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## BRAINBEES SOLUTIONS LIMITED

Our Company was incorporated on May 17, 2010 as a private limited company under the Companies Act 1956, with the name "Brainbees Solutions Private Limited" at Pune, Maharashtra, India pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Pune (the "RoC"). Upon the conversion of our Company to a public limited company pursuant to a resolution passed by our Board on August 31, 2023 and a special resolution passed by our Shareholders at the extra-ordinary general meeting on September 5, 2023, the name of our Company was changed to "Brainbees Solutions Limited". A fresh certificate of incorporation dated November 2, 2023 was issued by the RoC consequent to our Company's conversion into a public limited company. For details of changes in the registered office of our Company, see "History and Certain Corporate Matters - Changes in the registered office" on page 311 of the Prospectus dated August 8, 2024 ("Prospectus").

Corporate Identity Number: U51100PN2010PLC136340

Registered and Corporate Office: Rajashree Business Park, Survey No. 338, Next to Sohrab Hall, Tadiwala Road, Pune - 411 001, Maharashtra, India; Tel: (+91) 84829 89157; Contact Person: Neelam Jethani, Company Secretary and Compliance Officer; E-mail: companysecretary@firstcry.com; Website: www.firstcry.com

### OUR COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

Our Company has filed the Prospectus dated August 8, 2024 with the RoC (the "Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the Main Board platform of National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and the trading is expected to commence on Tuesday, August 13, 2024.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 90,194,432<sup>^</sup> EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (THE "EQUITY SHARES") OF BRAINBEES SOLUTIONS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 465.00 PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ 41,937.28 MILLION<sup>^</sup> (THE "OFFER") COMPRISING A FRESH ISSUE OF 35,834,699<sup>^</sup> EQUITY SHARES OF FACE VALUE ₹ 2 EACH AGGREGATING TO ₹ 16,660.00 MILLION<sup>^</sup> (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 54,359,733 EQUITY SHARES OF FACE VALUE ₹ 2 EACH AGGREGATING TO ₹ 25,277.28 MILLION (THE "OFFER FOR SALE"), COMPRISING AN OFFER FOR SALE OF 46,814,458 EQUITY SHARES OF FACE VALUE ₹ 2 EACH AGGREGATING TO ₹ 21,768.72 MILLION BY CORPORATE SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) AND 7,545,275 EQUITY SHARES OF FACE VALUE ₹ 2 EACH AGGREGATING TO ₹ 3,508.55 MILLION BY INDIVIDUAL SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) (TOGETHER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

THE OFFER INCLUDES A RESERVATION OF 71,258 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH, AGGREGATING TO ₹ 30.00 MILLION<sup>^</sup> (CONSTITUTING 0.01 % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE 17.37 % AND 17.36 % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

<sup>^</sup>A discount of ₹ 44 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.

**ANCHOR INVESTOR OFFER PRICE: ₹ 465 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH**  
**OFFER PRICE: ₹ 465 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH**  
**EMPLOYEE DISCOUNT: ₹ 44 PER EQUITY SHARE ON THE OFFER PRICE**  
**THE OFFER PRICE IS 232.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.**

### RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 83 of the Prospectus

#### Financials Risk:

- Negative Cash Flows:** We have had negative net cash flows in the past. The following table sets forth our cash flow for the periods indicated as per our Restated Consolidated Financial Statements:

Particulars	For the year ended March 31,		
	2024	2023	2022
Net cash used in operating activities	(420.73)	(3,989.89)	(1,317.26)
Net cash (used) in/generated from investing activities	629.44	3,040.89	(4,905.81)
Net cash (used) in/generated from financing activities	814.74	(506.18)	6,443.76
Net increase/(decrease) in cash and cash equivalents	1,023.45	(1,455.18)	220.69

(₹ in million)

- Losses incurred in past periods:** We have incurred loss of ₹(3,215.07) million, ₹(4,860.56) million and ₹(786.85) million for the Financial Year 2024, 2023 and 2022 respectively. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.
- Risk related to the objects of the offer:** We face various inter-related risks concerning usage, receipt and deployment of the Offer Proceeds in relation to the objects of the Offer, some of which are outline below:
  - We are yet to identify the exact locations or properties for the setting up our new modern stores and warehouses in India and the Kingdom of Saudi Arabia, for which we intend to utilize the amount from Net Proceeds;
  - A portion of the Net Proceeds will be invested in our Subsidiaries, Globalbees Brands, Digital Age and Firstcry Trading Company, which have incurred losses and certain newly established businesses. We cannot assure you that our investments will enhance their profitability or yield intended results.
  - The Net Proceeds will be deployed over a long period of time and any delay may impact our operations and profitability.
- Market Risk:** The Offer Price of our Equity Shares, our pre-Offer market capitalization to revenue from operations for FY 2024 and our price-to-earnings (P/E) ratio at Offer price may not be indicative of the market price of our Equity Shares after the Offer.

