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DRAFT RED HERRING PROSPECTUS

Dated: July 30, 2024

(Please read section 26 and 32 of the Companies Act, 2013)

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Issue



RICHESM HEALTHCARE LIMITED
CIN- U24299UP2021PLC141099

REGISTERED OFFICE		CONTACT PERSON		EMAIL AND TELEPHONE	WEBSITE
Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector 18, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301		Preeti Srivastava, Company Secretary and Compliance Officer		Telephone: +91 9560576416 cs@richesm.com	www.richesm.com
PROMOTERS OF THE COMPANY		ASHISH AGGARWAL AND DILMEET KAUR			
DETAILS OF THE OFFER					
TYPE	FRESH OFFER SIZE (BY NO. OF SHARES)	OFS SIZE (BY NO. OF SHARES)	TOTAL OFFER SIZE (BY NO. OF SHARES)	ELIGIBILITY	
Fresh Issue	Upto 62,86,400 Equity Shares aggregating to ₹ [●] Lakhs.	Nil	₹ [●] Lakhs	THIS OFFER IS BEING MADE IN TERMS OF REGULATION 229(2) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.	
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES					
RISK IN RELATION TO THE FIRST OFFER					
This being the first public offer of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is INR 10.00 each. The Floor Price, Cap Price and Offer Price is [●] times of the face value of the Equity Shares. The Floor Price, Cap Price and Offer Price (determined and justified by our Company in consultation with the Book Running Lead Manager) as stated in “Basis for Offer Price” on page 91 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISKS					
Investments 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 issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the DRHP. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 32 of this DRHP					
ISSUER’S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this DRHP contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this DRHP is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this DRHP as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect					
LISTING					
The Equity Shares offered through this DRHP are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”). For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”) is the Designated Stock Exchange					
BOOK RUNNING LEAD MANAGER TO THE OFFER					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE NO.	
 KHANDWALA SECURITIES LIMITED Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400 023, Maharashtra, India. Telephone : +91 224 076 7373; Facsimile: +91 224 076 7377 / 78; Email: ipo@kslindia.com ; Website: www.kslindia.com ; CIN No.: L67120MH1993PLC070709 SEBI Registration Number: INM000001899		Sakshi Sharma / Abhishek Joshi		Email: ipo@kslindia.com Tel. No.: +91 22 4076 7373	
REGISTRAR TO THE OFFER					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE	
 SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 Address: D-153A , 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020 Website: www.skylinerta.com		Anuj Rana		Email ID: ipo@skylinerta.com Telephone No: 011-40450193-97	
OFFER PROGRAMME					

ANCHOR ISSUE OPEN ON: [●]	OFFER OPENS ON: [●]	OFFER CLOSES ON: [●]
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DRAFT RED HERRING PROSPECTUS**Dated: July 30, 2024***(Please read section 26 and 32 of the Companies Act, 2013)**(This Draft Red Herring Prospectus will be updated upon filing with the RoC)*

100% Book Built Issue

**RICHESM HEALTHCARE LIMITED****CIN- U24299UP2021PLC141099**

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of “Richesm Healthcare Private Limited” bearing Corporate Identification Number U24299UP2021PTC141099 dated February 02, 2021 issued by the Registrar of Companies, Kanpur. Further, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on October 18, 2023 and the name of our Company was changed to “Richesm Healthcare Limited”, and a fresh Certificate of Incorporation dated October 18, 2023 was issued by the Registrar of Companies, Kanpur, bearing CIN is U24299UP2021PLC141099. For further details of incorporation please refer to section titled “Our History and Certain Other Corporate Matters” beginning on page 130 of this Draft Red Herring Prospectus

Registered Office: Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector 18, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301

Tel: +91 96502 40044 **Website:** www.richesm.com **Email:** cs@richesm.com

Company Secretary & Compliance Officer: Preeti Srivastava

PROMOTER OF THE COMPANY : ASHISH AGGARWAL & DILMEET KAUR

PUBLIC ISSUE OF UPTO 62,86,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF RICHESM HEALTHCARE LIMITED (“RHL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e., NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER AND REGIONAL LANGUAGE NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE LIMITED (“SME BSE”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE [●] OF THIS DRAFT RED HERRING PROSPECTUS.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of ten (10) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members, and by intimation to Self-Certified Syndicate Banks (“SCSBs”), the Sponsor Bank and other Designated Intermediaries, as applicable. In case of force majeure, banking strike or similar circumstances, the Company may for reasons recorded in writing, extend the Bid/ Issue Period by at least three (3) additional working days subject to the total Bid/Issue Period not exceeding ten (10) Working Days.

The Issue is being made in terms of Rule 19(2)(b)(i) of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 (2) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Manager, 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”), of which one-third shall be reserved for 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. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, 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 5.00% 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. Further, not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than [●]% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “Offer Procedure” on page 225 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is INR 10/- each. The Floor Price, Cap Price and Offer Price (determined and justified by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in the section entitled “Basis for Offer Price” on page 91 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” on page 24 of this Draft Red Herring Prospectus.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated [●] from BSE for using its name in this offer document for listing our shares on BSE. For the purpose of this Issue, the Designated Stock Exchange will be BSE.

BOOK RUNNING LEAD MANAGER TO THE OFFER**KHANDWALA SECURITIES LIMITED**

Address: Khandwala Securities Limited Vikas Building, Ground Floor, Green Street, Fort, Mumbai 400 023, Maharashtra, India

Tel. No.: +91 22 40767373

Fax No.: +91 22 40767377

Email: ipo@kslindia.com

Investor Grievance Email: investorgrievances@kslindia.com

Website: www.kslindia.com

Contact Person: Sakshi Sharma / Abhishek Joshi

SEBI Regn. No. INM000001899

REGISTRAR TO THE OFFER**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

Address: D-153A , 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020

Email ID: ipo@skylinerta.com

Telephone No: 011-40450193-97

Website: www.skylinerta.com

Contact Person: Anuj Rana

SEBI Registration No.: INR000003241

BID/ OFFER PROGRAMME

OFFER OPENS ON*

|●|

OFFER CLOSES ON**

|●|

ANCHOR INVESTOR ISSUE OPEN ON

|●|

*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company may in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

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PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)***

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable and as amended. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Our Industry”, “Key Industry Regulations and Policies”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, will have the meaning ascribed to such terms in these respective sections.

General Terms

Term	Description
“RHL”, “Our Company”, “the Issuer”, “the Company”, “Richesm” and Richesm Healthcare Limited”	Unless the context otherwise requires, refers to Richesm Healthcare Limited, a company incorporated under the Companies Act, 2013 having its registered office at Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector-18, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company as on the date of this Draft Red Herring Prospectus
“you”, “your” or “yours”	Prospective bidders in this Issue.

Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Richesm Healthcare Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled — Our Management on page 134 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, being NKSC & Co, Chartered Accountants.
Board of Directors / Board/ Director(s)	The Board of Directors of Richesm Healthcare Limited, including all duly constituted Committees thereof.
Bankers to our Company	Axis Bank Limited
CIN	Corporate Identification Number being U24299UP2021PLC141099
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being, Preeti Srivastava.
Chief Financial Officer	The Chief Financial Officer of our Company being, Vikash Kumar.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our Directors, see “Our Management” on page 134 of this Draft Red Herring Prospectus
Equity Shares	Equity Shares of our Company of Face Value of ₹10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.

Executive Directors	Executive Directors are the Managing Director and Whole-time Directors of our Company
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
Group Companies	Group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see “ <i>Our Group Companies</i> ” beginning on page 149
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see “Our Management” on page 134 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE0R8T01012
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Managerial Personnel /Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled <i>Our Management</i> on page 134 of this Draft Red Herring Prospectus.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Richesm Healthcare Limited.
Non-Residents	A person resident outside India, as defined under FEMA.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” on page 134 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director. For details of our Independent Directors, see “Our Management” on page 134 of this Draft Red Herring Prospectus
NRIs / Non-Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Peer Reviewed Auditor	Being NKSC & Co, Chartered Accountants, holding a valid peer review certificate, as mentioned in “ <i>General Information</i> ” on page 54 of this Draft Red Herring Prospectus.
Promoters or Our Promoters	Promoters of our Company, being Ashish Aggarwal and Dilmeet Kaur.
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “ <i>Our Promoters</i> ” beginning on page 145
Registered Office	The Registered office of our company which is located at Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector-18, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301.
Restated Financial Statements	The restated standalone financial statements of our Company, on a standalone basis, which comprises the restated statement of Assets and Liabilities for the period ended on March 31, 2024, March 31, 2023 & March 31, 2022, and the restated statements of profit and loss and the restated cash flows for the period ended on March 31, 2024, March 31, 2023 & March 31, 2022, of our Company prepared in accordance with GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC	Registrar of Companies, Kanpur.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled "Our Management" beginning on page 134 of this Draft Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, it refers to the SME Platform of BSE Limited.
Shareholders	Shareholders of our Company from time to time.
Subscriber to MOA	Initial Subscribers to MOA being Ashish Aggarwal, Dilmeet Kaur and Dharam Asrey Aggarwal

Issue Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Bangalore, Pune, Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ ASBA applicant	Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	Collectively, the Escrow Collection Bank, Refund Bank, Public Issue Account Bank and Sponsor Bank(s)
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled " Issue Procedure " beginning on page 225 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in

	[●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), (Hindi being the regional language of Uttar Pradesh, where our Registered Office is located). In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), (Hindi being the regional language of Uttar Pradesh, where our Registered Office is located).
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investor In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue, namely Khandwala Securities Limited (“KSL”).
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in , or at such other websites as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transferred to the successful Applicants.
Designated Intermediary(ies)”	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Issue. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated Stock Exchange	SME Platform of BSE Limited or SME BSE.

