposed issue and existing identifiable internal accruals, have been made.

- (2) Balance portion of the means of finance for which no firm arrangement has been made without specification.
  - (3) Details of funds tied up and the avenues for deployment of excess proceeds, if any.
- (F) **Appraisal:**
- (1) Scope and purpose of the appraisal, if any, along with the date of appraisal.
  - (2) Cost of the project and means of finance as per the appraisal report.
  - (3) Explanation of revision, if any, in the project cost and the means of finance after the date of issue of the appraisal report.
  - (4) Weaknesses, qualifications and threats given in the appraisal report, by way of risk factors.
- (G) **Schedule of implementation:** The schedule of implementation of the project and the progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, trial production, date of commercial production and reasons for delay, if any.
- (H) **Deployment of funds:**
- (1) Details of the sources of funds and the deployment of these funds on the project (where the issuer is raising capital for a project), up to a date not earlier than two months from the date of filing the letter of offer with the designated stock exchange, as certified by a Chartered Accountant, along with the name of the chartered accountant and the date of the certificate.
  - (2) Where share application money brought in advance by the promoters is deployed in the project and the same is being adjusted towards their rights entitlement in the rights issue, the extent of deployment and utilisation of the funds brought in by the promoters.
- (I) **Sources of financing of funds already deployed:** Means and source of financing, including details of "bridge loan" or other financial arrangement, which may be repaid from the proceeds of the issue.
- (J) **Details of balance fund deployment:** Year wise break-up of the expenditure proposed to be incurred on the said project.
- (K) **Interim use of funds:** A statement that net issue proceeds pending utilization (for the stated objects) shall be deposited only in the scheduled commercial banks.
- (L) **Expenses of the issue::** Expenses of the issue (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size) under the following heads:
- (1) Lead manager(s) fees including underwriting commission
  - (2) Brokerage, selling commission and upload fees
  - (3) Registrars to the issue
  - (4) Legal Advisors
  - (5) Advertising and marketing expenses
  - (6) Regulators including stock exchanges
  - (7) Printing and distribution of issue stationary
  - (8) Others, if any (to be specified).

- (A) Any special tax benefits for the issuer and its shareholders and its material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (B) Key Industry Regulations for the proposed objects of the issue (if different from existing business of the issuer)
  - (C) Interest of promoters, promoter group and directors, as applicable to the project or objects of the issue
- (IX) **History and Corporate Structure of the issuer::** A brief statement about the history and corporate structure of the issuer, main objects of the issuer and major events in the past, in case the issuer has not come out with any issue in the past ten years or more,
- (X) **Management (Board of Directors):**
- (A) Name, date of birth, age, Director Identification Number, address, occupation and date of expiration of the current term of office of manager, managing director and other directors (including nominee directors and whole-time directors), period of directorships and directorships in other companies.
    - (1) For each person, details of current and past directorship(s) for a period of five years in listed companies whose shares have been/were suspended from being traded on any of the stock exchanges, , during his/her tenure, as follows:
      - Name of the Company:
      - Listed on [give name of the stock exchange(s)]
      - Date of suspension on the stock exchanges:
      - If trading suspended for more than three months, reasons for suspension and period of suspension:
      - If the suspension of trading revoked, the date of revocation of suspension:
      - Term (along with relevant dates) of the director in the above company(ies).
 (The above details shall be given for the preceding five years. In case of offer documents for fast track issues filed under the provisions of these regulations, the period of five years shall be reckoned on the date of filing of the letter of offer.)
    - (2) For each person, details of current and past directorship(s) in listed companies who have been/were delisted from the stock exchange(s) during his/her tenure in the past ten years, as follows:
      - Name of the Company
      - Listed on [give name of the stock exchange(s)]
      - Date of delisting on the stock exchange(s)
      - Compulsory or voluntary delisting:
      - Reasons for delisting
      - If relisted, date of relisting on [give name of the stock exchange(s)]
      - Term (along with relevant dates) of the director in the above company(ies).
  - (B) Nature of any family relationship between any of the directors.
  - (C) Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the directors was selected as a director



- (D) Details of service contracts entered into by the directors with the issuer providing for benefits upon termination of employment and a distinct negative statement in the absence of any such contract.

