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October 27, 2023

सेबी/सीएफडी/RAC-डीआईएल2/P/OW/2023/ 43708 /1
SEBI/HO/CFD/RAC-DIL2/P/OW/2023/ 43708 /1

Mark Corporate Advisors Private Limited
404/1, The Summit Business Bay,
Sant Janabai Road (Service Lane),
Off Western Express Highway, Vile Parle (East),
Mumbai 400 057

Kind Attention: Mr. Niraj Kothari/ Mr. Rajendra Kanoongo

महोदय,
Dear Sir,

Sub: Proposed Rights Issue (RI) of Lloyds Engineering Works Limited

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (DLOF), 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 letter of offer (DLOF) 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'

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and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

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

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

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) 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 LM has 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 LM is advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018.



This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनियम बोर्ड (मर्चेन्ट बैंककार) विनियम, 1992 [सेबी (मर्चेन्ट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख March 28, 2023 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated March 28, 2023 in accordance with SEBI (Merchant Bankers) Regulations, 1992.

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

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

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

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

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज



के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 71(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC / within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

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

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

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

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

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

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

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

स्थान /Place: मुंबई /Mumbai


Shivani Gupta
सहायक प्रबंधक
Assistant Manager

Annexure I

OBSERVATIONS

1. Please refer to your letter/mail dated September 30, 2023, October 10, 2023, October 26, 2023 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. In the above regard, LM is advised to ensure that the changes made pursuant to our initial as well as subsequent set of clarifications are duly incorporated in the updated Letter of Offer/Letter of Offer.
3. Wherever the LM has undertaken to modify the risk factors in its replies, the same shall be duly modified and incorporated in the updated Letter of Offer/Letter of Offer.
4. Wherever the LM has mentioned "Noted for compliance" or "Complied with and noted for compliance" in its replies, LM shall ensure that the same are duly complied with.
5. In reference to LM's letter dated October 26, 2023, LM is advised to comply with the applicable regulations including Regulations 62(3) & 70(6) of SEBI ICDR Regulations 2018 and related disclosures pertaining to wilful defaulters in the offer document.
6. **Summary of the Offer Document-** Simple conversational language to be used. No abbreviations shall be used.
7. **Definitions and Abbreviations-** for Technical, Company / Industry related Terms or Abbreviations, along with the expanded form, suitable meaning / explanation to be provided in simple language.
8. In page 17, LM to disclose the breakup of revenue from each of the business verticals of the issuer company.
9. The risk factors, to the extent possible, should disclose the specific as well as financial/economic impact on the company rather than being generic.
10. Risk Factors – Every Risk Factor shall be provided with a cross-reference to the detailed description of the facts/reasons in the updated Letter of Offer/Letter of Offer, wherever applicable.
11. Risk Factor 1: LM is advised to elaborate reasons for negative cash flow from operations and impact of such negative cash flow on the Issuer Company.
12. Risk Factor 2: LM is advised to disclose that 2 promoters will not subscribe to the rights issue in the title and body of the risk factor.



13. Risk Factor 4: LM is advised to elaborate more on the claims and guarantees giving effect to contingent liabilities against the Company.
14. Risk Factor 3: LM is advised to specific names of close family members of KMPs and entities over which the relatives are able to exercise significant influence and mention specific names of related parties in the table. LM is advised to state the reasons for sudden fluctuation in Fiscal 2023 for Sale of Goods and increase in remunerations as disclosed in the RPT table provided vide letter dated September 30 2023. Further, LM is advised to give cross-referencing to exact page no. (page 141)
15. Risk Factor 6: LM is advised to disclose the names of related parties in the risk factor.
16. Risk Factor 7: LM is advised to redraft the title of the risk factor and make it more specific. Further LM is advised to state the status of its application pending approvals pertaining to update in name of the Issuer Company.
17. Risk Factor 8: LM is advised to state the respective amount undertaken by UVSL for undertaking capital expenditure, working capital and corporate loan purposes in the risk factor.
18. Risk Factor 10: LM is advised to state specific impact on the proposed rights issue if the promoter is pleaded guilty besides time and effort loss.
19. Risk Factor 13: LM is advised to state exact no. of instances of delays /non-compliances instead of the term "few".
20. Risk Factor 14: LM is advised to state attrition rate of KMPs and senior management personnel in last 3 years in the risk factor.
21. Risk Factor 17: LM is advised to redraft the title of the risk factor to include that only 2% (in value terms) of the total contracts is through PSUs. LM is advised to provide details of private contracts entered in India and overseas including as a % of total revenue else is advised to remove the claim.
22. Risk Factor 25: LM is advised to ensure that all the reports referred to in 'Industry Overview' chapter to be made part of Material contracts and documents for inspection.
23. LM is advised to include financial information and ratios of Issuer Company while comparison with peers in the offer document.
24. LM is advised to disclose a suitable risk factor in top 10 risk factors related to increase in revenue and profits in 2023 compared to 2021-2022 & that the same may not be sustainable.

