जो पढ़े... आगे बढ़े... 🔲 वर्ष २८ अंक १४५ 🔲 मृल्यः ₹ ६.०० 🖿 पेजः ८





ZAGGLE PREPAID OCEAN SERVICES LIMITED

Office: B1-004, Ground Floor, Bournerang Building, C.T.S. No. 4A, Village Saki Naka, Andheri (Esel), Taluka Kurla

INITIAL PUBLIC OFFER OF UP TO [+] EQUITY SHARES BEARING FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF ZAGGLE PREPAID OCEAN SERVICES LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF T(a) PER EQUITY SHARE (INCLUDING A PREMIUM OF T(a) PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO T(a) MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [a) EQUITY SHARES BY COMPANY AGGREGATING UP TO T(a) MILLION (THE "OFFER FOR SALE"). THE OFFER FOR SALE OF UP TO 10,449,816 EQUITY SHARES AGGREGATING UP TO T(a) MILLION (THE "OFFER FOR SALE"). THE OFFER SALE OF UP TO 10,449,816 EQUITY SHARES AGGREGATING UP TO T(a) MILLION (THE "OFFER FOR SALE"). THE OFFER SALE OF UP TO 10,449,816 EQUITY SHARES AGGREGATING UP TO T(a) MILLION (THE "OFFER FOR SALE"). THE OFFER FOR SALE ").

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION						
NAME OF THE SELLING SHAREHOLDERS	TYPE	NO. OF EQUITY SHARES OFFERED	WACA* PER EQUITY SHARE (₹)			
Raj P Narayanam	Promoter Selling Shareholder	Up to 1,529,677 Equity Shares aggregating up to ₹[•] million	0.02			
Avinash Ramesh Godkhindi	Promoter Selling Shareholder	Up to 1,529,677 Equily Shares aggregating up to ₹[•] million	0.02			
VenturEast Proactive Fund LLC	Investor Selling Shareholder	Up to 2,830,499 Equity Shares aggregating up to ₹[•] million	2.17			
GKFF Ventures	Investor Selling Shareholder	Up to 2,046,026 Equity Shares aggregating up to ₹[•] million	0.02			
VenturEast SEDCO Proactive Fund LLC	Investor Selling Shareholder	Up to 538,557 Equity Shares aggregating up to ₹[•] million	1.72			
Ventureast Trustee Company Private Limited	Investor Selling Shareholder	Up to 118,040 Equity Shares aggregating up to ₹[•] million	3.78			
(acting on behalf of Ventureast Proactive Fund)						
Zuzu Software Services Private Limited	Corporate Selling Shareholder	Up to 1,765,540 Equity Shares aggregating up to ₹[•] million	0.00			
Koteswara Rao Meduri	Individual Selling Shareholder	Up to 91,800 Equity Shares aggregating up to ₹[•] million	0.02			

s of the date of the Red Herring Prospectus. As certified by P.R.S.V.&.Co. LLP, Chartered Accountants, by way of their certificate dated September 8, 2023

We operate in the business-to-business-to-customer segment where we interact and interface with our Customers (i.e., businesses) and end Users (i.e., employees), with a diversified offering of fintech products and software-as-a-service (SaaS) (including tax and payroll software) and have issued prepaid cards in India in partnership with certain of our banking partners. Our SaaS s are designed for business spend management (including vendor management and expense management), rewards and incentives management for employees and channel partners and gift card management for merchants.

> The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations QIB Portion: Not less than 75% of the Offer | Non-Institutional Portion: Not more than 15% of the Offer Retail Portion: Not more than 10% of the Offer

> > PRICE BAND: ₹156 TO ₹164 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 156 TIMES AND THE CAP PRICE IS 164 TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 66.67 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 63.41 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 90 EQUITY SHARES AND IN MULTIPLES OF 90 EQUITY SHARES THEREAFTER.

DETAILS OF PRE-IPO PLACEMENT

Our Company has undertaken a preferential issue of 4,451,219 Equity Shares and 1,524,390 Equity Shares at an Issue Price of ₹164 per Equity Share for a cash consideration aggregating to ₹730 million and <250 million, on August 16, 2023 and August 21, 2023, respectively (the "Pre-IPO Placement").