Draft Red Herring Prospectus	Draft Red Herring Prospectus filed with SME BSE for obtaining in-principle approval.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be Finalized and below which no Bids will be accepted.
Issue/ Issue Size/ Initial Public Issue/Initial Public Offering/ IPO	Public Issue of up to 62,86,400 Equity Shares of face value of ₹ 10 /- each fully paid of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakhs comprising of a fresh issue of 62,86,400 equity shares aggregating up to ₹ [●] lakhs by our Company.
Issue Agreement	The agreement dated July 26, 2024 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription is [●]
Issue Opening Date	The date on which Issue opens for subscription is [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity Share of face value of ₹ 10 /- each fully paid. The Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled " Objects of the Issue " page 84 of this Draft Red Herring Prospectus.
Listing Agreement	The equity listing agreement to be signed between our Company and the BSE Limited, being the Designated Exchange.
Market Maker	Market Makers appointed by our Company from time to time, in this case being [●] having SEBI registration number [●] who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered into between the Book Running Lead Manager, Market Maker and our Company dated [●].
Market Maker Reservation	The Reserved Portion of [●] Equity Shares of face value of ₹ 10 /- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/ Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of ₹ 10 /- each of Issuer at ₹ [●] (including share premium of ₹ [●]) per equity share aggregating to ₹ [●].
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled — Objects of the Issue beginning on page 84 of this Draft Red Herring Prospectus.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005, of Government of India published in the Gazette of India.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.

Prospectus	The Prospectus, which is filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 Lakh, pension fund with minimum corpus of ₹2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being Skyline Financial Services Private Limited For more information please refer “ General Information ” on page 54 of this Draft Red Herring Prospectus.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html or at such other website as may be prescribed by SEBI from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchange and NPCI in order to push the mandate to collect requests and / or payment instructions of the retail investors into the UPI. In this case [●].
Syndicate Agreement	Agreement to be entered into among the Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Issue and carry out activities as an underwriter namely, [●].
Syndicate or members of the Syndicate	Together, the Book Running Lead Manager, and the Syndicate Member.
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriter	Underwriter to this Issue is [●].
Underwriting Agreement	The agreement dated [●] entered into between Underwriter and our Company.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days’ means, all days on which commercial banks in the city as specified in this Draft Red Herring Prospectus are open for business. 1. However, in respect of announcement of price band and bid/ Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business. 2. In respect to the time period between the bid/ Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Saturdays, Sundays and bank holidays in accordance with circular issued by SEBI.

Conventional and General Terms and Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRLM	Book Running Lead Manager
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NDOH	Next Date of Hearing
NGT	National Green Tribunal
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
BSE	BSE Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio

PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
₹ / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
UAV	Unmanned Aerial vehicle
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI.
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 to be read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR /2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by National Stock Exchange of India Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for a single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	The request initiated by the Sponsor Bank and received by an RII using the UPI Mechanism to authorise blocking of funds on the UPI mobile or other application equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a RIB to make an application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Business & Industry Related Terms

Term	Description
FMCG	Fast-Moving Consumer Goods: Products that are sold quickly and at relatively low cost
R&D	Research and Development: Business or government activity that is purposely designed to stimulate invention and innovation
OTC	Over The Counter: Products available to consumers without a prescription
B2B	Business-to-Business: Transactions between businesses

Notwithstanding the foregoing:

- 1. In the section titled “Main Provisions of the Articles of Association” beginning on page number 251 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 2. In the chapters titled “Summary of Issue Documents” and “Our Business” beginning on page numbers 19 and 105 respectively, of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 3. In the section titled “Risk Factors” beginning on page number 24 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 4. In the chapter titled “Statement of Possible Tax Benefits” beginning on page number 96 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 5. In the chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page number 188 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.*

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company” and “our Company”, unless the context Otherwise indicates or implies, refers to Richesm Healthcare Limited.

Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. In this Draft Red Herring Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000

Use of Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “*Restated Financial Information*”, as Restated ‘beginning on page 151 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months’ period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “*Restated Financial Information*”, as Restated beginning on page 151 of this Draft Red Herring Prospectus.

Currency and units of presentation

In this Draft Red Herring Prospectus, references to Rupees or ₹ Or ₹ or INR. are to Indian Rupees, the official currency of the Republic of India. All references to \$, US\$, USD, U.S. \$ or U.S. Dollars are to United States Dollars, the official currency of the United States of America. All references to million / Million / Mn refer to one million, which is equivalent to ten lacs or ten lakhs, the word Lacs / Lakhs / Lac means one hundred thousand and Crore means ten million and billion / bn./ Billions means one hundred crores.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources which are believed to be reliable but accuracy, completeness, relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 24.

In accordance with the SEBI ICDR Regulations, “*Basis for Issue Price*” beginning on page 91 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies

Currency	Exchange Rate		
	March 31, 2024	March 31, 2023	March 31, 2022
USD	83.37	82.22	75.80

(Source: www.rbi.org.in and www.fbil.org.in)

FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industries in which we operate.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- loss of consumers;
- impact of Covid 19 pandemic or any future pandemic;
- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Adverse natural calamities having significant impact on regions where we are having projects under implementation;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page numbers 24, 105 and 188 respectively of this Draft Red Herring Prospectus.

Forward looking statements reflect views as on the date of the Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. We cannot assure Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus And are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, BRLM or any of their respective affiliates or advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company and the BRLM will ensure that investors are informed of material developments from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

SECTION II – SUMMARY OF THE ISSUE DOCUMENT

This section is a general summary of the terms of the Issue, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Industry”, “Our Business”, “Capital Structure”, “The Issue”, “Restated Financial Statements”, “Objects of the Issue” “Our Promoters”, “Management’s Discussions and Analysis of Financial Position and Results of Operations”, “Outstanding Litigation and Material Developments” and “Issue Procedure” on pages 24, 98, 105, 63, 48, 151, 84, 145, 188, 198 and 225, respectively

SUMMARY OF OUR BUSINESS

The Company operates as a comprehensive provider in the health, beauty, wellness, and nutrition sector, specializing in omnichannel sales. It supports manufacturers, producers, and traders by offering a platform to reach a wider market through its innovative "Sell with Us" program. This program aids entities with unique health, beauty, wellness, and nutrition products, including organic foods, sports nutrition, nutraceuticals, health food & drinks, herbs & ayurveda, and wellness products, who may not have access to large-scale marketing or distribution channels. The Company integrates online sales via its e-commerce platforms, www.richesm.com and www.richesmagro.com, along with other major ecommerce platforms and with offline sales through its physical stores and a broad business-to-business sales network both domestic and abroad. This multifaceted approach ensures a seamless experience for consumers and provides market exposure and sales support to manufacturers, producers, and other traders, enabling them to effectively sell their produce through the Company's channels.

For detailed information on our business please refer to “**Our Business**” beginning on page number 105 of this Draft Red Herring Prospectus.

SUMMARY OF THE INDUSTRY IN WHICH WE OPERATE

The health, beauty, wellness, and nutrition sector in India, classified under the Fast-Moving Consumer Goods (FMCG) category, has witnessed significant growth due to rising health awareness, changing lifestyle preferences, and increased disposable income among the population. The market's expansion is fueled by a growing demand for products that cater to health, nutrition, beauty, and wellness needs, with a particular emphasis on organic and natural products. Urbanization and the rise in consumer health consciousness have further propelled the demand for sports nutrition, vitamins & supplements, health food & drinks, herbs & ayurveda, and wellness products. Despite the concentration of sales platforms in Tier 1 cities, there's a noticeable gap in accessibility for consumers in Tier 2 and Tier 3 cities. The sector's growth is also characterized by the increasing penetration of e-commerce, which has become a significant channel for the distribution of health and wellness products, thereby making them more accessible to a broader audience across the country.

For detailed information on the industry please refer to “**Our Industry**” beginning on page number 98 of this Draft Red Herring Prospectus.

PROMOTERS

The Promoters of our Company are Ashish Aggarwal and Dilmeet Kaur. For detailed information, please refer to chapter titled “**Our Promoters**” on page number 145 of this Draft Red Herring Prospectus.

ISSUE SIZE

The Issue size comprises of fresh issue of up to 62,86,400 Equity Shares of face value of ₹10 /- each fully paid-up of the Company for cash at price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●].

