Assistant Manager
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SEBI/CFD/RAC/DIL-2/P/OW/19198/2025

July 18, 2025

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C-27, G Block
Bandra-Kurla Complex, Bandra East
Mumbai- 400051

Kind Attention: Mr. Ganesh Rane

महोदय,

Dear Sir,

विषय / Sub: Proposed IPO of Physicswallah Limited (PWL/ the Company/Issuer)

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

   With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

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

2. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं । कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि

3. प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं । **इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे ।**

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

4. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है । सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है । अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं । अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए । ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें ।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

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

उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख March 18, 2025 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है ।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated March 18, 2025, in accordance with SEBI ICDR Regulations, 2018.

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

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

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

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

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

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

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

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

10. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 18 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्स्क्रिप्शन) के लिए खोला जा सकता है ।

    The proposed issue can open for subscription within a period of 18 months from the date of issuance of this observation letter.

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

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

Place: Mumbai

Anmola Agrawal

Annexure I

OBSERVATIONS

1. Please refer to our letter dated April 23, 2025 and the response from LM dated May 09, 2025 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. Draft offer document and the offer document, shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company/ Expert. The Issuer Company / BRLMs shall ensure that the "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor any underlying assumptions have been omitted for investors to make an informed decision.
3. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
4. The industry report disclaimers (if any) shall be removed from all places of the offer document.
5. LM is advised to include the industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
6. The LM is advised to ensure that offer document is made in lucid and economical language with limited usage of abbreviations. Abbreviations, if any, shall be used only with prior and appropriate disclosure of the corresponding term. Jargons or nomenclatures, if any, shall be properly explained at each and every mention of the same.
7. LM is advised to ensure all quantitative information be provided in tabular form and free from discrepancies/errors in all sections for the ease of reading. LM may provide with certainty all the relevant information sought by SEBI till the issue of this observation letter, in the offer document/UDRHP/RHP.
8. LM is advised to ensure that financial disclosures for the stub period and comparative periods shall be made on account of audited, restated and consolidated financials only.
9. LM is advised to ensure that the primary business of the company shall be disclosed in lucid and economical language. The disclosure shall specify the industry, sector, activity, products etc. with clarity.
10. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
11. Though, these observations refer to a specific chapter or para, LM is advised to ensure, in principal, disclosures shall be consistent across the offer document.
12. LM is advised to ensure that the disclosure of risk factors are based on materiality and provide adequate and cross-reference, to the exact page no., wherein detailed information is disclosed.
13. LM is advised to disclose the date of Board Approvals obtained for disclosed initiatives, such as expansion, expenditures etc. Non-disclosures shall be qualified with reasons.

14. LM is advised that KPIs and financial data wherever disclosed shall be in absolute terms and in % terms, and shall pertain to the disclosed financial period.
15. LM is advised to make uniform presentation of data in terms of the placement of time-periods. LM should ensure that the time-periods are either placed in ascending or descending order, uniformly across the offer document.
16. For each cross-referencing of the industry report, LM is advised to mention the exact para and page of the report.
17. LM is advised to incorporate all the certificates certified by the Chartered Accountants under section- Material *contracts and documents for inspection*.
18. LM to ensure the eligibility of the employees applying under the employee reservation portion of the issue.
19. Key Regulations and Policies – The section shall disclose that on and from the issuance of observations by the board, securities law and regulations shall also apply. The section shall disclose the list of such regulations, such as SEBI SDI Regulations, SEBI NCS Regulations etc.
20. LM is advised to disclose the name of the signing partner of the legal counsel to the issuer along with disclosing corresponding email-id and contact person.
21. LM is advised to identify the monitoring agency in the offer document at the time of UDRHP itself.
22. LM is advised to include QR Code for all the web links in the Offer Document.
23. **Forward looking statements:**

    Forward looking statements may not contain risk factors. The ten points mentioned under important factors may be removed. A cross reference (with respective page no.s) may be made to Risk Factors or top ten risk factors provided under Summary of the Offer Document.

24. **Summary of Offer Document**:

    24.1. Pg. 13 - Definitions of 'Revenue from operations (Offline channel)' and 'Revenue from operations (Online channel' appear to be reverse to their respective meaning. LM may verify and ensure correct disclosure.
    24.2. Pg. 25 – LM is advised to disclose revenue derived from each segment under 'Summary of primary business of our Company'. Further, LM is advised to delete the words "Student first company".
    24.3. Pg. 28 - LM is advised to include separate risk factor the Company has incurred losses in the last 2 Financial Years and the stub period. LM is advised to place the said risk factor in top 5 risk factors.
    24.4. LM is advised to explain difference between 'Short term employee benefits' and 'Remuneration paid' as a footnote. Further, LM is advised to verify and confirm that payment has been made only to permanent employees of the Company.
    24.5. Pg. 32- Related Party Transactions- LM is advised to explain and clarify the meaning of cross charge income for expenses incurred on behalf of others.
    24.6. Pg. 45-46- LM is advised to verify and disclose if any of the allottees, other than Alakh Pandey and Prateek Boob, are related, whether directly or indirectly, to the promoters.

