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ZAGGLE PREPAID OCEAN SERVICES LIMITED



(Please scan this QR code to view the Red Herring Prospectus and the abridged prospectus)

Our Company was incorporated as 'Zaggle Prepaid Ocean Services Private Limited' at Hyderabad as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 2, 2011 issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to a special resolution passed by our Shareholders at the EGM held on August 22, 2022 and consequently, the name of our Company was changed to 'Zaggle Prepaid Ocean Services Limited' and a fresh certificate of incorporation dated September 13, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad (the "RoC"). For details of the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" on page 172 of the red herring prospectus dated September 8, 2023 filed with the RoC ("RHP").
Registered Office: 301, III Floor, CSR Estate, Plot No.8, Sector 1, HUDA Techno Enclave, Madhapur Main Road, Hyderabad, Rangareddi - 500 081, Telangana, India; **Telephone:** +91 40 2311 9049, **Corporate Office:** B1-004, Ground Floor, Boomerang Building, C.T.S. No. 4A, Village Saki Naka, Andheri (East), Taluka Kurla, District Mumbai Suburban, Mumbai - 400 072, Maharashtra, India; **Telephone:** +91 22 4879 4879.
Contact Person: Hari Priya, Company Secretary and Compliance Officer; **Telephone:** +91 40 2311 9049; **E-mail:** haripriya.singh@zaggle.in; **Website:** www.zaggle.in; **Corporate Identity Number:** U65999TG2011PLC074795

OUR PROMOTERS: RAJ P NARAYANAM AND AVINASH RAMESH GODKHINDI

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 ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹3,920 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 10,449,816 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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 Equity 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 (acting on behalf of Ventureast Proactive Fund)	Investor Selling Shareholder	Up to 118,040 Equity Shares aggregating up to ₹[●] million	3.78
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

* WACA: Weighted Average Cost of Acquisition
Calculated on a fully diluted basis as 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 platforms 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 pages 110 to 114 of the RHP.

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

1. 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

2. 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

3. 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

4. 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
5. 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

6. 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

7. 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

8. Termination of, or failure to maintain, our relationships with our banking partners, including our Preferred Banking Partners, or any changes to our interchange fees due to a variety of factors

9. We are dependent on third-party Payment Networks, channel partners and third-party providers for various aspects of our business and our growth

Continued on next page...

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 the RHP.

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

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	164.00	300.00	Ashish Rameshchandra Kacholia
	1,829,269		300.00	Bengal Finance & Investment Pvt. Ltd.
	579,268		95.00	Himanshi Kela
	91,461		15.00	Absolute Returns Scheme
	60,976		10.00	Vikasa India EIF I Fund – Incube Global Opportunities
	60,976		10.00	Acintyo Investment Fund PCC – Cell 1
August 21, 2023	1,524,390		250.00	VALUEQUEST SCALE 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 PERIOD

ANCHOR INVESTOR BIDDING DATE : WEDNESDAY, 13 SEPTEMBER, 2023*

BID/OFFER OPENS ON : THURSDAY, SEPTEMBER 14, 2023*

BID/OFFER CLOSES ON : MONDAY, SEPTEMBER 18, 2023**

*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

**UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date i.e. September 18, 2023

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Floor Price is 156 times the face value and the Cap Price is 164 times the face value. Investors should also refer to “Risk Factors”, “Our Business”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 31, 147, 195, and 245, respectively, of the RHP, to have an informed view before making an investment decision.

Qualitative Factors: Some of the qualitative factors which form the basis for computing the Offer Price are: • Differentiated SaaS-based fintech platform, offering a combination of payment instruments, mobile application and API integrations; • In-house developed technology and strong network effect; • Business model with diverse sources of revenue and low customer acquisition and retention costs; • Diversified customer relationships across sectors along with preferred banking and merchant partnerships; and • Seasoned management team with deep domain expertise supported by a professional workforce. For further details, see “Our Business—Strengths” on page 151 of the RHP.

Quantitative Factors : Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see “Restated Financial Information” on page 195 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. Basic and Diluted Earnings per Share (“EPS”) at face value of ₹1 each: Derived from Restated Financial Information:

Financial Year/Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
2023	2.48	2.46	3
2022	4.57	4.57	2
2021	2.11	2.11	1
Weighted Average	3.12	3.11	6

Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.

2. Basic and Diluted EPS are based on the Restated Financial Information.

3. The face value of each Equity Share is ₹1.

4. Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year divided by the weighted average no. of equity shares.