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds for the following objects:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Funding working capital requirements of the Company	2,640.00
2.	Inorganic Growth	300.00
3.	General corporate purposes*	[●]
Total		[●]

*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

DETAILS OF THE HOLDING OF SECURITIES OF PERSONS BELONGING TO THE CATEGORY “PROMOTERS AND PROMOTER GROUP” BEFORE THE ISSUE:

S. N.	Name of Shareholder	Category of Shareholder	Number of Equity Shares held	Aggregate pre-issue shareholding as a percentage of the paid-up share capital	Number of Equity Shares held post issue	Aggregate post-issue shareholding as a percentage of the paid-up share capital
1	Ashish Aggarwal	Promoter	1,05,48,992	60.50%	[●]	[●]
2	Dilmeet Kaur	Promoter	40,03,520	22.96%	[●]	[●]
3	Gurmeet Singh	Promoter Group	71,456	0.41%	[●]	[●]
4	Indra Pal Kaur	Promoter Group	71,456	0.41%	[●]	[●]
5	Charan Preet Kaur	Promoter Group	7,500	0.04%	[●]	[●]
Total			1,47,02,924	84.32%	[●]	[●]

HIGHLIGHTS OF RESTATED FINANCIAL STATEMENTS

Particulars (₹ Lakh)	For the year ended March 31		
	2024	2023	2022
Share Capital	1,743.77	45.21	41.30
Net Worth	2,976.28	374.80	72.39
Revenue (total income)	8,606.25	1,219.14	156.44
Profit after Tax	1,740.91	72.95	0.30
Basic Earnings/(Loss) Per Share (₹)	11.38	16.56	0.07
Diluted Earnings/(Loss) Per Share (₹)	11.38	16.56	0.07
Net Asset Value per Equity Share (₹)	17.07	82.90	17.53
Total borrowings			
- Long Term	86.48	62.10	-
- Short Term	478.10	80.55	31.48

* Note:

1. The NAV is calculated on the basis of face value of each Equity Shares of ₹10 /-.
2. The number of Equity Shares are considered as on date of this Draft Red Herring Prospectus.

QUALIFICATIONS OF AUDITORS

There are no qualification requiring adjustments by the Statutory Auditors.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS:

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Amount Involved (₹ in Lakhs)
<i>Company</i>						
By	Nil	Nil	1	Nil	Nil	Nil
Against	2	Nil	Nil	Nil	Nil	8

Promoters						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	2*	Nil	Nil	Nil	Nil	Nil
Group Companies/Entities						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil
Directors other than promoters						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil

*Directors are co-respondents in the same litigations filed against the company as the first respondents.

Further, there is no outstanding litigation involving our Company, Directors and Promoters which is so major that our Company's survival is dependent on the outcome of such pending litigation.

For further details, please refer to chapter titled **"Outstanding Litigations & Material Developments"** on page 198 of this Draft Red Herring Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled **"Risk Factors"** beginning on page 24 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Red Herring Prospectus there is no contingent liability other than that mentioned in **"Restated Financial Information"**, as Restated beginning on page 151 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

Nature of relationship	Name of related party
Key management personnel	Dharam Asrey Aggarwal (Director upto January 4, 2023) Ashish Aggarwal (Director) Dilmeet Kaur (Director)
Enterprises in which key management personnel and their relatives are able to exercise significant influence	Riches Multi Services (sole proprietorship of Director) RM Services (Sole proprietorship of relative of director) KMRS Ventures (Relative of director is director and shareholder) Rich Ocean Services Private Limited (Common director)

B. Details of related party transactions are as below:

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
1 . Loans taken/adjusted			
Ashish Aggarwal	651.65	0.02	14.80
Dilmeet Kaur	33.57	-	16.72
Dharam Asrey Aggarwal	-	29.83	32.32
	685.22	29.85	63.84
2 . Loans repaid			
Ashish Aggarwal	124.00	0.11	14.71
Dilmeet Kaur	10.00	16.72	-
Dharam Asrey Aggarwal	-	44.50	18.15
	134.00	61.33	32.86
3 . Loans converted into equity			
Ashish Aggarwal	447.83	-	-
Dilmeet Kaur	23.57	-	-
Dharam Asrey Aggarwal	-	-	-
	471.40	-	-
4 . Advance given			
Rich Ocean Services Private Limited	0.15	0.12	-

	0.15	0.12	-
5 . Security deposit given			
Riches Multi Services	-	1.80	-
	-	1.80	-
6 . Revenue from operations			
Dilmeet Kaur	0.28	-	-
Ashish Aggarwal	3.14	-	-
Riches Multi Services	8.20	1.28	0.89
RM Services	8.44	0.64	-
KMRS Ventures	166.70	2.11	-
	186.76	4.04	0.89
7 . Purchase of stock in trade			
Riches Multi Services	69.88	116.02	2.46
RM Services	2.63	0.01	-
KMRS Ventures	0.80	1.84	-
	73.30	117.88	2.46
8 . Director's remuneration			
Ashish Aggarwal	28.00	2.40	-
Dilmeet Kaur	28.00	2.40	-
	56.00	4.80	-
8 . Payment made for director's remuneration (including statutory payments)			
Ashish Aggarwal	-	2.40	-
Dilmeet Kaur	-	2.40	-
	-	4.80	-
6 . Expenses made on behalf of company			
Ashish Aggarwal	138.23	-	-
Dilmeet Kaur	66.48	-	-
Riches Multi Services	-	8.19	-
	204.71	8.19	-
6 . Payment made on behalf of related party			
RM Services	7.64	1.39	-
Riches Multi Services	31.97	123.10	-
	39.61	124.49	-

c. Balance outstanding with or from related parties

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
1 . Short-term borrowings			
Ashish Aggarwal			0.09
Dilmeet Kaur	79.82	-	16.72
Dharam Asrey Aggarwal	-	-	14.67
	79.82	-	31.48
2 . Employee related payables			
Ashish Aggarwal	32.06	-	-
Dilmeet Kaur	31.21	-	-
	63.27	-	-
3 . Trade receivables			
RM Services	-	5.95	-
KMRS Ventures	169.44	0.27	-
	169.44	6.23	-
4 . Advance to supplier			
Riches Multi Services	115.32	-	-
Rich Ocean Services Private Limited	0.27	0.12	-
	115.59	0.12	-
5 . Security deposit			
Riches Multi Services	1.80	1.80	-
	1.80	1.80	-

For details of Related Party Transaction, please refer Annexure 35 mentioned in “*Restated Financial Information*”, as Restated beginning on page 151 of this Draft Red Herring Prospectus.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR

Name of the Promoters	No. of Shares Acquired	Weighted Average Price (in ₹)
Ashish Aggarwal	15,85,712	4.39
Dilmeet Kaur	39,04,406	3.69

Based on Certificate issued by M/s. NKSC & Co., Chartered Accountants vide their certificate dated July 26, 2024

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
Ashish Aggarwal	1,05,48,992	4.61
Dilmeet Kaur	40,03,520	3.84

Based on Certificate issued by M/s. NKSC & Co., Chartered Accountants vide their certificate dated July 26, 2024

As on the date of this Draft Red Herring Prospectus, there are no Shareholders holding any special rights in our Company, including the right to nominate Director(s) on our Board.

DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

No shares were issued for consideration other than cash in the last one year, except as follows:

Date of Allotment	Nature of Allotment	No. of Equity Shares	Face Value (INR)	Issue Price (INR)
22/07/2023	Bonus Issue	18,42,370	10/-	10/-
27/12/2023	Bonus Issue	1,10,55,772	10/-	10/-
05/03/2024	Conversion of loan into equity	18,85,600	10/-	25/-

For more details, refer — *Capital Structure* on page number 63 of this Draft Red Herring Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken any equity shares split or consolidation during the last one year immediately preceding the date of filing this Draft Red Herring Prospectus.

EXEMPTION FROM PROVISIONS OF SECURITIES LAW

As on the date of this Draft Red Herring Prospectus, our Company has not obtained any exemptions from complying with any provisions of securities laws from SEBI.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled “Our Industry”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Financial Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

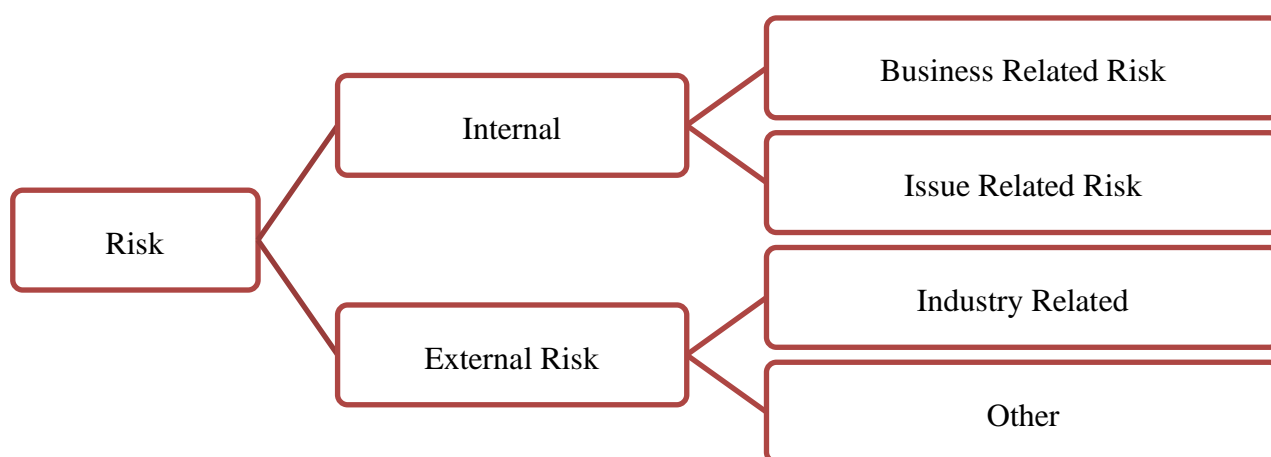
This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, refer to the chapter “Forward-Looking Statements”.

Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

- Some events may not be material individually but may be material when considered collectively.
- Some events may have an impact which is qualitative though not quantitative.
- Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors



INTERNAL RISK FACTORS

1. Our Company heavily relies on 'Sell with Us' partnerships and lacks ownership over our partners' brands, non-renewal by brands we may have helped become popular, which may adversely affect our business and financial condition.

Our company operates under a unique business model that involves partnering with various brands through our 'Sell with Us' program, where we sell their products and assist in enhancing their market image and brand recognition. It is important to note that we do not hold any ownership over these brands. While this model has been beneficial in diversifying our product offerings and attracting a wide customer base, it presents a significant risk due to the lack of control over brand continuity and partnership renewal.

As these brands grow in popularity, partly due to our marketing efforts and sales platform, there is no guarantee that they will renew their agreements with us. A decision by a successful brand not to renew its partnership could result in the loss of valuable product offerings and adversely affect our revenue streams. This scenario would not only diminish our product diversity but also potentially impact our market position and competitive edge.

Our business's success is closely tied to the continued cooperation and relationship with our 'Sell with Us' partners. The possibility that these partners might choose not to renew their agreements upon achieving heightened brand recognition represents a material risk to our operational model. Such occurrences could harm our business operations, financial performance, and growth prospects.

2. We do not own our registered office and the locations from which we operate.

Due to the extensive list of operating locations, we have omitted a detailed reproduction here for brevity. For details on the property operated from by the Company and other details please refer to the section titled "Our Business" beginning on page 105 of the Draft Red Herring Prospectus.

Further, the Company has recently acquired a significant number of fulfillment centers and locations, expanding our operational footprint with the intent to enhance our distribution and delivery capabilities. However, as of now, many of these new sites have not yet become operational. There exists a level of uncertainty regarding the timeline for initiating operations at these locations, attributable to various factors including, but not limited to, delays in receiving necessary regulatory approvals and completing any required modifications to the premises to meet operational needs.

Despite the current non-operational status of these locations, the Company is obligated to fulfill financial commitments such as rent on certain of these locations, which could impact our financial condition, especially if the commencement of operations is delayed longer than anticipated. The expenses associated with these unutilized sites, combined with the ongoing efforts and resources required to obtain the necessary permits and approvals, may adversely affect our profitability and operational efficiency in the short term.

Moreover, the process of securing regulatory approvals is inherently uncertain and can be influenced by changes in regulatory frameworks, administrative delays, or other unforeseen complications. These factors could further delay the operationalization of these sites, exacerbating the financial burden on the Company due to fixed expenses like rent without the offsetting benefit of operational revenue from these locations.

We cannot assure you that we will be able to renew our lease in the future, on commercially acceptable terms or at all. We also cannot assure you that, if required to vacate our current premises, we would be able to obtain alternative arrangements for the premises, on commercially acceptable terms or at all. Relocation of our business operations may disrupt our operations and entail substantial costs, which could have an adverse effect on our business, prospects, results of operations and financial condition. Further, the lease deeds for our properties may not be adequately registered or stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty or registration.

3. There are certain pending legal proceedings involving our Company as well as the Promoter Directors of our Company. Any adverse outcome on such proceedings may affect our business, financial condition and reputation.

There are outstanding legal proceedings against our Company and Promoter Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of the above proceedings.

(₹ in Lakhs)

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Amount Involved (₹ in Lakhs)
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Company						
<i>By</i>	<i>Nil</i>	<i>Nil</i>	<i>1</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Against</i>	<i>2</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>8.00</i>
Promoters						
<i>By</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Against</i>	<i>2*</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Group Companies/Entities						
<i>By</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Against</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Directors other than promoters						
<i>By</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Against</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

*Directors are co-respondents in the same litigations filed against the company as the first respondents.

For further details, please refer to chapter titled “**Outstanding Litigations & Material Developments**” on page 198 of this Draft Red Herring Prospectus.

4. Our company has not complied with certain statutory provisions of the Companies Act and Rules thereunder. Such non-compliance may attract penalties and other actions against our Company and its Directors which could impact our financial position to that extent.

Our Company has identified several compliance irregularities and administrative errors across various aspects of our corporate governance and regulatory reporting. These issues, which span over multiple financial years, include:

- Irregular Share Allotments:** Overlapping share allotments in violation of the provisions of Companies Act, 2013. As a remedial measure, a request for issuance of a notice under Section 454 of the Companies Act, 2013, in conjunction with Rule 3(2) of the Companies (Adjudication of Penalties) Rules, 2014, has been initiated. The penalties have been adjudicated by the Registrar of Companies and Adjudicating Officer, Kanpur, Uttar Pradesh and a cumulative penalty on Company, Directors and Defaulting officer of Rs. 5,00,000/- (Five Lakhs) have been levied for the Preferential Allotment made on May 6, 2022 and June 6, 2022 respectively. The penalty imposed by the competent authority have been duly paid by the Company as on date of this Draft Red Herring Prospectus.
- Non-Compliance with respect to Share Allotments:** The Company has made, in total, 8 (Eight) preferential allotments of equity shares between February 10, 2022 to November 18, 2023, in contravention of Section 42 of the Companies Act, 2013 and rules made thereunder. As a part of remedial measure, a request for issuance of a notice under Section 454 of the Companies Act, 2013, in conjunction with Rule 3(2) of the Companies (Adjudication of Penalties) Rules, 2014 have been made on July 25, 2024 and the same is still pending with Registrar of Companies, Kanpur, Uttar Pradesh.
- Valuation Report Compliance:** Non-compliance related to the incorrect submission of valuation reports for share issues via private placement. To address this, the Company has filed the required form with the MCA to rectify the issue.
- Bonus Shares Issuance Contravention:** Our Company has issued bonus shares at a time when the shares held by our Promoters, Directors, and KMP were not fully dematerialized. This action contravenes Rule 9 of the Dematerialisation of Securities for Unlisted Public Companies, which mandates complete dematerialization of shares for such stakeholders in a public limited company prior to the issuance of bonus shares.
- Failure to identify and effectively respond to changing consumer preferences and spending patterns or changing market trends in a timely manner, may adversely affect the demand for our products, causing our business, results of operations, financial condition and cash flows.**

The market in which we operate is characterized by frequent changes, particularly in consumer preferences, new products and product variations. The popularity and demand of products may vary over time due to changing consumer preferences, including those relating to sustainability and factors such as recycling plastic, methods of production, ingredients and testing and support for cruelty-free and eco-friendly products. Consumer preferences in the market are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer preferences for our products, as well as to where and how to sell those products.

We continually work to enhance the recognition of our partner brands and products and refine our approach as to how, when and where we market and sell our products using data and feedback. While we aim to introduce new brands and products from time to time, we recognize that consumer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty

that these will be commercially viable or effective or accepted by our consumers. If we are unable to foresee or respond effectively to the changes in market conditions, new and changing trends or desired consumer preferences, accurately anticipate and forecast demand for products, then there may be a decline in the demand and sales for our products, thereby reducing our market share and preventing us from acquiring new customers and retaining existing customers, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

6. *Our Company has delayed payment of Government and statutory dues, and has been penalized.*

Our company has previously experienced delays in making timely payments and contributions towards Goods and Services Tax, Tax Deducted at Source, and Advance Tax. These delays have led to the imposition of interest, indicating lapses in compliance with statutory payment obligations. While we have taken significant steps to rectify these issues, including the implementation of enhanced financial controls and the appointment of a dedicated professional tasked with ensuring the punctuality of such payments, the historical instances of non-compliance highlight a risk area within our operational framework.

However, as of the date of filing of this Draft Red Herring Prospectus, our company does not have any pending dues and there are no statutory payments outstanding. Despite this and our ongoing efforts to maintain strict compliance with all regulatory requirements, the possibility of future delays or non-compliance cannot be entirely ruled out. Any recurrence of such lapses could not only subject us to further financial penalties and legal liabilities but also negatively impact our reputation among stakeholders and regulatory authorities.

7. *Our company has filled for voluntary revision of board report in NCLT.*

Our Company has initiated a voluntary revision of the Board's Report and filed for the submission of revised MGT-7 (Annual Return) and AOC-4 (Financial Statements) with the National Company Law Tribunal (NCLT). This process is intended to correct and update previously disclosed information to ensure full compliance with regulatory requirements. While this proactive measure reflects our commitment to transparency and accuracy, it also carries certain risks.

There is a potential for the NCLT to levy substantial penalties associated with this revision. These penalties may arise due to various factors, including but not limited to non-compliance with filing timelines, inaccuracies in previous disclosures, or non-adherence to procedural requirements. The imposition of such penalties could have a material adverse effect on our financial position and operational results.

Additionally, the revision process may lead to increased scrutiny from regulatory bodies, potentially resulting in further investigations or demands for additional disclosures. This could divert management's attention and resources away from our core operations, thereby affecting overall business performance.

8. *The Independent Directors of our company have not yet completed and passed the mandatory examination required for Independent Directors.*

The Independent Directors of our company have not yet completed and passed the mandatory examination required for Independent Directors as stipulated by the Insolvency and Bankruptcy Board of India (IBBI). According to the prevailing regulations, Independent Directors must clear this examination within one year of their inclusion in the IBBI's databank to maintain their eligibility and continue serving in their capacity. The failure of our Independent Directors to pass this examination within the specified timeframe necessitates their resignation from the office of Independent Director of the Company.