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated September 9, 2023, the above provided price band is justified based on quantitative factors' KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), disclosed in "Basis for Offer Price" section on

In making an investment decision, potential investors must rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner

RISKS TO INVESTORS

- We have limited operating history at our current scale. Our revenue grew at a CAGR of 100.83% during the period between Fiscal 2020 and Fiscal 2023, which may not be indicative of our future financial performance
- We experienced negative operating cash flows, i.e., net cash flows used in operating activities, of ₹156.18 million in Fiscal 2023 and negative net worth of ₹(35.58) million and ₹(455.51) million as of March 31, 2022 and March 31, 2021, respectively, which may make it difficult or expensive for us to obtain future financing or meet our liquidity needs
- We propose to invest ₹3,000 million out of the Net Proceeds for expenditure towards Customer acquisition and retention over the course of the next three Fiscals, which is not consistent with the level of expenditure towards Customer acquisition and retention of ₹327.40 million, ₹185.83 million and ₹136.17 million incurred by us in Fiscals 2023, 2022 and 2021, respectively
- We propose to utilise an estimated amount of ₹170.83 million from the Net Proceeds towards repayment or pre-payment of a term loan of ₹250.00 million (of which, ₹187.50 million was outstanding as of March 31, 2023) obtained pursuant to a facility agreement dated December 27, 2021, as amended and supplemented by an agreement dated August 12, 2022, entered into by us with ICICI Bank Limited, which is an affiliate of one of our BRLMs
- We may encounter challenges with adoption and usage of our products if they are not able to successfully integrate with other software applications. Further, real or perceived software errors, interruptions, failures, vulnerabilities, bugs in our products, defects, outages or security incidents/ breaches of our technology platforms/IT systems, sites or networks in the future could impair our ability to effectively provide our products, services and solutions or damage our reputation

- We are exposed to counterparty credit risk with trade receivables of ₹1,026.59 million, ₹429.51 million and ₹226.81 million and allowances for credit impaired trade receivables of ₹57.56 million, ₹73.79 million and ₹359.05 million, as of March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Any delay in, or non-receipt of, payments may materially and adversely affect our cash flows and results of operations
- Our Company does not have any listed industry peers in India or abroad and it may be difficult to benchmark and evaluate our financial performance against other operators who operate in the same industry as us
- Termination of, or failure to maintain, our relationships with our banking partners, including our Preferred Banking Partners, or any changes to our interchange fees
- We are dependent on third-party Payment Networks, channel partners and thirdparty providers for various aspects of our business and our growth
- 10. Our Company will not receive the entire proceeds from the Offer. Some of our Shareholders, including our Promoters, are selling Equity Shares in the Offer and will receive proceeds as part of the Offer for Sale.
- 11. The Offer Price of the Equity Shares, price to earnings ratio ("P/E") ratio, market capitalization to revenue from operations ratio and enterprise value ("EV") to EBITDA ratio of our Company may not be indicative of the market price of the Equity Shares on listing, for the years indicated.

Particulars	Number of times of Cap Price (₹164)	Number of times of Floor Price (₹156)
Market Cap to Revenue	45.33	44.88
Market Cap to Tangible Asset	0.19	0.19
EV/EBITDA	52.94	50.35

12. Details of weighted average cost of acquisition of all Equity Shares transacted in last one year, eighteen months and three years immediately preceding the date of

Period prior to the date of filing of Red Herring Prospectus	Weighted average cost of acquisition (in ₹)*	Cap Price (₹164) is 'x' times the weighted average cost of acquisition*	Range of acquisition price: lowest price - highest price (in ₹)*
One Year	107.88	1.52	1.92 to 164
Eighteen Months	10.62	15.44	1.92 to 357.30
Three Years	10.94	14.99	1.92 to 357.30

*As certified by P R S V & Co. LLP, Chartered Accountants pursuant to their certificate dated September 8, 2023.

13. Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e., ₹ 156)	Cap price (i.e., ₹ 164)	
WACA for Primary Transactions during 18 months prior to RHP	164.00	0.95	1.00	

14. Weighted Average Return on Net Worth for Fiscals 2023, 2022 & 2021 is (376.32)%.

Fiscal	RoNW (%)	Weight
2023	46.98	3
2022	(1,178.22)	2
2021	(42.44)	1
Weighted Average	(376.32)	

15. The Four BRLMs associated with the Offer have handled 99 public Issues in the past three years, out of which 32 Issues closed below the offer price on listing date.