(XI) **Financial Information of the issuer:**

One standard financial unit shall be used in the Letter of Offer.

(A) Consolidated financial statements of the issuer:

- (1) A report by the auditors of the issuer with respect to profit or loss and assets and liabilities (indicating changes in accounting policies, if any) in respect of the last completed accounting year for which the audit has been completed.
- (2) A report by the auditors of the issuer on a limited review of the profit or loss and assets and liabilities (indicating changes in accounting policies, if any), as at a date not earlier than six months prior to the date of the opening of the issue, where audited accounts as at such date are not available.
- (3) For the purpose of clauses (1) and (2) above, it shall be sufficient if:
  - a) In the statement of the assets and liabilities, the main heads of assets and liabilities as provided in Part I of Schedule III of the Companies Act, 2013 have been provided. If an issuer is governed by a statute other than the Companies Act, 2013, the main heads of assets and liabilities as specified in such statute shall be provided in the statement of assets and liabilities.
  - b) In the statement of profit or loss, the information required to be disclosed under the heads of income and expenditure as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of quarterly financial information to be filed with the stock exchanges, has been provided .
- (4) Material changes and commitments, if any, affecting the financial position of the issuer.
- (5) Week-end prices for the last four weeks; current market price; and highest and lowest prices of equity shares during the period with the relative dates. If the equity shares of the issuer are listed on more than one stock exchange, the above information shall be provided for each stock exchange separately.
- (6) Stock market quotation of shares/convertible instruments of the issuer (high/low price in each of the last three years and monthly high/low price during the last six months). If the equity shares of the issuer are listed on more than one stock exchange, the above information shall be provided for each stock exchange separately.
- (7) Accounting and other ratios: The following key accounting ratios shall be given for each of the accounting periods for which the financial information is given:
  - Earnings per share (Basic and Diluted)
  - Return on net worth
  - Net Asset Value per share
  - EBITDA
- (8) Capitalisation Statement:

- a. A Capitalisation Statement showing total debt, net worth, and the debt/equity ratios before and after the issue is made.
- b. In case of any change in the share capital since the date as of which the financial information has been disclosed in the prospectus, a note explaining the nature of the change.
- c. An illustrative format of the Capitalisation Statement is specified hereunder:

Particulars	Pre-issue at	As adjusted for the proposed issue
(₹ in Crores)		
<b>Total borrowings</b>		
Current borrowings*		
Non-current borrowings (including current maturity)*		
<b>Total equity</b>		
Share capital*		
Reserves and surplus*		
Money received against share warrants*		
<b>Total Capital</b>		
Ratio: Non-current borrowings/ Total equity		

\*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

(XII) A statement to the effect that the price has been arrived at in consultation between the issuer and the lead manager(s).

(XIII) **Disclosures pertaining to wilful defaulters:** If the issuer or any of its promoter or director has been declared as a wilful defaulter, it shall make the following disclosures with respect to each such person separately:

- (a) Name of the person declared as a wilful defaulter;
- (b) Name of the bank declaring the person as a wilful defaulter;
- (c) Year in which the person was declared as a wilful defaulter;
- (d) Outstanding amount when the person was declared as a wilful defaulter;
- (e) Steps taken, if any, by the person for removal of its name from the list of wilful defaulters;
- (f) Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision;
- (g) Any other disclosure as specified by the Board.

The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the inside pages.

Disclosures specified herein shall be made in a separate chapter or section, distinctly identifiable in the Index / Table of Contents.

(XIV) **Outstanding Litigations and Defaults:**

- (A) Pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer.
- (B) Matters which are pending:
  - (1) Issues of moral turpitude or criminal liability on the part of the issuer
  - (2) Material violations of the statutory regulations by the issuer
  - (3) Economic offences where proceedings have been initiated against the issuer.For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (C) For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (D) These disclosures shall be made in respect of the issuer and the subsidiary companies of the issuer whose financial statements are included in the draft letter of offer or letter of offer, either separately or in a consolidated form.