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

25.1. LMs to ensure that any description of risk or description of the possibility of occurrence of an event/ situation shall necessary follow with a statement of detailed disclosure on past occurrences. If not, a categorical statement of disclosure on non-occurrence of such events shall be disclosed.

25.2. Risk Factors - (i) every risk factor shall be provided with a cross-reference to the detailed description of the facts / reasons in the DRHP, wherever applicable. (ii) In all risk factors, wherever either only percentages or the absolute values are mentioned, LM shall ensure to disclose both the absolute values and percentages adequately.

25.3. RF1 – LM is advised to disclose reason for exponential increase in revenue from operations between FY 2022 to FY 2024. Further, LM is advised to briefly explain the net loss on re-measurement of financial instruments at fair value under appropriate sections of Offer Document.

25.4. RF3 – LM is advised to disclose Average feedback/rating given by students on faculty performance during the last 3 Financial Years based on such feedback taken from the students may be disclosed. Also approx. % of terminations due to poor performance as a proportion of total agreements during the last 3 Financial Years may be disclosed.

25.5. RF4 – LM is advised to disclose risk related to sharing of internal strategies and critical business operations when employees join competitor business.

25.6. RF12 – LM is advised to place the said risk in top 12 risk factor.

25.7. RF15 – LM is advised to clearly disclose the response of the issuer company to each of the qualifications stated in the financial statements mentioned in the financial statements for Fiscal 2023 and 2024. For example, LM is advised to disclose whether the company and its subsidiaries had internal financial controls or not with respect to the financial statements.

25.8. RF28 – LM is advised to mention that the IPO proceeds shall be used towards payment of lease rentals for existing identified locations. Further, LM is advised to place the risk factor in top 10 risk factor.

25.9. RF33 - LM is advised to place the said risk in top 15 risk factor.

25.10. RF35 – LM is advised to provide for brief reasons for the past delay in payment of statutory dues. Also, mention the remedial actions taken to obviate such delays in future.

25.11. RF39 – LM is advised to place the said risk in top 20 risk factor.

25.12. RF41- LM is advised to place the said risk in top 10 risk factor.

25.13. RF45 – (i) In view of the statement "You may not be able to seek legal recourse for …… investment decision regarding the Offer", LM is advised is advised to re-draft the statement and provide only standard disclosures. Further, it may be clearly mentioned that such risk is only applicable for those parts of DRHP wherein reference to Redseer Report has been relied upon. (ii) LM is advised to confirm and disclose that Redseer strategy Consultants Private Limited are not related or have any kind of economic interest in the Company, promoter, Promoter group, KMPs, directly or indirectly.

25.14. RF72 – LM is advised to redraft the risk factor clearly mentioning how takeover regulations are described as having anti-takeover provisions

25.15. RF73- LM is advised to explain and disclose with illustration how rights of shareholders of Indian companies may be more limited than under the laws of other jurisdictions.

26. Pg. 121-123 - LM is advised to disclose basis for valuation for the transfer of equity shares including valuation report obtained, if any, may be disclosed. Also relation between the transferors and transferees, if any, may be disclosed.

27. Pg. 140 – LM is advised to disclose locations of new PW centers or the cities where they will be set up yet to be identified for which IPO proceeds are being used. Further, since the issuer company will retain the flexibility to change the mix of utilization of the IPO proceeds towards the various objects, it may be clearly disclosed that there is also a possibility that no such centers/ cities may eventually be identified. Further, in case there is certainty that such centers/cities will eventually be identified, a specific affirmative statement to that effect may be made. Further, this may be incorporated in top 5 risk factors including the heading of the risk factor.

28. Pg. 141-145- Relationship of the different vendors with the promoters/promoter group/directors/KMP/SMP/subsidiaries, if any, may be disclosed.

29. Pg. 141, 143, 144,151- LM is advised to disclose the average area of each of the existing centers and the proposed new centers in a tabular form.

30. Pg. 146- LM is advised to update the status of VDK tranches I, IIA and IIB.

31. Pg. 148 – LM is advised to disclose reason with justification for decrease in lease rentals from PW Pathshala from fiscal 2023 to fiscal 2024.