Period	Ratio vis-à-vis Offer Price of ₹ 465
	(In multiples, unless otherwise specified)
Market capitalization to Revenue from operations (for FY 2024)	3.47
Price-to-earnings ratio	N.A

#### Notes:

- Market capitalization = Number of shares outstanding as on date of Prospectus \* Floor price or cap price, as applicable
- Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable

#### Business and Operational Risks:

- Risk relating to retaining existing customer and acquiring new customers:** If we fail to acquire new customers or experience a decline in engagement with our existing customers, we may not be able to increase our revenues or achieve profitability. Our GMV generated from our Annual Unique Transacting Customers ('AUTC') for Financial Years 2024, 2023 and 2022 was ₹91,211.28 million ₹72,576.34 million and ₹57,994.63 million respectively. The tables below sets forth the details of our advertising and sales promotion expenses as a percentage of our revenue from operations and our GMV generated from our new customers and existing customers as a percentage of GMV from AUTC:

Period	For the year ended March 31,		
	2024	2023	2022
Advertising and sales promotion expenses*	7.44%	7.39%	11.19%

\*Includes payments made to third-party websites, search engines and social media influencers.

Period	For the year ended March 31,		
	2024	2023	2022
GMV from new customers	27.77%	27.02%	29.76%
GMV from existing customers	72.23%	72.98%	70.24%

- Risk relating to third-party brands and SKUs:** If we fail to retain our relationships with third-party brands, or attract new relationships, our business, results of operations, financial condition and cash flows will be adversely affected. Set forth below is the number of brands added on our FirstCry platform (in India, UAE and KSA), brands associated with us on our FirstCry platform, and SKUs offered by us on our platform:

Particulars	As at/for the financial year ended March 31,		
	2024	2023	2022
Brands added on our FirstCry platform (in India, UAE and KSA)	1,125	2,250	2,235
Brands associated with us on our FirstCry platform	7,580	7,035	6,287
SKUs offered (in million)	1.65	1.29	1.27

- Dependency on the online commerce industry in India:** Our business depends on the growth of the online commerce industry in India and our ability to effectively respond to changing customer behavior on digital platforms. Details of our GMV from Online business in India as a percentage to total GMV in India is provided hereunder:

Particulars	For the year ended March 31,		
	2024	2023	2022
GMV from Online business in India (as % of total GMV in India)	76.91%	77.36%	81.58%

#### Other Risks:

- Our company has not received any proceeds from the Offer for Sale amounting to ₹ 25,277.28 million
- The five Book Running Lead Managers associated with the Offer have handled 57 public issues in the past three Financial Years, out of which 12 issues closed below the issue price on the listing date:

Name of the BRLMs	Total Public Issues	Issues closed below the IPO Price on listing date
Kotak Mahindra Capital Company Limited*	15	3
Morgan Stanley India Company Private Limited*	1	-
BofA Securities India Limited*	-	-
JM Financial Limited*	30	8
Avendus Capital Private Limited*	-	-
Common Issues of above BRLMs	11	1
<b>Total</b>	<b>57</b>	<b>12</b>

\*Issues handled where there were no common BRLMs.

- Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of the Prospectus:

Period preceding the date of Prospectus	Weighted average cost of acquisition (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price: lowest price - highest price (in ₹)*
Last one year	400.01	1.16	243.72 - 524.15
Last 18 months	407.42	1.14	243.72 - 524.15
Last three years	237.09	1.96	2.00 - 524.15

\* As certified by Bansal & Co LLP, Chartered Accountants, bearing firm registration number 001113N/N500079, by way of their certificate dated August 8, 2024.

- Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable.
- Weighted Average Return on Net Worth for Financial Year ended 2024, 2023 and 2022 is (8.92)%.

