



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Assistant General Manager
Eastern Regional Office

SEBI/ERO/OW/2022/5128/1
February 07, 2022
Through email

CORPORATE CAPITALVENTURES PRIVATE LIMITED
B-1/E- 13, First Floor, Mohan Co Operative Industrial Estate,
Mathura Road, New Delhi, 110044

Dear Sir/Madam,

Sub: Proposed IPO of Uma Exports Limited.

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 to be made in RHP.

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(s) / 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(s). **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**
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

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CERTIFIED TRUE COPY
For UMA EXPORTS LTD.



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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 September 25, 2021, in accordance with Regulation 25(2)(b) of SEBI (ICDR) Regulations, 2018, along with a due diligence note as required under Form A of Schedule V of SEBI (ICDR) Regulations, 2018.
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.
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.

Anjarul Shaikh



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Annexure I

OBSERVATIONS

1. Please refer to our letter dated Letters/emails dated October 25, 2021, December 02, 2021 and January 05, 2022 and the response from LM dated November 15, 2021, December 15, 2021 and January 13, 2022 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. LM is advised to rearrange the risk factors based on materiality.
3. In all the risk factors, wherever either only percentages or the absolute values are mentioned, LM shall ensure to disclose both the absolute values and percentages adequately.
4. LM is advised to mention proposals, if any, to address the specific risk(s) taking into consideration the requirement specified in Clause 5(D) of Schedule VI to ICDR Regulations.
5. Risk Factor 11: It is inter-alia stated that "*in Fiscal 2020 and 2021, 5.42% and 9.53%, respectively of our revenue from operations was from exports*". However, as observed from the DRHP, the major revenue of the company is from other than exports. Therefore, LM is advised the following;
 - a. A separate risk factor under top 5 risk factor shall be made disclosing the year wise bifurcation of revenue from Export and other than export for the last five years.
 - b. Adequate disclosure shall be made in this section with respect to the business/revenue of the company and the name of the company, as it indicates as Exports Company. Whereas the revenue of the company from the exports is minimal.
6. The Risk Factor 1 on disclosure related to continue impact of the Covid-19 may be disclosed after Risk Factor 10.
7. In furtherance to the response on clarification sought at point 4.g of letter dated October 25, 2021, LM is advised to expand the table with an additional column disclosing the name of the country of the customer.
8. In furtherance to the response on clarification sought at point 4.i of letter dated October 25, 2021, LM is advised to expand the table disclosing item % of the total sales in the product category.
9. Clarification sought at point 4.p (Risk Factor 32) of letter dated October 25, 2021, LM is also advised to disclose whether the company has given any guarantee to any bank/financial institution towards loan/bank guarantee of group companies or promoter.



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10. The fiscal year shall be mentioned in the table in the response to the clarification sought at point 5.f (tor 32) of letter dated October 25, 2021.
11. An asterisk mentioning the name of the bank (corresponding reference to the relevant section of DRHP) for "Fund Based Borrowings" under the column "Estimated" shall be disclosed. Point no. 21 of LM's letter dated December 15, 2021.
12. In addition to the response given at point no. 26 of LM's letter dated December 15, 2021, the LM is advised to expand the table disclosing the name of the licensor.
13. LM is advised to expunge response to the clarification sought at point 4 of letter dated December 02, 2021 and advised to suitably disclose the P/E ratio of Sakuma Exports with the Industry P/E ratio.
14. LM is advised to disclose the updated status of all the pending approval of authorities viz. RBI, ESIC, RoC before filing the RHP with RoC.
15. **Risk Factor 25:** LM is advised to disclose the litigation details and expenses incurred by the company during the last 3 Financial Years while engaging in multiple legal actions. The table shall be expanded with following details in UDRHP/RHP as per below format; The instant disclosure shall be made under top 15 risk factors.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in million)
Company						
By the Company						
Against the Company						
Directors						
By our Directors						
Against the Directors						
Promoters						
By Promoters						
Against Promoters						

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Subsidiar ies						
By Subsidiari es						
Against Subsidiari es						
*For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments"						

16. 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.

17. LM is advised to make a separate risk factor to disclose the details of approval in tabular format with category of approvals required, date of approval, tenure for approval, expiry, renewal date and pending approvals. The same shall be disclosed under top 20 risk factors.

18. **Risk Factor 29:** LM is advised to substantiate the risk factors with facts and figures.

19. **Risk Factor 30:** Risk factor may be suitably redrafted with respect to the word "recognized and unrecognized players" in line with response provided vide your letter dated January 13, 2022. LM is further advised to make the cross reference of the report/page no. in the offer document.

20. **Risk Factor 32:** It is inter-alia disclosed in DRHP that- "*We are significantly dependent on third party transportation providers for the delivery of agricultural produce or commodities to us and delivery of the same to our customers. Uncertainties and risks such as transportation strikes, failure to book vessels or delay in supply of raw materials and products due to port congestions, vessel / vehicle breakdown could have an adverse effect on our supplies and deliveries to and from our customers and suppliers*". In this context, LM is advised to make adequate disclosure on details of services availed from third parties.

LM is advised to disclose if there are any past instances during the last 3 Financial Years where this instant risk was triggered. This will enable to ascertain the impact of this risk. Further, absolute values and percentages shall be specified to ascertain the impact of this risk, if any, on the business, results of operations and financial condition.

21. LM is advised to ensure the disclosures of all actions taken by statutory and regulatory authorities.

22. LM is advised to disclose only the gist of the facts related to insurance coverage and insurance claims in the risk factor and the detailed information related to this risk factor may be disclose in a separate section of DRHP. The corresponding reference for this section shall be made in the risk factor.

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23. 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.

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

25. LM is advised that fees payable to the "other advisors" to be enumerated in "General Information" including the services provided by such advisors.

26. 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.

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

28. LM is advised to ensure that the company complies with Regulation 5(2) of the ICDR Regulations prior to the filing of the RHP with RoC.



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- ✓ 29. LM is advised ensure that all the issue related Advertisements shall be placed on the website of the issuer company.
- ✓ 30. LM is advised to ensure that outstanding overdues to material creditors uploaded on the Issuer's website should include names of each creditor and amount outstanding to each creditor.
- ✓ 31. 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.



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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 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.
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.



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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

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





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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**.*