32. Pg. 155 – LM is advised to justify and disclose reason for proposed exposure on marketing and promotion. Further, LM is advised to incorporate details of proposed arrangements with global platforms including breakup of the proposed expenditure towards different types of advertisement campaigns.

33. Pg. 155 – LM vide letter dated June 14, 2025 has submitted that the Company has signed terms and conditions with two global platform through which it intends to spend Rs. 9000 million. LM is advised to confirm and make appropriate disclosures in this regard.

34. Pg. 155 – LM is advised to disclose data with respect to claims of 'improving customer acquisition cost' for the past three years and stub period. Incase data not available, LM is advised to delete the words 'improving customer acquisition cost'.

35. Pg. 156 – (i) LM is advised to disclose details of valuation report including basis for such high valuation for proposed acquisition of the equity shares of Xylem. Further, LM is advised to ensure that valuation report of Xylem has been included in the list of 'Material Contracts and Documents for Inspection'. Further, if no such valuation report has been obtained, LM is advised to provide and disclose detailed justification for acquisition price of Rs.8 lakhs (approx.) per equity shares of Xylem. (ii) LM is advised

to provide a separate risk factor with respect to valuation of Xylem and highlighting that Xylem is loss making entity.

36. Pg. 158 – LM is advised to disclose details of valuation report obtained for proposed acquisition of the equity shares of Utkarsh. Further, LM is advised to ensure that valuation report of Utkarsh has been included in the list of 'Material Contracts and Documents for Inspection'. Further, if no such valuation report has been obtained, LM is advised to provide and disclose detailed justification for acquisition price of Rs. 3400 (approx.) per equity shares of Utkarsh. (ii) LM is advised to provide a separate risk factor with respect to valuation of Utkarsh and also highlight that Utkarsh is loss making entity.

37. Pg. 165 – LM is advised to include a separate risk factor that there are no listed peers of the Company. Accordingly, the Company would be the first such company in the business of education provider to be listed and the investors would have no guidance for any comparison with a similar company while making an investment decision in the IPO.

38. Pg. 230, 231 – LM is advised to justify and explain the sustainability of business model of Physicswallah and maintenance of the quality of its courses may be justified in detail in view of the fact It is offering its courses at around 80% discount to the prices charged by the other organized players.

39. Pg. 233 - Since there are no peer companies, LM is advised to explain the claims "India's fastest and largest education company'. Further, LM is advised to disclose data along with source with respect to such claims under relevant sections of the Offer Document. If relevant data with verifiable source is not available, LM may be advised to delete such claims from the Offer Document.

40. Pg. 237- LM is advised to disclose number of students enrolled in the various paid courses for the last 3 Financial Years and the stub period in a tabular form.

41. Pg. 260- LM is advised to disclose more details about the system of category heads and central panel members and the evaluation conducted by them.

42. Pg. 262- The word 'overlooked' may be rephrased to indicate the correct meaning.

43. Pg. 272- The issuer company does not have any significant history and was incorporated only 5 years ago. This may be disclosed as a risk factor.

44. Pg. 275-280- LM is advised to confirm and disclose relationship of the different valuers to the respective entities from which the issuer company proposes to acquire the equity shares. In case no such relationship exists, LM is advised to confirm and disclose negative statement in this regard.

45. Pg. 285 - Knowledge Planet Holdings Ltd. is in the business of ownership of properties in Dubai. Given this, this company does not appear to be in a business related to the business of the issuer company. In view of this, the business value in holding

Knowledge Planet as a subsidiary to the issuer company may be clarified and disclosed.

46. Pg. 283-296 – LM is advised to disclose and clarify reason for investing most of the subsidiaries in Dubai.

47. Pg. 302 – LM is advised to include a separate risk factor that the promoter and Chief Executive Officer of the Issue do not have formal higher degree.

48. Pg. 368 – LM is advised to disclose a separate risk factor in top 15 with respect to non-compliances of Section 42 and 62 of the Companies Act, 2013.

49. Pg. 379 – LM is advised to provide a separate risk factor with respect to provision created against trade receivables for the past three years and stub period. Further, LM is advised to disclose reason for the same.

50. Pg. 400 – LM is advised to disclose a separate risk factor in top 25 that investment in iNeuron Intelligence Pvt. Limited did not realize the business synergies envisaged.

