

From: Company Secretary <companysecretary@seshaasai.com>
Sent: Saturday, January 18, 2025 7:16 PM
To: FSReviewers
Cc: seshaasai.ipo@sbicaps.com; seshaasai.ipo@icicisecurities.com;
seshaasai.ipo@iiflcap.com
Subject: Re: Observation on DRHP - Sessaasai Technologies Limited

Dear Sir/Madam,

This is with reference to your email below, wherein you have shared certain observations on certain disclosures in the Draft Red Herring Prospectus dated December 27, 2024 filed with Securities and Exchange Board of India.

With reference to your observations, please see our responses below:

Sr. No.	Observations	Response
1.	The Company has borrowings and accordingly Reconciliation of movements of liabilities to cash flows arising from financing activities was missing.	The disclosure to the extent required is provided in the form of “net increase in term loan and preference shares” and “net increase in short term borrowings” in the “ <i>Financial Statements - Annexure III - Restated Consolidated Cash Flow Statement for the quarter ended 30 June 2024 and year ended 31 March 2024 and Restated Standalone Cash Flow Statement for the year ended 31 March 2023 and 2022</i> ” on page 312 of the Draft Red Herring Prospectus.
2.	Company has payables and receivables in foreign currency and accordingly there would be gain/loss on such restatement and that should accordingly be adjusted in cash flow from operating activities before working capital changes which was missing.	The corresponding impact of the non-cash item would get adjusted against trade receivables and/or trade payables, as the case may be. Accordingly, there is no impact on the cash flow.
3.	Sundry balance written back in other income has not been factored in as Adjustment in computing operating profit before working capital changes in cash flow statement.	The corresponding impact of the non-cash item would get adjusted against trade receivables and/or trade payables, as the case may be. Accordingly, there is no impact on the cash flow.
4.	As per latest amendment, material accounting places were required to be disclosed instead of significant accounting policies	The policies disclosed under section titled “ <i>Restated Financial Information – Notes to the Restated Financial Statement</i> ” on page 314 of the Draft Red Herring Prospectus are ‘Material Accounting Policies’.
5.	In CWIP table – The amount as on 31 March 23 is Nil, However, as on 31 March 24, it has balance of 3.34 in age bucket of 1-2 years and 4.10 in age bucket of 2-3 years? Which is strange. This signifies the ageing disclosure is incorrect.	With reference to the disclosure, ‘Ageing’ under section titled “ <i>Restated Financial Information – Notes to the Restated Financial Statement - Note 3 – Capital Work In Progress</i> ” on page 340 of the Draft Red Herring Prospectus, is reported on the basis of estimated period for completion of capitalisation. Thus, to that extent the disclosure made in the Restated Financial Information is correct.