- (XV) **Government Approvals or Licensing Arrangements:** In case of a new line of activity/project, all pending government and regulatory approvals.  
In case of an existing line of activity/project, all material pending regulatory and government approvals.

- (XVI) **Material Developments:** Any material development after the date of the latest balance sheet and its impact on the performance and prospects of the issuer.

(XVII) **Other Regulatory and Statutory Disclosures:**

- (A) Authority for the issue and details of the resolution passed for the issue.
- (B) A statement by the issuer that the issuer, promoters, promoter group, directors or have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board.
- (C) A statement by the issuer if any of the directors of the issuer are associated with the securities market in any manner, and if yes, details of any outstanding action initiated by the Board against the said entities with the relevant details.
- (D) A statement by the issuer that the issuer, promoters, or directors, have not been or are not identified as wilful defaulters.
- (E) A statement by the issuer that it is in compliance with the provisions specified in Clause (1) of this Schedule.
- (F) For a fast track issue, details of compliance with the eligibility requirements.
- (G) Disclaimer clauses:
  - (1) The letter of offer shall contain the following disclaimer clause in bold capital letters:  
"It is to be distinctly understood that submission of Letter of Offer 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 Letter of Offer. Lead manager(s), ..... has certified that the disclosures made in the Letter of Offer are generally adequate and are in conformity with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that while the issuer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the letter of offer, the lead manager(s) is expected to exercise due diligence to ensure that the issuer discharges its responsibility adequately in this behalf and towards this purpose, the lead manager(s) ..... has furnished to the Securities and Exchange Board of India (SEBI) a due diligence certificate dated .....which reads as follows:  
*(due diligence certificate submitted to the Board to be reproduced here)*

The filing of the letter of offer does not, however, absolve the issuer from any liabilities under 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 lead manager(s) any irregularities or lapses in letter of offer."

(2) Disclaimer statement from the issuer and lead manager(s):

A statement to the effect that the issuer and the lead manager(s) accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the issue will be deemed to have been represented by the issuer and lead manager(s) and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of our company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

(3) Disclaimer in respect of jurisdiction: A brief paragraph mentioning the jurisdiction under which the provisions of law and the rules and regulations are applicable to the letter of offer.

(4) Disclaimer clause of the stock exchanges

(5) Disclaimer clause of the Reserve Bank of India, the Insurance Regulatory and Development Authority of India and of any other regulatory authority (if applicable).

(H) The fact of filing the letter of offer with the Board and the stock exchange(s) and the office of the Board where the letter of offer has been filed.

(I) Arrangements or any mechanism evolved by the issuer for redressal of investor grievances and the time normally taken by it for disposal of various types of investor grievances.

(XVIII) **Offering Information:**

(1) Terms of payments and procedure and time schedule for allotment and issue of certificates/demat credit.

- (2) How to apply, availability of application forms and letter of offer and mode of payment, including the following:
  - (a) Applications by mutual funds:
    1. A statement under the heads "Procedure for applications by mutual funds" and "Multiple Applications" to indicate that a separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications.
    2. A statement that the application made by an asset management company or by custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made.
  - (b) Applications by non-resident Indians:
    1. the name and address of at least one place in India from where individual non-resident Indian applicants can obtain the application forms.
    2. A statement that: "Non-resident Indian applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The non-resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category."
  - (c) Application by ASBA investors: Details of Application Supported by Blocked Amount process including specific instructions for submitting Application Supported by Blocked Amount.
  - (d) A statement that the shareholders who have not received the application form can apply, along with the requisite application money, by making an application on a plain paper.
  - (e) The format to enable shareholders to make an application on a plain paper specifying therein necessary particulars such as name, address, ratio of rights issue, issue price, number of equity shares held, ledger folio numbers, depository participant ID, client ID, number of equity shares entitled and applied for, additional shares if any, amount to be paid along with application, and particulars of cheque, etc. to be drawn in favour of the issuer's account;
  - (f) A statement that shareholders making an application on a plain paper cannot renounce their rights and shall not utilise the application form for any purpose including renunciation even if it is received subsequently.
- (3) Dealing with Fractional Entitlement: Manner of dealing with fractional entitlement viz. payment of the equivalent of the value, if any, of the fractional rights in cash etc.
- (4) Provisions of the Companies Act, 2013, as relating to punishment for fictitious applications, including the disclosures that any person who:
  - a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - b) makes or abets making of multiple applications to a company in different names or in different combinations of his/her name or surname for acquiring or subscribing for its securities; or
  - c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to such person, or to any other person in a fictitious name.