SL.

25. LM is advised to ensure that all risk factors should disclose past instances of any non-compliances etc., or a confirmation that such instance has not occurred in last 3 years.
26. LM is advised to ensure that suitable cross-referencing should be given to the exact page no. where the relevant information is given instead of reference to the specified chapter.
27. LM is advised to disclose that any change in estimated schedule of utilization shall be subject to shareholders approval.
28. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with Other Regulatory Authorities is made in the Letter of Offer.
29. 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 as to the same are made in the Letter of Offer and other Offer related material along with the disclosures of the Financial Impact of the same, if any. Further, LM is advised to incorporate a prominent Risk Factor, if required, for such complaints received.
30. LM shall also ensure that all the complaints received by LM/Company or forwarded by SEBI be made part of the material documents for inspection.
31. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, promoter, directors, and subsidiaries which are at FIR stage and no/some cognizance has been taken by court is incorporated in the Letter of Offer along with appropriate risk factors in this regard.
32. LM is advised to update the Letter of Offer in respect to all pending litigations including for any legal notices where the Company is in receipt of such notices post filing of Draft Letter of Offer.
33. LM is advised to disclose the following in the Letter of offer:
 - i) Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.
 - ii) If no application is made by the purchaser of REs on or before Issue closing date then such REs will get lapsed and shall be extinguished after the Issue Closing Date. No shares / other securities for such lapsed REs will be credited, even if such REs were purchased from market and purchaser will lose the premium paid to acquire the REs. Persons who have bought Rights Entitlements (REs), shall require to make an application and apply for shares / other securities offered under Rights Issue, if they want to subscribe to the shares / other securities offered under Rights Issue.



Annexure II

General Observations

1. LM is advised to ensure that prior to filing of Letter of Offer 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 red herring prospectus or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 83 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 letter of offer instead of general cross-referencing.
6. In pursuance of Regulation 71 Sub-Regulation 7(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 letter of offer, while also indicating the page number for the same.
7. ASBA:
 - iii) 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 centres 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.
 - iv) 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:

ASBA .

Simple, Safe, Smart way of Application !!!

Mandatory in public issue from January 01, 2016

No cheque will be accepted

Application supported by blocked amount (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.

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

"APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investors.

For details on the ASBA 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 Letter of Offer."

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





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सहायक प्रबंधक

Assistant Manager

RAC-निर्गम एवं सूचीबद्धता प्रभाग-1/RAC-Division of Issues and Listing-2

निगम वित्त विभाग/Corporation Finance Department

दूरभाष सं./Phone: +91 22 2644 9941

ई-मेल/Email: shivaniq@sebi.gov.in

September 06, 2023

सेबी/सीएफडी/RAC-डीआईएल1/P/OW/2023/ 36809 /1

SEBI/CFD/RAC-DIL1/P/OW/2023/ 36809 /1

**Mark Corporate Advisors Private
Limited**

404/1, The Summit Business Bay,
Sant Janabai Road (Service Lane),
Off Western Express Highway, Vile Parle (East),
Mumbai 400 057

Kind Attention: Mr. Niraj Kothari

महोदय,

Dear Sir,

**विषय /Sub: Clarifications on the Draft Letter of Offer of Lloyds Engineering Works
Limited**

हमें उपरोक्त कंपनी का प्रारूप प्रारंभिक प्रॉस्पेक्टसप्राप्त हुआ है, जो हमारे पास तारीख/We are in receipt of Draft Letter of Offer (DLOF) of the captioned company forwarded to us vide letter dated August 11, 2023 के पत्र के साथ भिजवाया गया है।

इस संबंध में, कृपया संलग्नक-क के अनुसार स्पष्टीकरण प्रदान करें।

In this regard, please provide the clarifications as mentioned at Annexure A.

भवदीय/Yours faithfully,

Shivani Gupta

सहायक प्रबंधक

Assistant Manager

(संलग्नक/Encl: उपरोक्तानुसार /As above)

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel : 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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Annexure A

Clarifications sought on the DLOF of Lloyds Engineering Works Limited

With reference to the Draft Letter of Offer (DLOF) of Lloyds Engineering Works Limited ("the company") filed with SEBI, you are advised to clarify on the following points:

General Clarifications:

1. LM is advised to examine the applicability of SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012 to the DLOF of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DLOF. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.
2. LM is advised to examine the applicability of SEBI (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 dated Feb 05, 2020 to the DLOF of Issuer Company and confirm whether the said general order is applicable to the instant DLOF. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.
3. LM is advised to submit whether there has been any instance of issuance of equity shares in the past by the issuer Company, the Group Companies or entities forming part of the Promoter Group to more than 49 investors in violation of:
 - (a) Section 67(3) of Companies Act, 1956; or
 - (b) relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
 - (c) the SEBI Regulations; or
 - (d) SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.
4. It has been observed that in various instances disclosures have been made in the offer document stating 'we believe...' LM is advised to provide the basis for making such disclosures in the offer document while also explaining compliance with Regulation 70 (1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").
5. LM is advised to ensure that all the cross references given in the offer document are correct, leading to the exact page, instead of referring to the beginning of the section. LM may provide the exact risk factor number instead of giving cross referencing of the page no. in all the references in the document.
6. LM is advised that draft offer document, shall not contain any information where no responsibility is taken by the LM or the Issuer Company/ Expert. The Issuer Company /LM shall ensure that the "Industry Overview" section represents a fair and true view of the



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comparable industry scenario and the same is neither exaggerated nor any underlying assumptions have been omitted for investors to make an informed decision.

Specific Clarifications:

7. Page-15 – It is disclosed that this DLOF contains certain “forward-looking statements”. It may be noted that the offer document should not make any forward looking statements that cannot be substantiated. In view of the same, you are advised to confirm and explain compliance with aforesaid provision with respect to all such forward looking statements made in the DLOF.
8. **Summary of Draft letter of Offer :**
- a) Primary Business of our Company: LM is advised to remove the terms such as “comprehensive” & “wide spectrum” and disclose the no. of workshops operated by the company.
 - b) Risk Factors: LM is advised to provide specific information in the sub-section itself.
 - c) Contingent Liabilities: LM is advised to provide specific information in the sub-section itself.
 - d) Related Party Transactions: LM is advised to provide specific information in the sub-section itself.
9. **Risk Factors:**
- i. LM is advised to rearrange the risk factors based on materiality. LM should concise / rephrase the risk factors which are general statements and not company specific.
 - ii. LM is encouraged to provide requisite quantitative information in tabular form, wherever applicable. LM may include financial ratios & relevant data in order to substantiate the risk in relevant risk factor.
 - iii. LM is advised to review Top 15 Risk factors impacting the Company. The Risk factors must have quantitative information in tabulated form and specific impact on the company, its business & its financials.
 - iv. LM may review that the title of the risk factor is specific (not vague) & has financial amount.
 - v. Risk Factor 1: LM is advised to disclose the reasons and impact on the financial and operational performance of the Issuer Company.



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- vi. Risk Factor 3 & 4: LM is advised to redraft the risk factors, disclosing relevant information in the risk factor itself, specify the associated risk and its impact and provide a correct cross-referencing.
- vii. Risk Factor 6: LM is advised to substantiate the "limited number of customers" and mention the revenue contribution from top 10 customers for past 3 fiscals in the risk factor title.
- viii. Risk Factor 7: LM is advised to redraft the risk factor and avoid abbreviations and specify the risk emanating from concerned permits/approvals and provide the present status of pending permits/approvals in tabular form.
- ix. Risk Factor 8: LM is advised to redraft the risk factor, provide specific details and avoid the terms- some, majority, etc. LM is advised to introduce the entity: UVSL in the risk factor, the impact of the risk and present status of releasing the pledge on the demerged shares as stated in the risk factor.
- x. Risk Factor 9 & 14: LM is advised to provide suitable cross-referencing.
- xi. Risk Factor 10: LM is advised to mention the name of the Promoter in the title of the risk factor and provide suitable cross-referencing and disclose the update in the matter, if any in the risk factor. LM is advised to provide specific impact on the issuer company and on shareholders, if the concerned promoter is pleased guilty in the case.
- xii. Risk Factor 17: LM is advised to disclose the details of agreements signed with various entities as disclosed in the risk factor title in both value and volume terms in tabular form.
- xiii. Risk factor 14 & 18: LM is advised to place Risk factor 18 after Risk factor 14.
- xiv. Risk factor 21: LM is advised to redraft the risk factor and provide specific peer comparison in both qualitative and quantitative terms in the risk factor. LM may include the details of market share in the risk factor and move the risk factor under top 10 risk factors.
- xv. Risk factor 22: LM is advised to redraft the risk factor and provide specific impact and move the risk factor under top 10 risk factors.
- xvi. Risk factor 24: LM is advised to move the risk factor under top 10 risk factors.
- xvii. Risk factor 25: LM is advised to move the risk factor under top 15 risk factors.
- xviii. Risk factor 28: LM is advised to disclose past instances, if any.