51. Pg. 423-430- Name of the issuer company in the heading may be corrected.

52. Pg. 433- In para 47, sentence no. (iii) is incomplete. The same may be reviewed.

53. **General Information:**

53.1. For appointed legal counsel, LM is advised to add name of the signing partner(s) for the law firms, contact person, email ID and website. (*Ref: page no. 104 of DRHP*)

53.2. LM is advised to disclose the details of appointed monitoring agency in the Offer Document. LM is advised to update detailed of appointed monitoring agency under relevant sections of the Offer Document.

54. **Basis for offer price:**

54.1. KPIs – LM is advised to ensure that only audited KPIs are included for disclosure. LM to confirm that KPIs have been audited. If not, the same shall be removed.

55. **Industry Overview:**

55.1. LM is advised to ensure that RFs as disclosed in the industry reports are included under the chapter on Risk Factors, including threats and challenges as identified in the report.

56. **Outstanding Litigation and Material Developments**

56.1. LM is advised to disclose the dates of the outstanding litigations.

56.2. LM is advised to disclose the data points such as place and authority where such litigations are pending for each of the disclosed litigations.

56.3. LM shall disclose as separate RF, the implications if any on the contingency of an adverse outcome, if any, of disclosed litigations.

56.4. LM shall disclose the aggregate number of litigations with aggregated claim value irrespective of materiality.

56.5. Pg. 600 - LM is advised to provide litigation data in tabular format for ease of reference

56.6. LM is advised to disclose details i.e. count of cases and cumulative claim amount of outstanding litigations irrespective of materiality.

57. **Group Companies**

57.1. LM is advised to mention whether the companies mentioned in this section are listed or unlisted. Whether these companies are non-for-profit organization may also be mentioned. Further, country of incorporation may also be mentioned in case of foreign companies.

57.2. Details of our top 5 Group Companies: LM is advised to provide a website link and QR code, for respective companies, to access the financial information of the company.

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

58.1. LM to ensure that special rights as disclosed in the DRHP shall terminate at the time of listing. LM is advised to include a categorical statement that it has gone through AoA of the issuer company and confirm to SEBI that no special rights to the promoters/shareholders in the AoA, at the time of filing of offer document.

58.2. Under chapter, *History and certain corporate matters,* LM is advised to disclose all the material conditions of any disclosed agreement. LM is advised to avoid using phrases such as *certain conditions and applicable laws* unless accompanied with a negating disclosure on material covenants.

58.3. LM is advised that inter-se agreements/ arrangements between the shareholders are disclosed under section "History and Certain Corporate Matters".

58.4. LM is advised that a categorical statement from the Issuer Company/ Promoters / Shareholders, may be provided that there are no other inter-se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders. Also that there are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than disclosed in the DRHP.

58.5. Further, the LMs shall also confirm to SEBI that they have gone through the inter-se agreements/ arrangements, if any, as disclosed in the DRHP and they also do not see any clauses / covenants which are material and need to be disclosed, which have not been disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders.

58.6. It may be confirmed/disclosed if the issuer company has any existing policy as on date to address the conflict of interest involved in having subsidiaries/associates with common pursuits.

59. **Our Management:**

59.1. LM is advised to ensure that details of the Directors in the section titled "Management" clearly depicts if any director is a nominee. If so, LM shall also disclose the details on the shareholders nominating them. Similarly, such details to be disclosed for the KMPs as well. LM to also confirm that apart from that disclosed in the offer document, there are no other nominee directors, KMPs or

other persons etc. appointed on behalf any of the shareholders or any other person.

59.2. LM shall disclose whether the structure of the Board is compliant with applicable corporate governance norms on the date of listing. If no, suitable RF to be provided.

59.3. Our Board: LM is advised to mention whether a company, in which a board member holds directorship, is listed or unlisted. Whether these companies are non-for-profit organization may also be mentioned. Further, country of incorporation may also be mentioned in case of foreign companies.

59.4. Pg. 303 - LM is advised to provide total number of years of experience and area of experience for all the directors.

59.5. Pg. 303 – LM is advised to ensure that composition of board is in accordance with applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

60. **Other regulatory and statutory disclosures**

60.1. LM is advised to provide a QR Code for accessing the track record of past issued handled by BRLMs.

60.2. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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

62. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and limited cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate risk factors in this regard.

63. LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

"Risks to Investors:

i. The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."

ii. Any adverse data in the basis for issue price should be disclosed. For example:

- *"The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."*

[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]

- *"Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."*
- *"Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed]%."*

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed.

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

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Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.
9. **ASBA:**

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

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

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

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

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

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

ASBA

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue .No cheque will be accepted

UPI
UNIFIED PAYMENTS INTERFACE

now available in ASBA for retail individual investors.

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

For further details check section on ASBA below."

b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document."

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**.*

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