Provided that any penalty imposed pursuant to Companies Act, 2013 shall also be disclosed.

- (5) A statement that credit of specified securities to the demat account / refunds shall be done within a period of fifteen days and interest shall be payable in case of delay in refund at the prescribed rate. Liability of issuer and its directors (who are officers in default) to make refunds along with specified rate of interest shall also be mentioned, in case refunds not made within the specified timeline.
  - (6) Mode of making refunds:
    - a) The mode in which the issuer shall make refunds to applicants in case of an oversubscription or failure to list or otherwise.
    - b) If the issuer proposes to use more than one mode of making refunds to applicants, the respective cases where each such mode will be adopted shall be disclosed.
    - c) The permissible modes of making refunds are as follows:
      - (i) In case of applicants residing in any of the centres specified by the Board: by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) or NACH (National Automated Clearing House), as applicable, as is for the time being permitted by the Reserve Bank of India;
      - (ii) In case of other applicants: by despatch of refund orders by registered post, where the value is `1500/- or more, or under certificate of posting in other cases, (subject however to postal rules); and
      - (iii) In case of any category of applicants specified by the Board: crediting of refunds to the applicants in any electronic manner permissible by the Board.
- (XIX) **Undertakings by the issuer in connection with the issue:** The issuer shall undertake that:
- (a) complaints received in respect of the issue shall be attended to by the issuer expeditiously and satisfactorily.
  - (b) steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the specified securities are to be listed are taken within the time limit specified by the Board. of finalisation of basis of allotment.
  - (c) funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by the issuer.
  - (d) where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
  - (e) Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
  - (f) adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

- (g) In case of convertible debt instruments, the issuer shall additionally undertake that:
  - (1) it shall forward the details of utilisation of the funds raised through the convertible debt instruments, duly certified by the statutory auditors of the issuer, to the debenture trustee at the end of each half-year.
  - (2) it shall disclose the name and address of the debenture trustee in the annual report.
  - (3) it shall provide a compliance certificate to the convertible debt instrument holders on a yearly basis in respect of compliance with the terms and conditions of issue of debentures as contained in the Letter of Offer, duly certified by the debenture trustee.
  - (4) it shall furnish a confirmation certificate that the security created by the issuer in favour of the convertible debt instrument holders is properly maintained and is adequate to meet the payment obligations towards the convertible debt instrument holders in the event of a default.
  - (5) it shall extend necessary cooperation to the credit rating agency(ies) in providing the requisite information in a true and adequate manner till the debt obligations in respect of the instrument are outstanding.
  
- (XX) **Utilisation of Issue Proceeds:** The letter of offer, other than for an issue made by a scheduled commercial bank or a public financial institution, shall contain a statement of the board of directors of the issuer to the effect that:
  - (A) all monies received out of issue of shares or specified securities to the public shall be transferred to a separate bank account.
  - (B) details of all monies utilised out of the issue referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the purpose for which such monies had been utilised; and
  - (C) details of all unutilised monies out of the issue of specified securities referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.
  
- (XXI) **Restrictions on foreign ownership of Indian securities, if any:**
  - (A) Investment by NRIs.
  - (B) Investment by foreign portfolio investors and foreign venture capital investors.
  - (C) investment by other non-residents.
  
- (XXII) **Statement regarding minimum subscription clause:**
  - (A) "If the issuer does not receive the minimum subscription of ninety per cent. of the issue, including devolvement the of underwriters, the entire subscription monies shall be refunded to the applicants within the specified time from the date of closure of the issue."
  - (B) "If there is a delay in the refund of subscription money by more than 8 days after the issuer becomes liable to pay the subscription amount, the issuer shall pay interest for the delayed period, at rates prescribed under the Companies Act, 2013."
  