5. Basic EPS and Diluted EPS calculations are in accordance with the relevant accounting standard.

6. The above statement should be read with significant accounting policies and the notes to the Restated Financial Information.

7. The above has been calculated after taking into account the effect of the: (i) sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹1 each pursuant to a resolution passed by our Board at their meeting dated July 14, 2022 and the Shareholders at their extraordinary general meeting dated July 27, 2022; and (ii) bonus issue in the ratio of 50 Equity Shares for every 1 Equity Share held in our Company pursuant to a resolution passed by our Board at their meeting dated July 28, 2022.

2. Price/Earning Ratio in relation to Price Band of ₹156 to ₹164 per equity share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
P/E ratio based on Basic EPS for Fiscal 2023	62.90	66.13
P/E ratio based on Diluted EPS for Fiscal 2023	63.41	66.67

3. Industry Peer Group Price / Earning P/E ratio

There are no Indian listed companies or global listed companies that are of comparable size, belonging to the same industry as us or with a business model similar to that of our Company.

4. Average return on Net Worth (“RoNW”)

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

Notes:

1. Return on Net Worth (%) is calculated as profit after tax attributable to the equity shareholders of the Company divided by total as equity as of respective year end. Total equity = equity share capital + instruments entirely equity in nature + other equity.

2. Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights, i.e. (RoNW x Weight) for each year/total of weights.

3. The above have been calculated after taking into account the effect of the: (i) sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹1 each pursuant to a resolution passed by our Board at their meeting dated July 14, 2022 and the Shareholders at their extraordinary general meeting dated July 27, 2022; and (ii) bonus issue in the ratio of 50 Equity Shares for every 1 Equity Share held in our Company pursuant to a resolution passed by our Board at their meeting dated July 28, 2022.

5. Net Asset Value (“NAV”) per Equity Share (face value of ₹1 each)

Financial Year	Net Asset Value per equity share (₹)
As of March 31, 2023	5.29
After the completion of the Offer*	
- At the Floor Price	43.69
- At the Cap Price	44.12
Offer Price	[•]

Notes:

1. Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net worth represents aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information.

2. The above have been calculated after taking into account the effect of the: (i) sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹1 each pursuant to a resolution passed by our Board at their meeting dated July 14, 2022 and the Shareholders at their extraordinary general meeting dated July 27, 2022; and (ii) bonus issue in the ratio of 50 Equity Shares for every 1 Equity Share held in our Company pursuant to a resolution passed by our Board at their meeting dated July 28, 2022.

* This includes Equity Shares issued by our Company pursuant to the Pre-IPO Placement

6. Key Performance Indicators

The table below sets forth the details of our certain key financial performance indicators*, as of the dates and for the periods indicated, which have been approved by our Audit Committee pursuant to its resolution dated September 8, 2023.

S. No.	Metric	As of and for the financial year ended March 31,		
		2023	2022	2021
1.	Revenue from operations (₹ million)	5,534.60	3,712.55	2,399.66
2.	Gross profit ⁽¹⁾ (₹ million)	2,181.38	2,151.15	1,944.48
3.	Gross margin ⁽¹⁾ (%)	39.41	57.94	81.03
4.	EBITDA ⁽²⁾ (₹ million)	480.96	598.54	276.27
5.	Profit/ (loss) after tax for the year (₹ million)	229.01	419.21	193.30
6.	EBITDA Margin ⁽²⁾ (%)	8.69	16.12	11.51
7.	Net Profit Ratio/Margin ⁽³⁾	4.14	11.29	8.06
8.	Return on Equity (RoE) ⁽⁴⁾ (%)	46.98	(1,178.22)	(42.44)
9.	Debt to Equity Ratio ⁽⁵⁾	2.48	(18.12)	(1.52)
10.	Interest Coverage Ratio ⁽⁶⁾	6.30	18.00	6.21
11.	Debt Service Coverage Ratio ⁽⁷⁾	2.66	5.17	4.63
12.	Current Ratio ⁽⁸⁾	1.49	1.46	0.55
13.	Net Capital Turnover Ratio ⁽⁹⁾	9.52	19.05	(8.00)
14.	Return on Net Worth ⁽¹⁰⁾ (%)	46.98	(1,178.22)	(42.44)

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Summit's mandate on coal-based power a tall order for India