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10. Additional Risk Factors:

- i. LM is advised to consider adding a Risk Factor on sudden change in Net worth, Total Revenue, Profit after tax and total borrowings along with tabular data of past 3 years and reasons for such fluctuations and compare with industry specific figures.
- ii. LM is advised to consider adding a Risk Factor on amount recognized as Debts along with their ageing in last 3 FYs.
- iii. LM is advised to consider adding a Risk Factor on concentrated geographical presence and provide details and impact in the risk factor.
- iv. LM is advised to consider adding a Risk Factor on business contribution by Top 10 suppliers along with relevant information of past 3 years.
- v. LM is advised to consider adding a Risk Factor on performance of each workshop operated by the issuer and include capacity utilization details.
- vi. LM is advised to consider adding a Risk Factor on fluctuations in share price in past 3 years and provide suitable cross-referencing.

11. Objects of the Issue:

- i. LM is advised to ensure that as the Issuer is having 'funding of working capital' as one of the objects, the same shall not include any utilization of GCP portion towards items of revenue expenditure such as advertisement/promotions, employee salary, organic growth etc. If GCP is part of the object in such cases, the utilization or GCP shall only be towards cap-ex items including inorganic growth.
- ii. LM is advised to ensure that the usage of funds is as per the disclosure made in the Objects of the Issue and any spill over from the intended Objects of the issue to the GCP is not carried out by the issuer.
- iii. Object 1: LM is advised to refer page 49 – Assumption for Holding Levels and disclose the reasons for sudden fall in holding levels for Fiscal 2022 and Fiscal 2023 (Actual) and provide rationale in detail for estimated holding levels for Fiscal 2024.
- iv. Object 1: LM is advised to refer to page 49 and provide rationale for increased projection of working capital requirements.



12. Our Business:

- a) Our Key Products- LM is advised to use full forms and briefly define the terms and associated utility of key products of the Issuer Company and provide revenue contribution of each of key products for past 3 years.
- b) LM is advised to include an introductory paragraph on operations of the Issuer Company, its products, target market, suppliers and workshops in simplified manner in this section.
- c) Page 68: LM is advised to redraft the flowchart and number all the steps as depicted in the flowchart.
- d) Page 70: Execution of contracts with PSUs- LM is advised to disclose the specific details of contracts with PSUs and revenue contribution from such contracts.
- e) Page 74: Competition: LM is advised to disclose peer comparison in both qualitative and quantitative terms in the risk factor. LM may include the details of market share, revenue, EPS, Market price, Market cap, ranking etc.

13. Our Promoters:

- a) Shree Global Tradefin Limited: LM is advised to disclose cross-business relationship between the promoter and the Issuer;
- b) LM is advised to disclose the reasons for sudden change in Total revenue & Profit (Loss) after Tax, in past 3 years of the promoter- Shree Global Tradefin Limited.
- c) LM is advised to provide cross-reference to page 128- Disclosure of shareholding of Promoters in this section.
- d) LM is advised to include the sub-section on “Promoter Group” and disclose adequate details of promoter group members and suitable cross-references.

14. Market Price Information

- a) LM is advised to include the listing date on BSE and NSE.
- b) LM is advised to include the face value of the Equity shares.



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15. Notice to Investors: LM is advised to include the statement given on Page 193 in this sub-section - "To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.bigshareonline.com."

16. Multiple changes in the name of the Issuer company and Organization structure :

- a) LM is advised to provide details of multiple changes in the name of the Issuer Company since inception along with reasons and date in tabular format in Summary of the Offer Document and Our Business sections. LM is advised to confirm that multiple changes in name and related developments have not resulted in non-compliance with any of the applicable provisions of SEBI ICDR Regulations, 2018, LODR Regulations, 2015 and Companies Act.
- b) LM is advised to provide organizational structure/diagram of the company and brief details about subsidiary/holding company, if any, in Summary of the Offer Document and Our Business sections.

17. Management's Discussion and Analysis of Financial Condition and Results of Operations: LM is advised to include detailed explanation for fluctuations in sudden change in Net worth, Total Revenue, Profit after tax and Total borrowings.

18. In reference to this rights issue, please provide confirmations and information in relation to the company, its subsidiaries, Promoters, companies forming part of the Promoter Group and Group Entities

- i. Whether the company is registered with SEBI or any other financial regulatory body like RBI/IRDAI/ etc., in any capacity. If yes, provide details.
- ii. List of Promoters / Promoter Group companies / Subsidiaries / Group Entities registered with SEBI in any capacity along with registration details.
- iii. List of Promoters / Promoter Group companies/ Subsidiaries/ Group Entities registered with any other financial regulatory body like RBI/IRDAI/ etc., in any capacity along with registration details.
- iv. If any debt securities of company / Group Entities / Subsidiaries are listed. If yes, the following may be provided: a. Details of the debt securities listed along with the name of the exchange on which the same are listed. b. Whether disclosure pertaining to the same made in DRHP and relevant page no. and section in which disclosure made.