- (XXIII) **Statutory and other information:**
  - (A) Option to subscribe in the issue:
    - (1) The details of option, if any for a rights issue (applicable for a period of six months from the date of coming into force of these regulations), to receive the specified securities either in dematerialised form or in physical form.

- (2) A statement that the investors shall have an option either to receive the security certificate(s) or to hold the securities in dematerialised form with a depository.
- (B) Material contracts and time and place of inspection which shall include copies of the Annual Reports of the issuer for the last five years.

(XXIV) Any other material disclosures, as deemed necessary.

(XXV) Declaration:

“No statement made in this letter of offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.”

The draft letter of offer (in case of issues other than fast track issues) and the letter of offer shall be approved by the Board of Directors of the issuer and shall be signed by all directors including the Managing Director within the meaning of the Companies Act, 2013 or Manager within the meaning of the Companies Act, 2013 and the Chief Financial Officer or any other person heading the finance function and discharging that function. The signatories shall further certify that all disclosures made in the letter of offer are true and correct.

- (6) An issuer shall make a copy of the offer document of the immediately preceding public issue or rights issue available to the public in the manner specified in these regulations and shall also make such document available as a material document for inspection.

### **Part C - Certain disclosures not mandatory in case of a further public offer**

**[See regulation 123(2)(d), 186(3)(d), 218(2), 220(1)]**

- (1) An issuer making a further public offer of specified securities may not make the disclosures indicated hereunder and specified in Part A of this Schedule, subject to fulfilment of the conditions specified in para 2:
  - (i) Para (a) of sub-item (B) of item (8) under capital structure section;
  - (ii) Para (f) of sub-item (B) of item (8) under capital structure section;
  - (iii) Para (h) of sub-item (F) of item (10) under management section;
- (2) The conditions referred to in para (1) above are as follows:
  - (a) The issuer has been filing periodic statements in regard to financial results and shareholding pattern with the designated stock exchange and also with the Registrar of Companies (in case of a public issue), for the last three years and such statements are available on the website of the designated stock exchange or on a common e-filing platform;
  - (b) The issuer has in place an investor grievance handling mechanism, which includes meeting of the Shareholders/Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the board of directors of the issuer with regard to share transfer and clearly laid out systems and procedures for timely and satisfactory redressal of investor grievances;
  - (c) The lead manager(s) has certified that the conditions specified at (a) and (b) above have been complied with;
  - (d) The issuer has furnished to the Board the following undertaking along with the draft offer document, which shall also be incorporated in the offer document:



“We confirm that other than the disclosures made in this offer document, nothing material has changed in respect of disclosures made by us at the time of our previous issue made on .....

- (e) The issuer has made the offer document of its immediately preceding public or rights issue public in the manner specified in sub-regulation (4) of regulation 26 and/or sub-regulation (4) of regulation 72, as applicable, and has also kept this document for public inspection in the manner specified in para (e) of sub-item (E) of Item (10) of Part A of this Schedule.

#### **Part D - Certain disclosures not mandatory in case of a fast track public issue**

An issuer making a fast track public issue of specified securities may not make the disclosures indicated hereunder and specified in Part A of this Schedule:

- (1) Para (a) of sub-item (B) of item (8) under capital structure section;
- (2) Para (f) of sub-item (B) of item (8) under capital structure section;
- (3) Para (h) of sub-item (F) of item (10) under management section;
- (4) Sub-para (ii) of para (a) of sub-item (G) of item (10) under promoter/ principle shareholder section;
- (5) Sub-para (iv) of para (b) of sub-item (G) of item (10) under promoter/ principle shareholder section

#### **Part E - Disclosures in an abridged prospectus**

**[See regulation 34(1), 71(2)(d) and 131(1)]**

An abridged prospectus shall contain information as is material and appropriate to enable investors to make an informed decision, and shall be as per the format and order specified by the Board in Annexure I.