This situation presents a material risk to our governance structure and board effectiveness. The continuity and stability of our Board's composition are critical for strategic decision-making and oversight functions. There is no guarantee that our Independent Directors will successfully clear the examination within the required period, which could lead to a scenario where they must vacate their positions. Such an event could disrupt the functioning of our Board, potentially delaying critical decisions and impacting our corporate governance practices.

We are taking measures to support our Independent Directors in preparing for and passing the examination. However, the uncertainty surrounding the outcome of these efforts poses a governance risk that stakeholders should consider. The loss of experienced Independent Directors could necessitate a search for qualified replacements, a process that may not be swift, thereby affecting our board's composition and its governance capabilities in the interim.

9. *Our brand, partner brands and reputation are critical to the success of our business and may be adversely affected due to various reasons, which could have an adverse effect on our business, financial condition, cash flows and results of operations.*

Our own brand, our partner brands and reputation are among our most important assets, as they attract consumers to our products over those of our competitors. The recognition and reputation of our flagship brand, RichesM, and our other partner brands such as

our “Our Sell with Us” partners, amongst our consumers, distributors and our workforce has contributed to the growth and success of our business.

Our brand reputation may be adversely affected in many ways. For example, any failure by our partner brand owners to comply with their contractual obligations, including maintenance of requisite licenses and approvals (including product related approvals which are required to be obtained and maintained by the partner brand owners and not by us), our quality control and assurance standards; retail of counterfeit products in the market; and unsatisfactory customer service could adversely impact our brand reputation and subject us to additional risks and scrutiny. In addition, any damage in reputation of our partner brand, agents or suppliers may in turn damage our reputation, as they may unilaterally brand and claim themselves to be associated with us in their advertising material. Further, any public perception that our consumer data is breached and illegally shared as a result of cybercrime could damage our reputation.

Other factors that could affect our brand image include adverse media coverage. Adverse publicity regarding, among others, our brand ambassadors, social media partners and unsuccessful product introductions may also erode our brand image. Further, social media influencers and celebrities who we may or may not be directly associated with can shape public perception about us and our brands/products, or they themselves may face adverse impacts to their personal reputation and public standing for any number of reasons, all of which could hurt our brands and reputation. Further, an employee’s personal posts, unapproved posts or posts that are not in line with our policy may be perceived as an official statement, which may adversely impact our reputation. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our mobile application, websites and products, it may be difficult to maintain and grow our consumer base, and our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, owing to allegations of product defects or lack of consumer interest in certain products, we may be required from time to time to recall products entirely or from specific markets, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations and may also lead to a loss of confidence of consumers in our products.

10. Our business is dependent on the sale of our products to key customers. The loss of any of our key customers or loss of revenue from sales to our customers could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

We are dependent on certain of our key customers and the details of contribution of our top five customers to our total revenue from operations for the period ended September 30, 2023, and Fiscals 2023 and 2022, have been set out below:

(₹ in Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Top 3 Customers	6,298.92	73.22%	574.72	49.35%	100.32	64.58%
Top 5 Customers	7,803.33	90.71%	622.48	53.45%	107.08	68.93%
Top 10 Customers	8,336.54	96.91%	680.08	58.39%	114.55	73.74%

There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers and we cannot assure you that we will be able to significantly reduce customer concentration in the future. Reliance on certain key customers for significant revenue may generally involve several risks and we may have difficulty in securing comparable levels of business from other customers to offset any loss of revenue from the loss of any such key customers. Risks involved with reliance on key customers for significant revenue may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers, failure to renegotiate favorable terms with our key customers or the loss of these customers entirely, all of which would have a material adverse effect on the business, results of operations, financial condition, cash flows and future prospects of our Company.

11. Our business relies on a select group of key suppliers for the sourcing of the products we offer.

Our company relies significantly on a limited number of key suppliers for the procurement of products integral to our operations. As of March 31, 2024, our top three suppliers accounted for approximately 84.49% of our total supplies, with our top five and ten suppliers constituting 91.37% and 97.94%, respectively. This concentration indicates a substantial dependency on a few critical suppliers for maintaining our supply chain and operational efficiency.

The reliance on these key suppliers poses a material risk to our business continuity and operational resilience. Any loss of, or significant disruption in, the supply from any of these suppliers could result in operational delays, increased costs, or inability to meet our customer demands timely. Such scenarios could adversely affect our business, results of operations, financial condition, and cash flows, potentially impacting our competitive position and future prospects.

The concentrated supplier base also exposes us to risks associated with price increases, quality control, and changes in terms or conditions of supply. While we endeavor to maintain strong relationships with our suppliers and diversify our supplier base where

feasible, there can be no assurance that we will successfully mitigate these risks. Changes in the business conditions of our key suppliers, geopolitical tensions, regulatory changes, natural disasters, or other unforeseen events could significantly disrupt our supply chain.

We continuously assess and implement strategies to manage our supplier-related risks, including supplier diversification, maintaining inventory buffers, and entering into long-term contracts where practical. However, there can be no guarantee that these measures will fully protect us from supplier-related disruptions or ensure the uninterrupted supply of critical materials and products necessary for our operations.

12. We are dependent on third party transportation providers for delivery of product from our suppliers and delivery of our products to our customers. Any failure on part of such service providers to meet their obligation could have a material adverse effect on our business, financial condition and results of operations.

Our success depends on the smooth supply and transportation of our products from our supplier to our warehouse and from our warehouse to our customers both of which are subject to various uncertainties and risks. In addition, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

13. Our diverse and complex multi-location operations subject us to various statutory, legal and regulatory risks.

Our future revenue growth depends upon the successful operation of our operating locations, the efficiency of our delivery systems and the successful management of our sales, marketing, and support and service teams through direct and indirect channels in various states across India where our existing or potential clients are located. The expansion of our business may require that we establish new offices and warehouses and manage businesses in widely disparate states with different statutory, legal and regulatory framework. In addition, we may be affected by various factors inherent in carrying out business operations in several states in India and abroad, such as:

- coordinating and managing operations in several locations, including different political, economic and business conditions and labour laws and associated uncertainties;
- exposure to different legal standards and enforcement mechanisms and compliance with regulations; and
- difficulties in staffing and managing operations, including coordinating and interacting with our local representatives and business partners to fully understand local business and regulatory requirements.

14. We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.

Our business operations are subject to various risks and hazards, including failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance policies for our fulfilment centres and stores, and operations and our personnel, including standard fire and special perils, burglary, group health and group personal accident insurance. For further information, see “Our Business” on page 105. While we believe that the insurance coverage we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

The details of our total insurance coverage and our insurance coverage as a percentage of our total assets, as of March 31, 2024, has been set out below:

<i>(In ₹ Lakhs)</i>	
Particulars	As of March 31 st 2024
Total Insurance Coverage	435.00

To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, financial condition, cash flows and future prospects may be adversely affected.

15. The launch of new brands or products that prove to be unsuccessful could affect our growth plans which could adversely affect our business, financial condition, cash flows and results of operations.

New brand and product introductions from time to time is a key element of our growth strategy. In recent years, we have expanded our brand and product categories, by introducing new partner brands. New brands and product categories require us to understand and make informed judgments as to consumer demands, trends and preferences. Various elements of new brand and product initiatives entail significant costs and risks, as well as the possibility of unexpected consequences, including:

- a. acceptance of our new brand/product initiatives by our consumers may not be as high as we anticipate;
- b. sale of new products or brands may not sustain initial levels of high sales volumes;
- c. our marketing strategies for new brands/products may be less effective than planned and may fail to effectively reach the targeted consumer base or result in the expected level of sales;
- d. we may incur costs exceeding our expectations;
- e. we may experience a decrease in sales of our existing products as a result of the introduction of related new products;
- f. we may need to introduce trade promotions and increase marketing expenditure to obtain traction with consumers and improve brand awareness; and
- g. any delays or other difficulties impacting our ability, or the ability of our third party manufacturers and suppliers, to manufacture, distribute and ship products in a timely manner in connection with launching the new product initiatives.

We expend considerable time and financial resources in the marketing of new brands and products. Each of the above risks could delay or impede our ability to achieve our growth objectives, which could adversely affect our business, financial condition, cash flows and results of operations. While there has not been a significant impact of the marketing of new products on the sales of our existing product in the past, we cannot assure you that our introduction of new products in the future will not have an impact on the sales of our existing products. Further, while there has been no material difficulty in sourcing, distribution, and marketing of new products launched in the past, we cannot assure you that we will not face any difficulty in sourcing, distribution and marketing of new products in the future.

16. The average cost of acquisition of Equity Shares by our Promoters could be lower than the issue price.

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price of the shares proposed to be issued through this Draft Red Herring Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to "Our Promoters" on page 145 of this Draft Red Herring Prospectus.

17. We may have issued shares below the Issue Price in the recent past.

There may be instances where shares could be issued at prices below the Issue Price. Such considerations have been made in response to prevailing market conditions, liquidity requirements, and strategic objectives at the time of issuance. For details refer to the "Capital Structure" and "Basis of Issue Price" on page 63 and 91 of the Draft Red Herring Prospectus.

