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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

SEBI/HO/CFD/RAC-DIL3/P/OW/2022/33685/1
August 03, 2022

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai
Maharashtra, India - 400 025

Kind Attention: Mr. Sumit Singh

Sir,

Sub: Clarification sought for proposed Public Issue of Signatureglobal (India) Limited

With reference to the Draft Red Herring Prospectus (DRHP) of Signatureglobal (India) Limited ("the company") filed with SEBI, you are advised to clarify on the following issues:

- A. LM is advised to examine the applicability of SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012 to the DRHP of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DRHP. LM is further advised to provide a para-wise reply on the applicability of the aforesaid order.
- B. 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 DRHP of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DRHP. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.
- C. LM is also advised to disclose whether any action has been taken / is pending against the promoter / promoter group/ director of the issuer / Group Companies etc. by any regulatory authority in India or overseas.
- D. 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

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (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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- (b) relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
- (c) the SEBI Regulations; or
- (d) the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

- E. LM is advised to ensure that superlative adjectives as and where used are quantified and qualified.
- F. LM is advised to submit an undertaking that if and where a pre-IPO placement is made, the disclosed reduction in offer size will be first made towards the Blind Pool.
- G. 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.

H. FORWARD LOOKING STATEMENTS

Page-20 – It is disclosed that this DRHP contains certain “forward-looking statements”. It may be noted that point (e) under Instructions of Part A of Schedule VI of ICDR Regulations, 2018, states 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 DRHP.

I. RISK FACTORS (Page 33)

- 1. LM is advised to rearrange the risk factors based on materiality.
- 2. LM is advised that all the Risk Factors (RF) containing any data to have a proper cross reference to the actual section / page where the specific and detailed explanation is given (where required more than one section / page). Data shall be for last 3 financial years and stub period. Due reason to be provided if there is no cross reference being provided.
- 3. Risk Factor 1: LM is advised to include the overall market size of Delhi NCR region (particularly Gurugram and Sohna). LM is advised to include, for the last 3 years, newly launched projects, saleable area on offer, in Delhi NCR region (particularly Gurugram and Sohna). LM is advised to include, for the last 3



years, the unsold inventory, in Delhi NCR region (particularly Gurugram and Sohna). LM is advised to make suitable incorporation of the aforesaid additional data points. LM is advised to provide reference to the source for data being disclosed.

4. Risk Factor 2: LM is advised to list down specific impact of COVID-19 on operations of the company. Also, LM is advised to quantify the financial impact of COVID-19 in terms of revenues, profitability, operating expenses etc.
5. Risk Factor 4: LM is advised to disclose the saleable area, sold inventories in reference to the disclosed revenues. LM is advised to disclose the criteria of categorization of residential developments at an appropriate place in the offer document and provide a reference to the same in the RF. LM is advised to disclose the breakup of revenue as per the disclosed categorization of residential developments. LM is advised to provide the availability, unsold inventories, launched projects in the disclosed category of mid-income and aspirational category.
6. Risk Factor 6: LM is advised to disclose the FSI received from or transferred to any third party as TDRs. LM to confirm and disclose whether all applicable approvals have been received for the ongoing and forthcoming projects. Further, LM is advised to disclose the Circle rate in Delhi NCR region and the percentage increase in the cost of the land bought by the company in the last 3 years.
7. Risk Factor 8: LM is advised to disclose the capital employed in such project or joint development agreement or any other arrangement, where the projects are not being further pursued. LM, in terms of the ongoing projects and forthcoming projects, is advised to disclose the developable area and saleable area being developed under joint agreement or arrangements. LM is further advised to disclose the agreed shareholding or beneficial shareholding for such projects.
8. Risk Factor 9: LM is advised to disclose as a table, the data for the projects which have received all regulatory approvals and for which the approvals have been sought or not received. LM is also advised to disclose if any loans undertaken to be repaid are towards projects for which approvals have not been received.
9. Risk Factor 13: LM is advised to disclose the average time period for completion of its past projects. LM is advised to disclose the expected/agreed/disclosed date for any other regulatory filings, for its ongoing and forthcoming projects.

LM is advised to disclose the existence or absence of clear title for the ongoing or forthcoming projects. LM is also advised to include saleable area alongside



developable area at all the appropriate places in the offer document. LM is advised to disclose the forum wherein Real Estate Regulatory Authority of Delhi and Haryana's decision for not providing the occupancy certificate was challenged. LM is advised to disclose any pending occupancy certificated for completed projects or title disputes if any. LM is also advised to provide the status of conveyance of the title of land and building, under the relevant Acts/Regulations as applicable in Delhi and Haryana. The pendency period of the same may also be disclosed. LM is advised to disclose, for the last three years, the name and reasons for the cancelled projects, if any.