MANISH GUPTA
 New Delhi, September 10

INDIA, WITH THE world's fourth largest renewable energy capacity, is less likely to comply with the G20 decision on phasing down of unabated coal power, which continues to meet more than 70% electricity needs of the country. The G20 declaration, released on Saturday, high-



lighted the need to accelerate “efforts towards phasing down of unabated coal power”, among other measures for implementing sustainable, affordable and inclusive energy transitions. Coal power remains unabated if the carbon emitted in the process of burning the coal to produce power is not captured. However, the carbon capture, usage and storage (CCUS) technology

is expensive and none of the Indian power producers use it. The burden on consumers will only increase with the implementation of CCUS. Distribution companies (discoms) are already facing challenges in recovering the costs incurred, and therefore, the technology is less likely to be taken up anytime soon. While neither the usage of CCUS nor reduction in coal power may find favour in India for at least a decade, going by the National Electricity Plan



(NEP), the country can only reduce the share of coal power in the total energy mix. The cost of generating elec-

tricity from new coal projects is much costlier compared to power from renewable sources, and there are other incentives

such as low-cost green finance, and disincentives, like carbon tax, which will help in promoting clean energy. India is set to take up the non-fossil fuel based capacity to 500 GW by 2030, raising the share of clean fuel from 40% to 50% in terms of installed capacity mix by 2030. It has already strengthened its renewable energy capacity to 130 gigawatt (GW). With large hydro power, the total touches 180 GW. However, while coal-based power generation capacity was

48.6% of the total installed capacity (as of July 2023), its share in energy mix was 70%. It usually ranges between 70% and 74%, and will remain the mainstay for sometime. Even the National Electricity Plan envisages the coal-based capacity to grow from 212 GW as on March 2023 to 260 GW by 2032, an increase of 48 GW. All additions are being done by central and state PSUs, none by private players. Goldman Sachs in its July report on

India's clean energy landscape estimates the country will require additional 23 GW of coal capacity over and above the government's target of 48 GW by 2032 to meet the projected peak shortages. “Our estimates factor a lower BESS (Battery Energy Storage Systems) attachment rate of 10% vs government's plan of 24% on 180 GW RE capacity requiring transmission infra upgrade, considering the GS battery cost curve forecast,” the note said.

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BASIS FOR THE OFFER PRICE

Notes:

*As certified by P R S V & Co. LLP, Chartered Accountants pursuant to their certificate dated September 8, 2023. The Audit committee in its resolution dated September 8, 2023 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of the Red Herring Prospectus other than as disclosed in this section.

(i) Gross profit includes subscription fees, Program Fees, Propel platform revenue/gift cards, merchant revenue and value added services fees earned reduced by customer support, software support, network charges, costs of propel points/gift cards and other direct costs. Merchant revenues refers to the commission paid by merchants to us for increasing footfall in their stores and driving spends to such merchants. Value added services fees refers to the fees our Company earns by offering third party services to our existing User base through our app/platform. For example: a finder's fee for a loan disbursed through a VAS partner to a User from one of the corporates/SMBs.

(ii) Gross margin refers to gross profit as a percentage (%) of total revenues earned during a financial year.

(iii) EBITDA refers to earnings before interest, taxes, depreciation and amortisation. EBITDA excludes other income but includes reversal of provision for doubtful debts.

(iv) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.

(v) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our revenue from operations.

(vi) Return on equity (RoE) is equal to profit for the year divided by the Total Equity during that period and is expressed as a percentage.

(vii) Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term-borrowings) by Total Equity (which includes issued capital and all other equity reserves).

(viii) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing cash profit after tax plus interest payment by interest payment. Cash profit after tax is the sum of profit before tax and depreciation and amortisation expense but excludes current tax.

(ix) Debt Service Coverage Ratio measures our ability to meet principal and interest payment obligations from available earnings and is calculated by dividing the sum of (i) earnings available for debt-service, i.e., the profit after tax, (ii) depreciation, (iii) interest, (iv) loss on sale of assets; by the sum of (i) interest and (ii) principal repayment (which excludes repayment of optionally convertible debentures pursuant to the term loan availed from ICICI Bank Limited) during the year.

(x) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

(xi) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

(xii) Return on Net Worth (RoNW) is a measure of profitability (expressed in percentage) and is defined as net profit after tax attributable to our equity shareholders divided by our Total Equity for the year.

See “Management's Discussion and Analysis of Financial Condition and Result of Operations—Non-GAAP Measures” on page 247 of the RHP for the reconciliation and the manner of calculation of our key financial performance indicators.

Further, set forth below are some of our key operational performance indicators*, as of the dates and for the periods indicated, which have been approved our Audit Committee pursuant to its resolution dated September 8, 2023.