18. We do not manufacture any of products and rely entirely on third-party brand owners for the sourcing of all products. Our dependence on third-parties for the sourcing of all our products subjects us to risks, which, if realized, could adversely affect our business, results of operations, cash flows and financial condition.

We rely on partner brands and other brands for all products, primarily under non-exclusive contract manufacturing arrangements, and do not own any manufacturing facilities.

The details of our sales from co-branded products and other brands for the period ended Fiscal 2024, Fiscals 2023 and 2022, have been set out below:

(₹ in Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Co-Branded Products	1,446.65	16.82%	9.818	0.84%	3.48	2.24%
Other Brands	7,156.03	83.18%	1154.84	99.16%	151.86	97.76%

Our reliance on third-parties subjects us to various risks, including:

- a. dependence on relationships with third parties, particularly for continuity of supply of products to us;
- b. changes in cost of acquisition of products from such parties which would directly affect our profit margins and selling prices of our products;
- c. dependence on partner brand owner facilities, which are subject to customary operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, unavailability of consumables and spare parts, labour disputes, natural or man-made disasters, accidents, planned or unplanned shutdowns, and compliance with relevant government regulations;
- d. protection of our trade secrets and intellectual property rights;

- e. failure to comply with various product-related regulations and laws in India and globally, including those related to the product registration, product ingredients, health and safety, imports, customs clearance, manufacturing standards, labelling declaration standards, environmental and waste management including plastic generation and management, public disclosure, product testing and storage;
- f. compliance with the evolving regulatory and policy environment in which we operate;
- g. adverse changes in the financial or business condition of our partner brand owners; and
- h. misappropriation of our intellectual property and delays in delivery and shipment;

Further, we have in the past rejected manufactured products from our partner brand due to certain quality issues. These quality issues include issues relating to, among others, finished goods packaging, coding, and leakage. While these quality issues were all rectified by our partner brand owners within a short period of time, we cannot assure you that any such quality issues in the future will be rectified within a short period of time, or at all, which could adversely affect our business, results of operations, cash flows and financial condition.

Our dependence on third parties could adversely affect our business, results of operations, cash flows and financial condition, as a result of occurrence of factors mentioned above or violation of terms of engagement by such partner brand owners.

19. We derive a significant amount of revenue from our B2B sales. Any decrease in the sales of our key products B2B products will adversely affect our business, cash flows, financial condition and results of operations.

Our revenue significantly depends on business-to-business (B2B) sales, and we have observed a rapid increase in the share of revenue from these sales. The growing reliance on B2B sales channels makes us particularly vulnerable to factors that could reduce demand for our key B2B products. Such factors may include changes in our clients' purchasing decisions, advancements in technology that render our products less competitive or obsolete, economic downturns affecting our clients' industries, and fluctuations in market demand. Additionally, any disruptions in our supply chain, challenges in maintaining quality standards, or issues in developing and enhancing B2B relationships could adversely impact our B2B sales.

The details of our B2B and B2C sales for the for the period ended Fiscals 2024, Fiscal 2023 and Fiscal 2022, have been set out below:

(₹ in Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
B2B	8,001.17	93.01%	622.92	53.48%	98.41	63.35%
B2C	601.51	6.99%	541.74	46.52%	56.93	36.65%

A decline in the sales of our key B2B products, for any of these reasons, could significantly affect our business operations, cash flows, financial condition, and results of operations. As we continue to strategically focus on expanding our B2B sales, the potential impact of such a decline becomes increasingly significant.

20. Our historical performance is not indicative of our future growth or financial results and we may not be able to sustain our historical growth rates.

Our business has experienced significant growth in prior periods. From a revenue from operations of ₹1,55.34 lakhs for the financial year ending March 31, 2022, we experienced a significant increase to ₹11,64.66 lakhs by March 31, 2023, and further growth to ₹8,602.68 lakhs by March 31, 2024, respectively. We cannot assure you that we will be able to sustain the levels of revenue growth that we have had in the past. We have a limited operating history and there is no assurance that we will be able to maintain our past rate of growth and succeed in realizing our growth strategy. Further, a number of our strategic initiatives are in initial stages. While we may experience initial success with such initiatives, there is no assurance that these will succeed in the long term.

21. We have experienced negative cash flows from operating, investing and financing activities in the past.

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash inflow/(outflow) from operating, investing and financing activities for the periods/years indicated:

(₹ in Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net Cash from Operating Activities	(1,164.09)	(287.59)	(101.44)
Net Cash from Investing Activities	(8.99)	(8.85)	(3.46)

Net Cash used in Financing Activities	1,241.36	316.69	123.16
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As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 188.

22. We may be subject to unfair competitive or trade practices, which may reduce our sales and harm our brands, adversely affecting our business, financial condition, cash flows and results of operations.

We face pressures from various forms of unfair trade practices, such as the sale of counterfeit, cloned, lookalike and pass-off products. Counterfeit and cloned products are products manufactured and sold illegally as our products, whereas lookalike products are manufactured and packaged to resemble our products. For example, businesses could imitate our brand name, packaging material or attempt to create look-alike products. The sale of counterfeit, cloned and pass-off products may result in heightened public reputation risk for us along with possibility of legal and regulatory claims. This is exacerbated by the fact that such products are often cheaper than genuine products. Such products may also be harmful to consumers or less effective than genuine products, which could have an adverse effect on our brands and reputation. The proliferation of unauthorized copies of our products, and the time lost in pursuing claims and complaints about such spurious products could have an adverse effect on our business, financial condition, cash flows and results of operations.

23. Our Promoters will continue to retain significant shareholding in us after this Issue, which will allow them to exercise significant influence over us and any substantial change in our Promoters’ shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Following the completion of the Issue, our Promoters will continue to hold a significant percentage of our Equity Share capital. Our Promoters will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After the Issue, our Promoters will continue to exercise significant control or influence over our business and major policy decisions. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoters, see “*Capital Structure*” on page 63.

Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and most matters requiring shareholders’ approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders.

24. Product liability claims and product recalls could harm our reputation, business, financial condition, cash flows and results of operations.

We face risks of exposure to product liability or recall claims if co-branded products fail to meet the required quality standards, or are alleged to result in side effects or harm to consumers. We face the risk of legal proceedings and product liability claims being brought against us by various entities including consumers, distributors and government agencies for various reasons including for defective products sold or services rendered. Further, we may also face product liability claims due to the fault of our partner brand owners as well. While our agreements with our partner brand owners require them to maintain product liability insurance, we cannot assure you that the same will be maintained at all times by them, or that the insurance cover will be sufficient to cover the liability incurred. We cannot assure you that we will not experience any product recalls or material product liability losses in the future or that we will not incur significant costs to defend any such claims. We do not maintain product liability and product recall insurance cover. A product recall or a product liability claim may adversely affect our reputation and brand image, which may adversely affect our reputation, business, financial condition, cash flows and results of operations.

25. If we are unable to identify consumer demand accurately and maintain an optimal level of inventory, our business, results of operations, cash flows and financial condition may be adversely affected.

The success of our business depends upon our ability to anticipate and forecast consumer demand and trends. Any error in our forecast could result in either surplus stock, which we may be unable to sell in a timely manner, or at all, or under- stocking, which will affect our ability to meet consumer demand. We plan our inventory and estimate our sales based on the forecasted demand. We have inventory stored at our fulfilment centers and stores ahead of an upcoming season. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a full range of products at our stores and for sale through our other channels. Ensuring availability of our products requires prompt turnaround time and a high level of

coordination amongst partner brand owners, warehouse management and physical stores and staff. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast consumer demand, we may experience excess inventory levels or a shortage of products available for sale. Any unsold inventory may have to be sold at a discount or discarded, potentially leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations, cash flows and financial condition.

26. *The Price Band, Issue Price, market capitalization to total turnover and price to earnings ratio based on the Issue Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.*

The Issue Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process and certain quantitative and qualitative factors as set out in the section titled "*Basis for Issue Price*" on page 91. The Price Band, Issue Price and derived multiples and ratios may not be indicative of our market price on listing or thereafter.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Any valuation exercise undertaken for the purposes of the Issue by us, the Investor Selling Shareholders and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, is not based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching new products or superior products, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

27. *We have not received NOC as required by SEBI Regulations from our secured lenders in relation to the proposed Issue.*

Our company is currently in the process of obtaining a No Objection Certificate (NOC) from one or more of our secured lenders, a critical step that has not yet been completed. The issuance of our planned securities is contingent upon receiving this NOC. Should we fail to obtain the NOC, or if it becomes necessary to repay the loan in lieu of receiving the NOC, our ability to proceed with the planned Issue could be jeopardized. This situation presents a material risk to our financing strategy and future capital-raising plans. Delays in obtaining the NOC, or the requirement to repay loans instead of securing the NOC, could significantly impact our operational and financial flexibility. Such delays or the inability to secure the NOC could not only postpone the Issue but potentially affect our company's growth plans and financial health adversely. We are actively working to fulfil all requirements for obtaining the NOC and are in continuous dialogue with our secured lenders to expedite this process; however, the outcome and timing remain uncertain.

28. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency. We have not appointed a monitoring agency for the utilisation of the Proceeds of the Issue. Our management will have broad discretion over the use of the Net Proceeds.*

Our company plans to utilize the Net Proceeds from the Issue as outlined in the "*Objects of the Issue*" starting on page 84. It's important to note that our funding requirements and the proposed deployment of Net Proceeds have not undergone appraisal by any bank, financial institution, or independent agency. The determination of these requirements is from internal management estimates reflecting past expenditures and current market conditions, which inherently carry a degree of uncertainty and are subject to change based on external circumstances, cost fluctuations, and strategic decisions.