10. Risk Factor 16: LM is advised to suitably merge RF 7, RF 8 and RF 16.
11. Risk Factor 17: The RF is advised to include risk vis-à-vis the impact of the litigations on the capital of the company. The RF shall further disclose the stage and status of such litigations.
12. Risk Factor 20: LM is advised to include a table disclosing the restrictive covenants under the loan agreements. The table shall include the compulsive ratios vis-à-vis the current complying/noncomplying ratios. LM is further advised that all such details are adequately disclosed under section – Financial Indebtedness.
13. Risk Factor 22: LM is advised to place the RF as and under top 15 RFs.
14. Risk Factor 24: LM is advised to disclose whether the undertaken debts are towards specific projects. If yes, LM to disclose outstanding debts for the completed projects, if any, and the reasons for the same to remain outstanding.
15. Risk Factor 27: LM is advised to disclose the average time period undertaken to liquidate the unsold inventory since completion of the project. Year wise figures for the last three years to be provided. Additionally, LM is advised to disclose the taxation impact of the unsold inventory in a completed project, with due reference to the Financial Statements of the company.
16. Risk Factor 52: LM is advised to confirm whether the agreed fees for the report has been paid by the company or not. LM is further advised to confirm that the agreement for the commissioning of report does not create any material interest for Anarock Property Consultant Private Limited (Anarock) in the projects of the company. LM is advised to confirm whether company and Anarock are into any other business relationship. LM is advised to confirm whether Anarock is a practicing research agency.
17. External Risk Factors: LM is advised to reconsider all the risk factors in terms of repetition.



J. SUMMARY OF THE OFFER DOCUMENT (Page 22):

1. Pre- IPO Placement – LM to confirm that the issuer has / will appropriately intimate the prospective investor that there is no guarantee that the IPO may come through or listing shall happen and the pre-IPO investment is being done solely at the risk of the investor. Further, a suitable disclosure to be incorporated in the offer document in this regard.

K. OBJECTS OF THE ISSUE (Page 88)

1. With reference to the outstanding loans utilized towards purpose of takeover of past outstanding loans, LM to confirm the terms of takeover, past lenders and terms of the loan repaid.
2. Page 90: Column for Amount Sanctioned as on March 31, 2022- LM is advised to replace the said with column for Amount Sanctioned, corresponding rows to provide date of drawdown (For term loans).
3. LM is advised to include an additional column in the table disclosing the stage and status of the projects for which the loans have been availed.

L. HISTORY AND CERTAIN CORPORATE MATTERS (Page 189)

1. Page 194 – Defaults or rescheduling...- LM is advised to confirm whether any defaults or rescheduling/restricting of borrowing has been made by any Joint Venture, Partnerships of the company.
2. LM is advised that under section "History and Certain Corporate Matters" of the offer document, it is specifically disclosed that all special rights available to the Shareholders / Investors, shall cease to exist or expire /waived immediately before or on the date shares are allotted to public shareholders, without requiring any further action.
3. LM is advised to make disclosures regarding whether any of the special rights available to certain shareholders would continue post listing and if yes, the details of the same may be clearly disclosed under section "History and Certain Corporate Matters". Further, LM shall specifically disclose that any special rights, post listing shall be subject to approval of the Shareholders by way of a special resolution, in a general meeting of the Company held post listing of the Equity Shares.



4. LM is advised to ensure that special rights which will continue post listing are not prejudicial or adverse to the interest of the minority / public shareholders.
5. Further, a categorical statement from the Issuer Company/ promoter/ shareholders, may be provided that there are no other agreements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the 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.
6. Further, the LMs also to confirm to SEBI that they have gone through the agreements / inter-se, if any, as disclosed in the DRHP and they also do not see any clauses / covenants which are material and which need to be disclosed, have not been disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the public shareholders / unit holders.

M. BASIS FOR OFFER PRICE (Page 102)

1. Qualitative Factor: LM is advised to provide references to appropriate sections of the offer document establishing the disclosed qualitative factors forming basis for offer price
2. Quantitative Factors: LM is advised to include an additional table disclosing the following financial ratios in comparison with its listed peers: i. Working Capital to Sales ii. Debt to Equity iii. Operating Margins iv. Operating Cash Flow v. Price to sales vi. Land Bank size vii. Interest coverage ratio viii. Cash EPS ix. Any other relevant ratios

N. FINANCIAL INFORMATION (Page 240)

1. Related Party Transactions (RPT): LM to ensure that all RPTs are done at arm's length price. LM is advised to ensure that RPT should be in compliance with the Companies Act, 2013, SEBI (LODR) Regulations, relevant Accounting Standards and other statutory compliances.

O. LEGAL AND OTHER INFORMATION (Page 485)

1. LM shall update the details of status of litigation with the latest/updated position of litigations against promoter/promoter group entities/company and the companies promoted by the issuer.



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2. LM is advised to confirm that the existing litigations are not so major that the issuer's survival is dependent on the outcome of the pending litigation.
3. LM is advised to ensure the disclosures of all actions taken by statutory and regulatory authorities.

You are requested to provide the replies to the above clarification within 5 days from the date of receipt of this letter.

Yours faithfully,

Amanul

Md. Amanul Haque