BID/OFFER PERIOD
ANCHOR INVESTOR BIDDING DATE : MONDAY, AUGUST 5, 2024
BID/OFFER OPENED ON : TUESDAY, AUGUST 6, 2024
BID/ OFFER CLOSED ON : THURSDAY, AUGUST 8, 2024

The Offer was made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Offer was made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company in consultation with the BRLMs, allocated 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the price at which Equity Shares were allocated to Anchor Investors.

The bidding date for Anchor Investor was on Monday, August 5, 2024. The Company received 71 applications from 49 anchor investors for 4,14,67,840 Equity Shares. The Anchor investor price was finalized at ₹ 465 per Equity Share. A total of 4,05,55,428 shares were allocated under the Anchor Investor Portion aggregating to ₹ 18,85,82,74,020

The Offer (excluding Anchor Investors) received 5,83,328 applications for 60,86,55,680 Equity Shares (prior to rejections) resulting in 12.26 times subscription. The details of the applications received in the Offer from various categories are as under: (before rejections):

Table with 6 columns: Sr. No., Category, No. of Applications Received, No. of Equity Shares Applied, No. of Equity Shares available for allocation as per Prospectus, No. of times Subscribed, Amount (₹). It lists categories like Retail Individual Bidders, Non-Institutional Investors, Eligible Employees, etc.

Final Demand

A summary of the final demand as per BSE and NSE as on the Bid/ Offer Closing Date at different Bid prices is as under:

Table with 6 columns: Sr. No., Bid Price (₹), No. of Equity Shares, % to Total, Cumulative Total, Cumulative % to Total. It shows bid prices ranging from 440 to 9999 and cumulative equity shares up to 100.00.

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being NSE on August 9, 2024.

A. Allotment to Retail Individual Bidders (after rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders, who have bid at the Cut-Off Price or at the Issue Price of ₹ 465 per Equity Share, was finalized in consultation with the NSE. This category has been subscribed to the extent of 2.38 times. The total number of Equity Shares Allotted in Retail Portion is 90,12,317 Equity Shares to 2,81,634 successful Retail Individual Bidders. The category-wise details of the Basis of Allotment are as under:

Table with 9 columns: Sr. No., Category, No. of Applications Received, % of Total, Total No. of Equity Shares Applied, % to Total, No. of Equity Shares Allotted per Bidder, Ratio, Total No. of Equity Shares Allotted. It details allotment for 14 different bid prices.

B. Allotment to Non-Institutional Investors (More than ₹0.20 million Up to ₹1 million) (After Rejections)

The Basis of Allotment to the Non-Institutional Investors (more than ₹0.20 million Up to ₹1 million), who have bid at the Offer Price of ₹ 465 per Equity Share or above, was finalized in consultation with NSE. This category has been subscribed to the extent of 3.46 times. The total number of Equity Shares allotted in this category is 45,06,158 Equity Shares to 10,058 successful applicants. The category-wise details of the Basis of Allotment are as under: (sample)

Table with 9 columns: Sr. No., Category, No. of Applications Received, % of Total, Total No. of Equity Shares Applied, % to Total, No. of Equity Shares Allotted per Bidder, Ratio, Total No. of Equity Shares Allotted. It details allotment for 54 different bid prices.

C. Allotment to Non-Institutional Investors (more than ₹1 million) (After Rejections)

The Basis of Allotment to the Non-Institutional Investors (more than ₹1 million), who have bid at the Offer Price of ₹ 465 per Equity Share, was finalized in consultation with NSE. This category has been subscribed to the extent of 5.30 times. The total number of Equity Shares allotted in this category is 90,12,318 Equity Shares to 19,272 successful Non-Institutional Investors. The category-wise details of the Basis of Allotment are as under: (Sample)

Table with 9 columns: Sr. No., Category, No. of Applications Received, % of Total, Total No. of Equity Shares Applied, % to Total, No. of Equity Shares Allotted per Bidder, Ratio, Total No. of Equity Shares Allotted. It details allotment for 179 different bid prices, including an additional share for category 2176.

D. Allotment to Employee Reservation (After Rejections) (including ASBA Applications)

The Basis of Allotment to the Eligible Employee Portion, who have bid at the Offer Price of ₹ 465 per Equity Share or at cut-off price, was finalized in consultation with NSE. This category has been subscribed to the extent of 1.46 times. The total number of Equity Shares allotted in this category is 71,258 Equity Shares to 688 successful applicants. The category-wise details of the Basis of Allotment are as under:

\*A discount of ₹ 44 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.