Given this context, our management, guided by policies set forth by our Board of Directors, will exercise broad discretion in the allocation of Net Proceeds. The dynamic nature of our industry may necessitate revisions to our business plan and funding requirements, potentially leading to a reallocation or rescheduling of expenditures in compliance with applicable laws. Such adjustments could impact our business, financial health, and operational outcomes.

Furthermore, without third-party appraisals, our internal estimates might differ from those determined by external evaluations, underscoring the potential need for flexibility in our financial planning. Additionally, we have not appointed a monitoring agency for this Issue, as the Issue size does not exceed ₹ 10,000 Lakh, and thus falls within the parameters set by regulation 262(1) of the SEBI ICDR Regulations. Instead, the monitoring of the Net Proceeds' utilization will be undertaken by our Audit Committee, in line with section 177 of the Companies Act.

Investors should be aware that various risks and uncertainties, including those detailed in the "*Objects of the Issue*" and throughout this document, may influence our ability to effectively deploy the Net Proceeds towards achieving profitable business growth.

Potential delays, unforeseen costs, regulatory hurdles, or changes in business strategy could affect our planned use of funds, underscoring the importance of flexibility and strategic oversight in managing the Net Proceeds for the future growth and value enhancement of our business and investments.

29. *We are dependent on several third party service providers to sell or distribute our products to consumer, and on third party technology providers for certain aspects of our operations. Any disruptions or inefficiencies in these operations may adversely affect our business, financial condition, cash flows and results of operations.*

We depend on our distribution network and supply chain for the sale and distribution of our products to our consumers. We have developed a network of agents and intermediaries in various parts of India. As part of this network, these parties procure our products from us for further distribution and sales. Further, as part of our modern trade channel, we also have a network of small shopkeepers with whom we sell products. In addition, as part of our online sales channel, we rely on third-party courier and logistics companies for the delivery of products. We need to keep optimum inventory at our warehouses, including fulfilment centers, and maintain high levels of coordination with our courier and logistics providers to ensure availability of our products in the markets. Such service providers may not be able to provide satisfactory services to us or our consumers, which could also be due to events that are beyond our or their control, such as inclement weather, transportation disruptions or poor quality of infrastructure. As we work with a network of agents in the market, we do not face any material concentration risk in relation to any of our top agents within network. We also operate our own warehouses and thus, we do not face any material concentration risk in relation within our warehousing network.

Any disruptions, delays or inefficiencies by our agents and intermediaries, courier and logistics providers could adversely affect our operations and may lead to disruption of supply chain, loss of cash and goods resulting in higher costs or lost sales. We may also suffer reputational damage, and our business, financial condition, cash flows and results of operations may be adversely affected. Most of these parties do not provide their service exclusively to us and may be providing the same or similar service to other parties, including our competitors. Further, most of our agents and intermediaries are not contractually bound to provide us with a specific volume of business and can terminate our relationship with or without cause, with little advance notice and without compensation. The occurrence of such events may adversely affect our business, financial condition, cash flows and results of operations.

30. *We may not be able to adequately protect our intellectual property. As we do not hold any registered designs over our product ranges and have not made any applications in this respect, we may therefore not be able to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products.*

We depend on our brand, co-brands and their brand equity. We have a trademark registered in India for our brand name RichesM. For details relating to intellectual property, see “*Our Business*” on page 105. We rely on our trademark, domain names and other intellectual property to protect our intellectual property, which is critical to our business. We do not hold any registered designs over our product ranges and have not made any applications in this respect. We may therefore not be able to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. This may have an adverse impact on the sales of some of products.

The protection of our intellectual property rights may require the expenditure of financial, managerial and operational resources. We rely on a combination of laws and regulations, confidentiality of information and contractual restrictions to protect our intellectual property. Despite our efforts to protect and enforce our proprietary rights, unauthorized parties may in the future use, our trademarks or similar trademarks, copy aspects of our website images, features, compilation and functionality or obtain and use information that we consider as proprietary, such as trade secrets.

We do not have comprehensive registered protection for all of our brands in all jurisdictions in which we operate or plan to operate. We cannot assure you that our pending trademark applications will proceed to registration, and even registered trademarks could be challenged by a third party including by way of revocation or invalidity actions. In addition, there could be potential trade name or trademark ownership or infringement claims brought by owners of other rights, including registered trademarks, in our marks or marks similar to ours. Any such claims, brand dilution or consumer confusion related to our brands could damage our reputation and brand identity and substantially harm our business, financial condition, cash flows and results of operations.

Additionally, the process of obtaining intellectual property protection is expensive and time-consuming, and the amount of compensation for damages can be limited. Even if issued, patents or trademarks may not adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent, trademark and other intellectual property rights are applied on a case-by-case basis and it is generally difficult to predict the results of any litigation relating to such matters. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, financial condition, cash flows and results of operations.

31. *There are certain restrictive covenants in the agreements that our Company has entered into with our lenders.*

The loan agreements entered into by us with lenders contain specific covenants which require us to obtain the prior approval/permission from the banks on the occurrence of certain events and corporate actions. We are required to obtain consent/approval from our lender before undertaking any such steps which have been mentioned in the loan agreements. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the borrowing facilities, please see “*Statement of Financial Indebtedness*” on page 186 of the Draft Red Herring Prospectus.

32. *The success of our business depends substantially on our management team and operational workforce. Our inability to retain them could adversely affect our businesses. Further, we appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations.*

Our senior management and key management personnel are difficult to replace. Our success and growth depends upon consistent and continued performance of our employees with direction and leadership from senior management. From time to time, there may be changes in our executive management team or other key employees to enhance the skills of our teams or as a result of attrition. We cannot assure you that we will continue to retain any or all of the key members of our management. We do not maintain key personnel insurance in respect of the risk of the loss of any of our Promoters, senior managers or other key managerial personnel.

In addition, our success in large part depends upon the continued service of our Managing Director and Whole Time Director. They have deep industry knowledge and, along with other key individuals in our business, play a strategic role in developing and building relations with our key stakeholders, including investors, board members, suppliers and other strategic business relationships on a regular basis. They have played, and are expected to continue to play, a significant role in building and maintaining strong relationships with critical stakeholders into the future. If they were to step down from their leadership positions in our Company, our reputation could deteriorate and our business could be adversely affected.

Our success also depends on our ability to recruit, develop and retain qualified and skilled personnel, for all our lines of business. We compete in the market to attract and retain skilled personnel, in areas such as engineering, product and design, technology, sales, digital marketing and brand management, omni-channel retailing and consumer service, supply chain and operations, as well as enabling corporate functions.

If we fail to identify, recruit and integrate strategic personnel, our business could be adversely affected. Any loss of members of our senior management team or key personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and consumer relationships. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If we are not able to retain and motivate our current personnel or effectively integrate and retain employees, our ability to achieve our strategic objectives, and our business could be adversely affected.

33. *Our technology infrastructure and the technology infrastructure of our third-party providers are susceptible to security breaches and cyber attacks*

Our business generates, stores and processes a large quantity of personal, transactional, demographic and behavioural information and data. We may experience disruptions, failures or breaches of our technology platforms, due to the large volume of data handled. We also face risks inherent in protecting the security of such data, such as protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behaviour by our employees; addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure, transfer or security of personal information, including any requests from regulatory and government authorities relating to such data. In addition, our data is also stored, transmitted and backed up on servers not owned by us, and therefore, we cannot guarantee that there may not be unauthorized access to such data, and we may be exposed to liability in relation to such breaches. Data that is critical to our business is stored in-house with access restrictions, and other data that is used for operationally servicing customers, dashboarding and reporting is shared with reputable third-party providers. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy and data protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others, which could have an adverse effect on our results of operations, cash flows and business.

Further, although we employ resources to develop security measures against breaches, such measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, ransomware attacks, phishing attacks, social engineering, fraudulent emails and related payments scams, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we

otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, unforeseen disclosure or transfer of data, deletion or modification of consumer information, or a denial of service or other interruption to our business operations. As some of our data are not end-to-end encrypted, this may pose a greater risk of cybersecurity breach. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against, these attacks.

We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks and cyber frauds. Cyberattacks and cyber frauds may target us, the participants on our websites, or the communication infrastructure on which we depend.

34. Environmental, health, employee and safety laws and regulations may expose us to liability and result in an increase of our costs and a decrease in our profits.

Environmental laws in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Operating facilities, such as those of our partner brand owners that manufacture hair care, skincare and beauty care products, entail an inherent risk of environmental damage, and our partner brand owners may incur liabilities in the future arising from the discharge of pollutants into the environment or their waste disposal or hazardous material handling practices. If any of the manufacturing facilities are shut down, our partner brand owners may continue to incur costs in complying with environmental regulations, appealing any decision to close those facilities, increasing production levels at operational facilities and paying labour and other costs, while not generating any revenues or products from such facilities. As a result, our overall operation expenses may increase and our profits may decrease.