Name of the BRLMs	Total public Issues	Issues closed below price on listing date
ICICI Securities Limited	24	9
Equirus Capital Private Limited	3	1
IIFL Securities Limited	16	6
JM Financial Limited	16	2
Common issues handled by he BRLMs	40	14
Total	99	32

DETAILS OF PRE-IPO PLACEMENT

राजस्थान

Date of allotment	Number of Equity Shares	Price per Equity Share (₹)	Total consideration (₹ in million)	Name of the allottee
August 16, 2023	1,829,269		300.00	Ashish Rameshchandra Kacholia
<u> </u>	1,829,269		300.00	Bengal Finance & Investment Pvt. Ltd.
	579,268	164.00	95.00	Himanshi Kela
	91,461		15.00	Absolute Returns Scheme
	60,976		10.00	Vikasa India EIF I Fund – Incube Global Opportunities
Ī	60,976		10.00	Acintyo Investment Fund PCC - Cell 1
August 21, 2023	1,524,390		250.00	VALUEQUESTS CALE FUND
Total	5,975,609		980.00	

Such allottees have confirmed that they are not, in any manner, connected with the Company or its Promoters, its Promoter Group, its Directors or Key Managerial Personnel, its Subsidiary, and the directors and key managerial personnel of such Subsidiary. The company does not have any Group Companies.

BID/OFFER

BID/OFFER CLOSES TODAY**



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BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer
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ICCI Securities Limited LICUI Vistanti- Nature, deposable Marsten Mary, Prachadod, Municia - 400 IDE, Materianstha, India Flaghouser, 19 C 2600 TT 100 E-mail: Taggle poplipospouries com Imitetro grievance e-mail: Limitetro gri	Equino: Castal Private Limbed "A" horo; C Way, Charton Huster, N M Josh Norg, Lower Paril, Numbel - 400 073, Mehresshra, India, Telephone: 191 2 0540 0758 E-mail: Eagle polipeourus com Webstate: www.argimis.com Investor grinvanore e-mail: mestorogran-round gloverus com Contact parson: Mally State SEB inglietificia ma. NMM/0011286	IFL Securities Limited (1" Floor IIII Contine, Mansis Chy, (1" Floor IIII Conten, Mansis Chy, Sanageri Raper Men, Lower Panal (Must), Mantale - 400 753, Ablieseafter, India Telephone - 91 22 4856 4/20 Februitz rappie (nigili Granporn Welshelis waw IIII.go point Investor grist-sone - email (p. 6) finicip point Centact practic Parawa - lain Sintro Chicago SEE registration on: NIMIOD/10040	AM Financial Limited Theory Congregation Moratin Marg. Prachasted, Murchall 400 DS, Malarasetta, India Telephones: 102 E860 30300 E-mail: Tappie poligimi com Makastika: www.prim.com Investor grievance e-mail: priesance ilidiğimi com Cestad persona indice or india com SESS registration no.: INAMINIONIOSII	Kilin Technologies Lümbed (formedy known as Kilin Rechnologies Private Lümbed) Selemini, Towe-G. Plut 31 and 32, firancial District Nanocompania, Sonicipania, Ilyahorida, Rangewald - 500 002, felangesis, Inde Telephone: **91 and 101 2222 United Private (for 101 222) Weballic: www.strictch.com Investor gelevanoe - emille sixward indigikinied uson Centric person. Mikural Kirchina SSB Ingelestration on: Mithodoxidors.	Minigrand (IDO GB), Ribrigan, India Taliglians et al. (231 to 1978). Limit hashing anothylazopae. Limit hashing anothylazopae. India thashing anothylazopae.
WWLABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Nick Factors" beginning on page 31 of the RHP, before apprixing in the OTer. A page of the RHP shall be available on website of SDI at www.septi.gov.in. the website of the Company at www.zeptie information and is available on the websites of the DRIMs, i.e. ICIC					

ZAGGLE PREPAID OCEAN SERVICES LIMITED is proposing, subject to applicable statutory and regulatory re-www.setii.sov.in, the websites of the Stock Exchanges i.e., BSE and NSE at www.besinde.com and www.neeinde.

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