Sr. No.	Observations	Response
6.	There are various disclosure related to goodwill which are missing such as impairment assessment details, method, fair value, pre – tax rate, etc	<p><i>The goodwill reported arose due to consolidation of accounts of our Company's subsidiary which was acquired on March 31, 2024. Since, the acquisition was made on March 31, 2024, necessary test for impairment would be undertaken by the Company in the subsequent financial years and necessary accounting adjustments would be made in subsequent financial years, as may be required.</i></p> <p>The method of impairment testing has been provided in paragraph 1.3 in the section titled <i>"Restated Financial Information – Notes to the Restated Financial Statement"</i> on page 325 of the Draft Red Herring Prospectus, which read as under:</p> <p><i>"Goodwill is not amortised and is tested for impairment annually"</i></p> <p>Accordingly, no impairment testing was necessary for the period under reporting.</p>
7.	In Intangibles under development table – The amount as on 31 March 23 is Nil, however as on 31 March 24, it has balance of 5.22 in age bucket of 1-2 years? Which is strange. This signifies the ageing disclosure is incorrect.	<p>With reference to the disclosure, the ageing under section titled <i>"Restated Financial Information – Notes to the Restated Financial Statement - Note 3- Capital Work In Progress"</i> on page 340 of the Draft Red Herring Prospectus is reported on the basis of estimated period for completion of capitalisation.</p> <p>Thus, to that extent the disclosure made in the Restated Financial Information is correct.</p>
8.	In the ageing table of Trade payables, why is there a negative item of 0.36?	The negative item of '0.36' represents 'Debit balance of trade creditor'.
9.	Generally, I have noted that Statutory dues are non-financial liabilities. Any specific reason to classify the same as financial liabilities?	Since the amount of liability would be settled against cash, the same has been disclosed under the heading <i>"Restated Financial Information – 21. Other Financial Liabilities"</i> on page 359 of the Draft Red Herring Prospectus.
10.	Detailed/various disclosure on Revenue in line with Ind AS 115 was missing including reconciliation of revenue with transaction price, timing of recognition of revenue (point of time/over the time), remaining performance obligation, etc	<p>Revenue recognised by the Company is the same as the contract price. Hence, reconciliation to that extent is not required. Timing of recognition has been disclosed under section titled <i>"Restated Financial Information – Notes to the Restated Financial Statement in the accounting policies-point no 1.13.- Revenue recognition"</i> on page 332 of the Draft Red Herring Prospectus.</p> <p>In relation to the business of the Company there are no remaining performance obligation once the revenue has been recognised. Hence, necessary disclosure to the extent required has been provided.</p>
11.	In Note 52 – Explanation for movement more than 25% as compared to comparative period is missing	Reason for variance +/- 25% to the extent applicable and as comparable is provided under section titled <i>"Restated Financial Information – Notes to the Restated Financial Statement – Note 52 -Financial Ratio"</i> and appended notes thereto on page 390 of the Draft Red Herring Prospectus.

Sr. No.	Observations	Response
12.	ECL Matrix % wise table was missing in the notes	Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses ("ECL"). The Company recognises expected credit loss provision based on historical loss experience and probability of default. The details with respect to movement of ECL have been disclosed under section titled " <i>Restated Financial Information – Notes to the Restated Financial Statement – Note 10 - Trade Receivables</i> " on page 344 of the Draft Red Herring Prospectus and section titled " <i>Restated Financial Information – Notes to the Restated Financial Statement – Note 41.4</i> " on page 376 of the Draft Red Herring Prospectus.

Trust this addresses your queries/ Observations.

Warm Regards,

Company Secretary & Compliance Officer

+912266270927

From: FSReviewers <fsreviewers@gmail.com>

Sent: 14 January 2025 22:20

To: Company Secretary

Cc: seshaasai.ipo@sbicaps.com; seshaasai.ipo@icicisecurities.com; seshaasai.ipo@iiflcap.com

Subject: Observation on DRHP - Sessaasai Technologies Limited

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Dear Team

Below are the key observations based on the **Financial Statements** in DRHP.

1. The Company has borrowings and accordingly Reconciliation of movements of liabilities to cash flows arising from financing activities was missing.
2. Company has payables and receivables in foreign currency and accordingly there would be gain/loss on such restatement and that should accordingly be adjusted in cash flow from operating activities before working capital changes which was missing.
3. Sundry balance written back in other income has not been factored in as Adjustment in computing operating profit before working capital changes in cash flow statement.
4. As per latest amendment, material accounting places were required to be disclosed instead of significant accounting policies
5. In CWIP table – The amount as on 31 March 23 is Nil, However as on 31 March 24, it has balance of 3.34 in age bucket of 1-2 years and 4.10 in age bucket of 2-3 years? Which is strange. This signifies the ageing disclosure is incorrect.
6. There are various disclosure related to goodwill which are missing such as impairment assessment details, method, fair value, pre – tax rate, etc