##### **General Instructions:**

- (I) A copy of the abridged prospectus shall be submitted to the Board.
- (II) Information which is of a generic nature and not specific to the issuer shall be provided in the form of a General Information Document (GID) as specified by the Board and which shall be available separately and not be included in the draft offer document and offer document.
- (III) The abridged prospectus shall be printed in a booklet form of A4 size paper and, along with the application form and revision form, shall not exceed five sheets, printed both sides. Additional sheets may be appended for bidding centres.
- (IV) The abridged prospectus shall be printed in a font size which shall not be visually smaller than Times New Roman size 11 (or equivalent) with 1.0 line spacing.
- (V) The application form shall be so positioned that on the tearing-off of the application form, no part of the abridged prospectus is mutilated.

## Annexure I

This is an abridged prospectus containing salient features of the Red Herring Prospectus (RHP). You are encouraged to read greater details available in the RHP.

**THIS ABRIDGED PROSPECTUS CONTAINS 'XYZ' PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

You may obtain a physical copy of the Bid-cum-Application form and the RHP from stock exchange/s, syndicate members, registrar to issue, share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors' associations or Self Certified Syndicate Banks. You may also download the RHP from the websites of SEBI, Book Running Lead Managers and Stock Exchanges that is [www.sebi.gov.in](http://www.sebi.gov.in); [www.nseindia.com](http://www.nseindia.com); [www.bseindia.com](http://www.bseindia.com); websites of BRLM's (to be specified).

### NAME OF THE ISSUER COMPANY

Registered Office and Corporate Office:

Contact Person:

Telephone:

E-mail:

Website:

CIN:

### NAMES OF PROMOTER OF THE COMPANY

### ISSUE DETAILS, LISTING AND PROCEDURE

This is an **initial public offering (IPO)** of equity shares or convertible securities of face value Rs [.] each of the company and we plan to raise (amount to be specified) by issuing equity shares or convertible securities at offer price of Rs. [.] each including a premium of Rs. [.] each. **These equity shares are proposed to be listed on (to be specified) (designated stock exchange) and (to be specified).**

The price band and the minimum Bid lot size for the IPO shall be advertised at least five (5) working days prior to bid/issue opening date in English national daily (to be specified), Hindi national daily (to be specified) and regional daily (to be specified). Details about the basis for the Issue Price will be available on the websites of BSE and NSE.

#### Procedure:

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the General Information Document from Book Running Lead Managers (BRLMs) or download it from the websites of (stock exchanges to be specified along with website address) and the BRLMs (websites to be specified).

### ELIGIBILITY FOR THE ISSUE

Whether the company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers - **Yes / No**

### INDICATIVE TIMETABLE

Bid Opening Date		Initiation of Refunds	
Bid Closing Date		Credit of Equity Shares to demat accounts of Allotees	
Finalisation of basis of allotment with the Designated Stock Exchange		Commencement of trading of Equity Shares on the Stock Exchanges	

*\* The company may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid Opening Date.*

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" at page XXX of the Red Herring Prospectus and on page XX of this Abridged Prospectus.

## PRICE INFORMATION OF BRLM'S\*

Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 180th calendar days from listing
		+1% (+5%)	-2% (-5%)	

\* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Names of Book Running Lead Manager/s and contact details (telephone and email id) of each BRLM	
Names of Syndicate Members	

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included

Name of Registrar to the Issue and contact details (telephone and email id)	
Name of Statutory Auditor	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture trustee, if any	
Self Certified Syndicate Banks	The list of banks is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Non Syndicate Registered Brokers	You can submit Bid cum Application Forms in the Issue to Non Syndicate Registered Brokers at the Non Syndicate Broker Centres. For further details, see section titled "Issue Procedure" beginning at page XXX of the Red Herring Prospectus
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	

## **PROMOTERS OF ISSUER COMPANY**

Details of promoter/s in not exceeding 1000 words explaining their experience

.....

## **BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

500 word limit in total.