S. No.	Metric	Unit	As of and for the financial year ended March 31,		
			2023	2022	2021
1.	Platform fee / SaaS fee / Service fee ⁽ⁱ⁾	₹ million	242.32	166.30	129.23
2.	Program Fees ⁽ⁱⁱ⁾	₹ million	1,694.53	2,007.03	1,954.89
3.	Propel platform revenue/gift cards ⁽ⁱⁱⁱ⁾	₹ million	3,597.75	1,539.22	315.54
4.	Total Customers catered to	#	2,411	1,753	1,092
5.	Aggregate Users on the platform ^(iv)	#	2,274,138	1,723,350	904,713
6.	Average Users per account ^(v)	#	943	983	828
7.	Customer Acquisition and Retention Cost ^(vi)	₹ million	327.40	185.83	136.17
8.	Acquisition and Retention Cost per Customer ^(vii)	₹ million	0.50	0.28	0.20
9.	Cash back expense per ₹1 earned from revenue from operations ^(viii)	₹ million	0.18	0.32	0.58
10.	Churn ^(ix)	%	1.54	0.37	1.17
11.	Average revenue per customer	₹ million	2.30	2.12	2.20
12.	Number of new Customers added during the year	#	685	665	670

Notes:

*As certified by P R S V & Co. LLP, Chartered Accountants pursuant to their certificate dated September 8, 2023. The Audit committee in its resolution dated September 8, 2023 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of the Red Herring Prospectus other than as disclosed in this section.

(i) Platform fee / SaaS fee / Service fee refers to all fee income received by our Company from the Customers, including the fixed monthly subscription fees paid by our Customers on a per User basis and any one-time setup fees and any other fees that may be levied from time to time by our Company to the Customers.

(ii) Program fees refers to the sum of (i) interchange fees (including residual income) earned on the spend that customers of the Company's corporate customers employees and channel partners make on the cards and excludes amounts collected on behalf of its Preferred Banking Partners; and (ii) any other income which the Company receives from its Preferred Banking Partners and third-party Payment Networks such as Visa; and (iii) inactivity fees which is earned on the balance amount left on the cards.

(iii) Propel platform revenue/gift cards refers to revenue which is received from our Customers for issuing reward points (Propel points) to Customers' employees and channel partners.

(iv) Aggregate Users on the platform refers to the total number of Users served by our Company as of date.

ASBA #
 Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (“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.

Mandatory in public issues. No cheque will be accepted.

In case of any revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the other Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”), the “QIB Portion”, provided that our Company in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (“Net QIB Portion”). Post allocation to the Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. Further, 5% of the Net QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation in accordance with Regulation 32(3A) of the SEBI ICDR Regulations to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹0.20 million up to ₹1 million and two-thirds shall be reserved for Bidders with Bids exceeding ₹1 million) and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders (“RIB”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see “Offer Procedure” on page 315 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, Syndicate Dps and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021.



ASBA has to be availed by all the investors except anchor investors. UPI may be availed by UPI Bidders. 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 “Offer Procedure” on page 315 of the RHP. The process is also available on the website of Association of Investment Bankers of India (“AIBI”) and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), and together with BSE, the “Stock Exchanges”) and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedFPI=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedFPI=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. RIBs Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and Kotak Mahindra Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the Book Running Lead Managers (“BRLMs”) on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ID: ipu.opi@npci.org.in.

available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and any subsequent press releases in this regard.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section “History and Certain Corporate Matters” on page 172 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled “Material Contracts and Documents for Inspection” on page 342 of the RHP.

Liability of the members of our Company: Limited by shares

Amount of share capital of our Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹150,000,000 consisting of 150,000,000 Equity Shares having of ₹1 each. The issued, subscribed and paid-up share capital of the Company is ₹98,194,319 divided into 98,194,319 Equity Shares of face value of ₹1 each. For details, please see the section entitled “Capital Structure” beginning on page 86 of the RHP.

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company along with their allotment are: Allotment of 9,900 equity shares to Raj P Narayanan and 100 equity shares to Sudhakar Tirunagari. For details of the share capital history and capital structure of our Company, please see the section entitled “Capital Structure” beginning on page 86 of the RHP.

Listing: The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company received an in-principle approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 24, 2023 and January 25, 2023, respectively. For the purpose of the Offer, NSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been filed in accordance with Section 32 of the Companies Act, 2013 and the Prospectus will be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 342 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India (“SEBI”): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 292 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of NSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 295 of the RHP for the full text of the disclaimer clause of NSE.