7. In Intangibles under development table – The amount as on 31 March 23 is Nil, however as on 31 March 24, it has balance of 5.22 in age bucket of 1-2 years? Which is strange. This signifies the ageing disclosure is incorrect.
8. In the ageing table of Trade payables, why is there a negative item of 0.36?
9. Generally, I have noted that Statutory dues are non-financial liabilities. Any specific reason to classify the same as Financial liabilities?
10. Detailed/various disclosure on Revenue in line with Ind AS 115 was missing including reconciliation of revenue with transaction price, timing of recognition of revenue (point of time/over the time), remaining performance obligation, etc
11. In Note 52 – Explanation for movement more than 25% as compared to comparative period is missing
12. ECL Matrix % wise table was missing in the notes

I believe, there would be various other smaller parts of disclosure which are missing, kindly have a relook at entire financial statements and benchmark with ICAI guidance note.

Happy to help and hear back from you

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companysecretary

From: companysecretary <companysecretary@seshaasai.com>
Sent: Tuesday, April 22, 2025 5:05 PM
To: 'Anvesh Singh'
Subject: RE: DRHP Information requirement

Dear Sir,

This is with reference to your email below, wherein you have shared certain observations on certain disclosures in the Draft Red Herring Prospectus dated December 27, 2024 filed with Securities and Exchange Board of India.

With reference to your query, please see our responses below:

In the DRHP, past price information for each of the BRLM has been provided separately for 3 years. However, in the AV, the format of disclosure has been changed, where in any common transactions between the two or more BRLMs are clubbed together under the head "Common transactions" and the transactions which are not common amongst the BRLMs have been listed under the head of each of the BRLMs, for past 3 years.

Trust this addresses your queries.

Regards,
Manali Shah

From: Anvesh Singh <anvesh88raj@gmail.com>
Sent: Thursday, April 17, 2025 11:30 AM
To: companysecretary@seshaasai.com
Subject: Re: DRHP Information requirement

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Hi Team,

Awaiting for your response

Regards,
Anvesh

On Mon, 14 Apr, 2025, 2:03 pm Anvesh Singh, <anvesh88raj@gmail.com> wrote:

Dear Team,

I was going through your DRHP uploaded on the SEBI site and the AV english uploaded on your site.

I'm unable to understand how BRLM has been reconciled with respect to price disclosure in video and DRHP.

Would request that you can explain the same.

Attaching the screenshot of the same.

Regards,
Anvesh Singh.

Manali.Shah

From: companysecretary <companysecretary@seshaasai.com>
Sent: Thursday, May 8, 2025 3:50 PM
To: 'Anvesh Singh'
Subject: RE: Information disclosed in DRHP

Dear Anvesh

This is with reference to your email below, wherein you have shared certain observations on certain disclosures in the Draft Red Herring Prospectus dated December 27, 2024 filed with Securities and Exchange Board of India.

With reference to your query, please see our response below:

Please note that the Company has disclosed in the section titled "History and Certain Corporate Matter - Major events and milestones of our Company"- "Awarded UIDAI order for printing of Aadhar Cards" on page 264 of the DRHP, in accordance with the disclosure requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. The Company is in possession of necessary documentation in relation to the disclosure.

Trust this addresses your queries.

Regards
Manali Shah

-----Original Message-----

From: Anvesh Singh <anvesh88raj@gmail.com>
Sent: Tuesday, April 29, 2025 6:53 PM
To: companysecretary@seshaasai.com
Subject: Re: Information disclosed in DRHP

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Team,

This is resolved, no need of information / clarification required from your end. Please treat this mail as a closure for the query.

Regards,
Anvesh

On Tue, Apr 29, 2025 at 2:42 PM Anvesh Singh <anvesh88raj@gmail.com> wrote:

>
> Hi Team,
>
> Trust you are well!

>
> I saw that under the head *Major events and milestones of our Company*
> we have mentioned *2012 Awarded UIDAI order for printing of Aadhar
> Cards*
>
> Can you share the supporting for the consent which has been taken for
> naming UIDAI in the offer document.
>
> Regards,
> Anvesh Singh

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