**BOARD OF DIRECTORS**

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms (20 - 40 words for each Director)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

## OBJECTS OF THE ISSUE

### Details of means of finance -

The fund requirements for each of the objects of the Issue are stated as follows: (Rs in crores)

Sr. No.	Objects of the Issue	Total estimated cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20__	Fiscal 20__
1						
2						
3						
4						
5	General corporate purposes					
	<b>Total</b>					

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years.**

**Name of monitoring agency, if any**

**Terms of Issuance Of Convertible Security, if any**

Convertible securities being offered by the Company	
Face Value/ Issue Price per Convertible securities	
Issue Size	
Interest on Convertible securities	
Conversion Period of Convertible securities	
Conversion Price for Convertible securities	
Conversion Date for Convertible securities	
Details of security created for CCD	

### Shareholding Pattern

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group		
2.	Public		
	<b>Total</b>		100%

**Number / amount of equity shares proposed to be sold by selling shareholders - if any**

# **RESTATED AUDITED FINANCIALS**

## **Standalone**

	Latest Stub period	FY 5 (Last audited financial year prior to issue opening)	FY 4	FY 3	FY 2	FY 1
Total income from operations (net)						
Net Profit / (Loss) before tax and extraordinary items						
Net Profit / (Loss) after tax and extraordinary items						
Equity Share Capital						
Reserves and Surplus						
Net worth						
Basic earnings per share (Rs.)						
Diluted earnings per share (Rs.)						
Return on net worth (%)						
Net asset value per share (Rs.)						

## **Consolidated**

	Latest Stub period	FY 5 (Last audited financial year prior to issue opening)	FY 4	FY 3	FY 2	FY 1
Total income from operations (net)						
Net Profit / (Loss) before tax and extraordinary items						
Net Profit / (Loss) after tax and extraordinary items						
Equity Share Capital						
Reserves and Surplus						
Net worth						
Basic earnings per share (Rs.)						
Diluted earnings per share (Rs.)						
Return on net worth (%)						
Net asset value per share (Rs.)						

## INTERNAL RISK FACTORS

(Minimum 5 and maximum 10 risk factors to be specified)

The below mentioned risks are top 5 or 10 risk factors as per the RHP. (500 word limit in total)

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved

B. Brief details of top 5 material outstanding litigations against the company and amount involved

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 - 300 word limit in total)

D. Brief details of outstanding criminal proceedings against Promoters (200 - 300 word limit in total)

## ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY

### DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.



## **Part F - Disclosures in an abridged letter of offer**

**[See regulation 75]**

- (1) A listed issuer making a rights issue of specified securities shall make disclosures, as specified in Part E of this Schedule.
- (2) However, if the conditions specified in clause (1) in Part B of this Schedule are satisfied, the disclosure requirements specified in the following clauses in Part E of this Schedule, shall not be applicable:
  - (a) Promoters of the issuer;
  - (b) Business Model/Business Overview and Strategy;
  - (c) Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years;
  - (d) Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any;
  - (e) Price information of the lead manager(s); and
  - (f) Brief details of outstanding criminal proceedings against Promoters.

The following requirements of Part E shall be applicable in the manner provided below:

- (a) "Restated Audit Financials" should be read as "Audited and Limited Reviewed Financial Statements" and should provide disclosure for stub period and last completed accounting year for which audit has been completed
  - (b) "Summary of Outstanding Litigations, Claims and Regulatory Action" shall also include brief details of pending matters involving moral turpitude or criminal liability on the part of the issuer and subsidiaries and economic offences where proceedings have been initiated against the issuer and subsidiaries.
- (3) The order in which the items shall appear in the abridged letter of offer shall correspond, wherever applicable, to the order in which the items appear in Part D of this Schedule.
- (4) The abridged letter of offer shall also include the following disclosures:
  - (a) Provisions pertaining to applications referred to in sub-regulations (1), (2) and (3) of regulation 78;
  - (b) Rights entitlement ratio;
  - (c) Fractional entitlements;
  - (d) Renunciation;
  - (e) Application for additional equity shares;
  - (f) Intention of promoters to subscribe to their rights entitlement;
  - (g) Statement that a copy of the offer document of the immediately preceding public or rights issue is available to the public as specified under sub-regulation (4) of regulation 26 and/or sub-regulation (4) of regulation 72, as applicable, and also as a document for public inspection.