Disclaimer Clause of BSE : It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 295 of the RHP for the full text of the disclaimer clause of BSE.

General Risk: Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 31 of the RHP.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025, Maharashtra, India Telephone: + 91 22 6807 7100 E-mail: zaggie.ipa@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact person: Harsh Thakkar/ Sumit Singh SEBI registration no.: INM000011179	Equirus Capital Private Limited 12 th Floor, C Wing, Marathon Futrex, N M Joshi Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India. Telephone: +91 22 4332 0736 E-mail: zaggie.ipa@equirus.com Website: www.equirus.com Investor grievance e-mail: investorsgrievance@equirus.com Contact person: Malay Shah SEBI registration no.: INM000011286	IIFL Securities Limited 10 th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013, Maharashtra, India Telephone: +91 22 4646 4728 E-mail: zaggie.ipa@iiflcap.com Website: www.iiflcap.com Investor grievance e-mail: ig.ibd@iiflcap.com Contact person: Pawan Jain/ Shirish Chikalgae SEBI registration no.: INM000010940	JM Financial Limited 7 th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025, Maharashtra, India Telephone: +91 22 6630 3030 E-mail: zaggie.ipa@jmfml.com Website: www.jmfml.com Investor grievance e-mail: grievance.ibd@jmfml.com Contact person: Prachee Dhuri SEBI registration no.: INM000010361	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower-8, Plot 31 and 32, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500 032, Telangana, India Telephone: +91 40 6716 2222 E-mail: zaggie.ipa@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact person: M Murali Krishna SEBI registration no.: INR000000221

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the “Risk Factors” beginning on page 31 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in, the website of the Company at www.zaggie.in/investor-relations, and is available on the websites of the BRLMs, i.e. ICICI Securities Limited, Equirus Capital Private Limited, IIFL Securities Limited and JM Financial Limited at www.icicisecurities.com, www.equirus.com, www.iiflcap.com and www.jmfml.com, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of ZAGGLE PREPAID OCEAN SERVICES LIMITED, Telephone: +91 40 2311 9049; BRLMs : ICICI Securities Limited, Telephone: +91 22 6807 7100; Equirus Capital Private Limited, Telephone: +91 22 4332 0736; IIFL Securities Limited, Telephone: +91 22 4646 4728 and JM Financial Limited, Telephone: +91 22 6630 3030; Syndicate Members: Equirus Securities Private Limited, Telephone: +91 22 4332 0600 and JM Financial Securities Limited, Telephone: +91 22 6136 3400 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Almondz Global Securities Ltd, Anand Rathi Share & Stock Brokers Limited, Axis Capital Ltd, Centrum Broking Ltd, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB (International) Stock Brokers Ltd, Eureka Stock & Share Broking Services Ltd, Globe Capital Markets Ltd, HDFC Securities Limited, IDBI Capital Markets and Securities Ltd, JM Financial Services Ltd, Jobanputra Fiscal Services Pvt. Ltd, KJMC Capital Markets Ltd, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd, Motilal Oswal Financial Services Limited, Navama Wealth and Investment Limited (Formerly Edelweiss Broking Limited), Prabhudas Lhaladhar Pvt Ltd, Pravin Rattalal Share & Stock Brokers Ltd, Religare Broking Ltd, RRR Equity Brokers Pvt Ltd, SBICAP Securities Ltd, Sharekhan Ltd, SMC Global Securities Ltd, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd and Yes Securities Ltd

Escrow Collection Bank and Refund Bank: ICICI Bank Limited •Public Offer Account Banks: Kotak Mahindra Bank Limited •Sponsor Banks: ICICI Bank Limited and Kotak Mahindra Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Hyderabad, Rangareddi
 Date: September 9, 2023

ZAGGLE PREPAID OCEAN SERVICES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with RoC on September 8, 2023. The RHP is available on the website of SEBI at www.sebi.gov.in, the websites of the Stock Exchanges i.e., BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, the website of the Company at www.zaggie.in/investor-relations and as well as on the websites of the BRLMs, i.e., ICICI Securities Limited, Equirus Capital Private Limited, IIFL Securities Limited and JM Financial Limited at www.icicisecurities.com, www.equirus.com, www.iiflcap.com and www.jmfml.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section entitled “Risk Factors” on page 31 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer or sale of Equity Shares in any jurisdiction, including the United States. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“Securities Act”) or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares offered in the Offer are not being offered or sold in the United States.