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निगम वित्त विभाग Corporation Finance Department
निर्गम एवं सूचीबद्धता प्रभाग Division of Issues and Listing – 1
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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

By Courier / Email

SEBI/HO/CFD/DIL2/RG/NKM/OW/P//384412021

December 21, 2021

SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade,
Mumbai 400 005
Maharashtra, India
Mobile -
E-mail: veeda.ipo@sbicaps.com

Kind Attention: Mr. Sambit Rath / Karan Savardekar

Sir,

Sub: Proposed IPO of Veeda Clinical Research Limited (VCRL)

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

1. 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.**

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2. It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.
3. 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 August 14, 2021, in accordance with SEBI (Merchant Bankers) Regulations, 1992.
4. 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. 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. 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.



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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.

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

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

भवदीय Yours faithfully,

Neeraj Kumar Modi
21/12/2021

नीरज कुमार मोदी Neeraj Kumar Modi



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Annexure I

OBSERVATIONS

1. Please refer to our letters/emails dated October 21, November 08, 10, 15, 24, 2021, and your letters/emails dated October 27, November 16 & 26, 2021 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities is made in the Red Hearing Prospectus.
3. LM shall avoid using the following paragraph (including content of similar nature) in the RHP - "the Company, the Selling Shareholders, the BRLMs or any other person connected with the Offer have not independently verified this information". It may be mentioned that, in terms of Regulation 24(3) of SEBI (ICDR) Regulations, 2018, it is obligatory on the Lead Manager to perform necessary due diligence on the entire draft offer document, including the information provided under Industry Reports; and to ensure that the information provided in the DRHP is current, reliable and complete in all aspects, before submitting the offer document to SEBI.
4. LM is advised to disclose in the RHP that the company, its Directors and its promoters / promoter group are not declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.
5. 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 Red Hearing Prospectus and other Offer related material along with the disclosures of the Financial Impact of the same, if any.
6. 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



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and no/some cognizance has been taken by court is incorporated in the Red Hearing Prospectus along with appropriate risk factors in this regard.

7. 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.



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8. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.
9. LM is advised to ensure that at all places, where the Industry Report has been mentioned, such report to be provided in bibliography / or as weblink. The Report to be included as a material document.
10. With regard to the "Fees payable to the other advisors to the Offer", LM is advised to disclose the services offered by such advisors and consequent responsibilities, if any.
11. LM is advised to change the manner of payment of offer related expenses. The offer related expenses to be deducted from the amounts received from 'Offer for Sale' and only the balance amount to be paid to the selling shareholders.
12. LM is advised to appropriately disclose adequacy/ coverage of insurance.
13. The certificate from the statutory auditor viz. S.R.B.C. & Co. LLP dated Sep 27, 2021 certifying the utilization of loan for the purposed availed, in accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, be kept under the material documents for inspection.
14. At Risk Factor 21: Corrective actions taken by Issuer to avoid non-compliance and other regulatory action in future be disclosed.
15. Risk Factor 26: Please disclose: (i) Whether Issuer has any direct or indirect relation with F&S; (ii) Need to conduct the Industry Report; (iii) Whether such report has been undertaken due to statutory requirement or otherwise?
16. Risk Factor 32: RPT: Appropriately disclose a) Whether all RPTs done on arm's length basis; b) Whether RPTs taken together for last three fiscal year is more than 10% (for all 3 FYs) of the total transactions of similar nature; c) If any loan/ advances given by issuer/ subsidiaries to related parties and guarantees given/ securities provided to related parties, mention Risk Factor on recoverability and its effect on the financials of the issuer/ subsidiaries.



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17. Objects of the offer - Appropriately disclose, whether any competitive bids were invited from vendors, prior to placing orders.
18. Capital Structure - Key features of Class A and Class B CCPS may be disclosed.
19. Key regulations and policies – Disclose, out of all the laws mentioned, which laws are currently applicable on the issuer.
20. History and certain corporate matters - Page 166- Table Change in registered office - Reason for change of registered address found to be vague, please provide more specific reason for such change.
21. Legal and other information - Page 453 - Para "Approvals under theRules 2019"- Details of all five facilities be disclosed.
22. Appropriately disclose, price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights. Following details may be disclosed for such transactions in tabular format – name of acquirer, date of acquisition, number of shares acquired and acquisition price per share.
23. Outstanding Litigations information be disclosed in the Summary of the Offer Document section of DRHP/UDRHP/RHP as per format communicated vide our email dated Nov 10, 2021.
24. 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.
25. LM is advised to ensure that RHP to provide Consolidated Financial Statements (CFS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years and



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the stub period (if applicable) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

26. All lead manager(s) are uniformly to be identified as Book Running Lead Manager(s) (BRLMs) without making any differentiation between lead manager(s). Details regarding BRLMs acting as Global Coordinators / Joint Global Coordinators may be provided at section on inter-se allocation of responsibilities in the draft offer document and the offer document.
27. 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.
28. Industry report be included in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
29. LM / Issuer should endeavor to provide the access to all material documents for inspection through online means apart from inspection at the registered office.
30. Price band advertisement:
- The portion pertaining to "Risks to Investors" shall constitute at least 33% of the price band advertisement space.
 - The risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years and 1 year, from the date of RHP, in the following format :

<i>Period</i>	<i>Weighted Average Cost of Acquisition (in Rs.)</i>	<i>Cap Price is 'X' times the Weighted Average Cost of Acquisition</i>	<i>Range of acquisition price: Lowest Price - Highest Price (in Rs.)</i>
<i>Last 1 year</i>			
<i>Last 3 years</i>			



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- c. The font size for price band and "Risk to investors" should be increased to match the font of BID/Offer Programme.
- d. Matters related to ASBA and UPI may be brought subsequent to Price Band, Risks to Investors, Bid/ Offer Programme and other offer details, and can be of smaller font.
- e. The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.
- f. Mention market Value at Issue Price to Total Turnover and P.E. Ratio at issue price. LM is advised to add suitable risk factor as Risk Factor 1 in this regard.

31. Page 20, 38 – Litigation details may be given as per the table used in Rategain matter.

32. Page 22 – Pre-IPO placement will be reduced from the offer size and not exceed 20%

33. Page 29 – Variation in utilization will also result in exit option to shareholders may be mentioned.

34. Page 34 (RF 14) – Any instance of data breaches may be mentioned

35. Page 38 (RF 21) – When were the auto generated emails received from FIRMS may be mentioned.

36. Page 40 (RF 26) – Disclaimer "While we have taken reasonable care ..." may be removed from here and other places also.

37. Page 42 (RF 31) – Details of all properties taken on lease with the terms of lease viz. Lessor, premises, period of lease, deposit, rentals, whether leases are with RPT etc. may be given in a tabular form suitably.

38. Page 86 - Details of each of the borrowings (including institutions/ promoters/ others) alongwith lender details viz. lender, relationship, tenor, interest rate, security date of loan



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taken etc., borrower may be given in a tabular form. Also, any defaults/ rescheduling / moratorium been availed may be indicated. In the table on page 87, date of loan taken may be mentioned. Has the approvals of lenders for the IPO been obtained? May be suitably disclosed in the offer document.

39. Page 89, 93-95 –The quotations obtained and disclosed in the DRHP have an expired validity. Revised quotes may be obtained and disclosed in the UDRHP/ RHP.

40. Page 95 – Share swap ratio of Bionees may be indicated.





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





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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:

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

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

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

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



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**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



**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:



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"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**.*