Table with 9 columns: Sr. No., Category, No. of Applications Received, % of Total, Total No. of Equity Shares Applied, % to Total, No. of Equity Shares Allotted per Bidder, Ratio, Total No. of Equity Shares Allotted. It details allotment for 26 different bid prices.

Eligible Employees between ₹ 0.20 million to ₹ 0.50 million

Table with 9 columns: Sr. No., Category, No. of Applications Received, % of Total, Total No. of Equity Shares Applied, % to Total, No. of Equity Shares Allotted per Bidder, Ratio, Total No. of Equity Shares Allotted. It details allotment for 12 different bid prices.

E. Allotment to QIBs (Excluding Anchor Investors) (after rejections)

Allotment to QIBs, who have Bid at the Offer Price of ₹ 465 per Equity Share or above, has been done on a proportionate basis in consultation with the NSE. This category has been subscribed to the extent of 19.29 times of QIB Portion. As per the SEBI ICDR Regulations, Mutual Funds were Allotted 5% of the Equity Shares of Net QIB Portion available i.e., 13,51,848 Equity Shares. The total number of Equity Shares Allotted in the QIB Portion is 2,70,36,953 Equity Shares which were allotted to 130 successful QIB Investors. The category-wise details of the Basis of Allotment are as under:

Table with 8 columns: Category, FIs/Banks, MF's, IC's, NBFC's, AIF, FPC, VC's, TOTAL. It summarizes allotment for various investor categories.

F. Allotment to Anchor Investors (After Rejections)

The Company, in consultation with the BRLMs, have allocated 4,05,55,428 Equity Shares to 49 Anchor Investors (through 71 Applications) at the Anchor Investor Offer Price of ₹ 465 per Equity Share in accordance with the SEBI ICDR Regulations. This represents 60% of the QIB Portion.

Table with 8 columns: Category, FIs/Banks, MF's, IC's, NBFC's, AIF, FPC, VC's, TOTAL. It summarizes allotment for various investor categories.

The IPO Committee of the Board of Directors of the Company on August 10, 2024 has taken on record the Basis of Allotment of Equity Shares approved by the Designated Stock Exchange, being NSE and has allotted the Equity Shares to various successful Bidders. The Allotment Advice-cum-Intimations and/or notices will be dispatched to the address of the investors as registered with the depositories. Further, the instructions to the Self Certified Syndicate Banks for unblocking of funds, transfer to Public Offer Account have been issued on August 9, 2024 and payment to non-Syndicate brokers have been issued on August 10, 2024.

INVESTORS PLEASE NOTE

The details of the allotment made was hosted on the website of the Registrar to the Offer, Link Intime India Private Limited at www.linkintime.co.in. All future correspondence in this regard may kindly be addressed to the Registrar to the Offer quoting full name of the First/sole Bidder, Bid cum Application Form number, Bidder ID, Client ID, PAN, date of submission of Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and a copy of the Acknowledgment Slip received from the Designated Intermediary at the address given below:

LINK Intime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India
Tel: + 91 810 811 4949; E-mail: brainbees ipo@linkintime.co.in; Website: www.linkintime.co.in
Investor grievance e-mail: brainbees.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

For BRAINBEES SOLUTIONS LIMITED

Place: Pune
Date: August 12, 2024

Neelam Jethani
Company Secretary and Compliance Officer

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF BRAINBEES SOLUTIONS LIMITED.

BRAINBEES SOLUTIONS LIMITED has filed the Prospectus with RoC on August 8, 2024. The Prospectus is available on the website of SEBI at www.sebi.gov.in, as well as on the websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, on the website of the Company at www.firstcry.com and on the websites of the BRLMs, i.e. Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited, BofA Securities India Limited, JM Financial Limited and Avendus Capital Private Limited at https://investmentbank.kotak.com, www.morganstanley.com, https://business.bofa.com/bofas-india, www.jmfi.com and http://www.avendus.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see 'Risk Factors' on page 83 of the Prospectus.

This announcement does not constitute an invitation or offer of securities for sale in any jurisdiction. The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. Securities Act, and (b) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of securities in the United States.