Our operations, are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. We, are also subject to the laws and regulations governing relationships with employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, work permits, maintenance of regulatory and statutory records and making periodic payments. See “*Key Regulations and Policies*” on page 120. We and such partner brand owners may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We and such partner brand owners, service providers may become involved or liable in litigation or other proceedings, incur increased costs or penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, financial condition, cash flows and results of operations. While we have been compliant with all the relevant environmental, health, employee and safety laws and regulations in the past, we cannot assure you that we will continue to be compliant with all the relevant environmental, health, employee and safety laws and regulations in the future, which could adversely affect our business, financial condition, cash flows and results of operations.

35. Our business depends upon the user behaviour, growth of online commerce industry in India and continued acceptance of digital platforms. If the online commerce industry in India and in particular the online market for health, beauty, wellness, and nutrition products does not further develop and grow, our business, results of operations, financial condition, cash flows and prospects could be adversely affected.

Factors applicable to our industry that might prevent potential consumers from purchasing products from direct to our websites or e-commerce platforms though which we sell our products include:

- a. concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online;
- b. concerns about the online fraud and the privacy of personal information; and
- c. usability, functionality and features of online platforms.

Although we derive a significant proportion of our sales through offline channels, our revenues depend substantially on the receptiveness of Indian consumers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions. If the online commerce industry in India and in particular the online market for health, beauty, wellness, and nutrition products does not further develop and grow, our business, results of operations, financial condition, cash flows and prospects could be adversely affected. For our online revenue base to grow, consumers, sellers and suppliers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing consumer behaviour on such digital platforms. Furthermore, we are exposed to the inherent risks affiliated with the online commerce industry. This includes logistics risks that require us to ensure the timely and reliable delivery of products. Additionally, heightened discounting practices across the market, while fostering demand, may erode our profit margins. With a large array of alternative product selections available on online platforms, we are also exposed to the risk of customer attrition and may be required to formulate strategies aligned with shifting consumer preferences.

As the development of e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential consumers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. We cannot assure you that a more technologically-sophisticated and

reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate growth of online e-commerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the of e-commerce sector adversely. In addition, the growth of the e-commerce sector may be affected by changes in and the evolving nature of government regulation.

36. Our culture and values have been critical to our success and if we cannot maintain this culture and our values as we grow, our business and reputation could be adversely affected.

We believe that our culture and values have been critical to our success. We may face a number of challenges that may affect our ability to sustain our corporate culture and values, including a potential failure to attract and retain employees who embrace and further our culture and values, any expansion into additional markets and competitive pressures that may divert us from our priorities, vision and integration of new personnel.

While we aim to build a fair, admired, compliant and performing culture with regular education and training to employees, including zero tolerance of any violations around our code of conduct (including on the prevention of sexual harassment), there could be violations which could affect our reputation and impact our cultural fabric. Any unethical or illegal employee actions and behaviour may harm our reputation and possibly expose us to sanctions or penalties. Employee misconduct, fraud or error could harm us by impairing our ability to attract and retain consumers and we may be subject to significant legal liability and reputational harm. If we are not able to maintain our culture and values as we continue to grow, our business, financial condition, cash flows and results of operations could be adversely affected.

37. We may not be successful in implementing our business strategies.

The success of our business will depend greatly on our ability to effectively implement our growth strategies. For further details on our strategies, see “*Our Business*” on page 105. There can be no assurance that we will be able to successfully execute our strategies, which may adversely affect our business, financial condition, cash flows and results of operations.

We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, cash flows and profitability.

38. We may require additional financing in the form of debt or equity to meet our business requirements.

Although our Company has no outstanding loan amounts, except bank guarantees and overdraft facility as of the date of this Prospectus, in order to meet our business requirements (including to undertake growth), we may require loans from banks and financial institutions or the sale or issue of equity or debt securities in private or public offerings. In the event that we incur debt in the future, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, who could place restrictions on how we operate our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders will be diluted. We cannot provide any assurance that we will be able to raise adequate financing on acceptable terms, in a timely manner or at all. Our failure to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, have an adverse effect on our business, results of operations, cash flows and financial condition.

39. We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all

For further details, please see “*Government and Other Approvals*” on page 203 of the Draft Red Herring Prospectus. If we fail to obtain, renew, maintain or retain any of the required permits, approvals or licenses, including those set out above, in a timely manner or at all, we could be subject to penalties by the relevant regulatory authorities, including withdrawal of the relevant approval and may cease to be permitted to operate our business or the concerned business operation, which may disrupt our operations and delay or prevent our expansion plans. While our Company has not been subjected to such an instance of withdrawal of the approval as on the date of this Prospectus, such occurrences could adversely affect our business, financial condition, results of operations and cash flows.

Further, we have made and are in the process of making applications to relevant authorities for updating the name of our Company in current registrations and approvals, pursuant to the conversion of our Company into a public company. Also, we are in the process of making applications to relevant authorities updating the address of Corporate Office of our Company in current registrations and

approvals, pursuant to change in the Corporate Office of our Company. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. If we fail to comply or a regulator claims we have not complied with these conditions, our business, prospects, financial condition, cash flows and results of operations may be adversely affected. For further details, see “*Government and Other Approvals*” on page 203. Additionally, unfavourable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations, including in the telecom and e-commerce sectors in India, in the future could require us to obtain additional licenses, registrations and permissions. We cannot assure you that we will be able to obtain such additional licenses, registrations or permissions in the future, and our inability to do so could adversely affect our business, financial condition, results of operations and cash flows.

40. Our online marketing listings or reviews may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.

We advertise our products on online and offline mediums, such as social media, print and television. Indian and international advertising laws, rules and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute is fair and accurate, is not false or misleading and is in compliance with applicable law. Violation of these laws, rules or regulations may result in, amongst other things, penalties and/or fines for issuing misleading advertisements, including fines, confiscation of advertising costs, orders to cease dissemination of the advertisements and orders to issue a corrective advertisement to neutralize the effect of advertisements that may be deemed misleading. Additionally, pursuant to the Digital Media Guidelines, the influencer must have labels on the advertisements inter alia ‘ad’, ‘sponsored collaboration’, ‘partnership’. Such responsibility of disclosure in terms of the Digital Media Guidelines is on our Company and also the influencer. While we have not been in contravention of the applicable media guidelines in the past, including the Digital Media Guidelines, we cannot assure you that we will not be in contravention of such media guidelines in the future. Pursuant to the internet laws in India, we are required to take steps to moderate the content displayed on our websites, such as reviews and images posted by consumers. These requirements entail considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these applicable laws, rules and regulations, including any penalties or fines, could adversely affect our business, financial condition, cash flows and results of operations.

41. Our Promoters, Directors and Key Management Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company.

Certain of our Directors and Key Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and benefits arising therefrom. Our Promoters are also interested in us to the extent of their shareholding in us and any benefits arising therefrom. Our have material interest in other entities which are in businesses similar to ours, refer ‘*Our Promoters*’ on page 145 of this Draft Red Herring Prospectus.

42. We have entered into and will continue to enter into related party transactions. We cannot assure you that such transactions, individuals or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations.

As of March 31, 2024, we have entered into several related party transactions with our Promoter, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “Restated Financial Information” at page 151.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such future transactions had not been entered into with related parties. We cannot assure you that our Directors and officers will be able to address such conflicts of interests or others in the future.

43. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other companies whose resources, capabilities and strategies are complementary to and are likely to enhance our business operations. There can be no assurance that we will identify suitable acquisition or investment opportunities, or that if we do identify suitable opportunities, that we will complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition opportunities or investments or the inability to complete such transactions may materially and adversely affect our competitiveness and growth prospects. If we complete such an acquisition, we could face difficulty in integrating the acquired operations. In addition, key personnel of the acquired entity may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and

employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

44. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

45. *Delay in raising funds from the IPO could adversely impact the implementation schedule.*

The proposed use of issue proceeds, as detailed in the section titled “*Objects of the Issue*” is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

46. *The requirements of being a public listed company may strain our resources and impose additional requirements.*

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

There can be no assurance that we will be able to satisfy our reporting obligations. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

47. *Interest rate fluctuations may adversely affect the Company's business.*

The Company has entered into certain borrowing arrangements to finance its capital requirements in the ordinary course of business in connection with potential acquisitions or for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

48. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports from various websites. Reliance on the forecasts of the reports could be incorrect and would significantly impact our operations.*

We have relied on the reports of certain independent third parties for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

EXTERNAL RISK FACTORS

Risks Related to India

49. A substantial portion of our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for our products and lead to a decline in our total income and profitability.

While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

50. Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 ("**Finance Act**"), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Furthermore, the Government of India has announced the Union Budget for Fiscal 2024, pursuant to which the Finance Bill, 2023, introduced various amendments to taxation laws in India. The Finance Bill received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering the enactment of the Personal Data Protection Bill, 2022 on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the aforesaid bill may introduce stricter data protection norms for a company such as us and may impact our processes.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

51. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

52. Our ability to raise foreign debt may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition, cash flows and results of operations.

53. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents is freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. We sell our products on a retail and on a business-to-business basis under the manufacturing model (on a contract manufacturing basis), wholesale trading model and single brand retail. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in manufacturing, wholesale trading as well as single brand product retail, under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, an investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. Further, we may be constrained to limit the distribution channels to wholesale basis only for certain products if manufactured overseas in the future. Our inability to comply with any such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

Further, in accordance with Rule 6(a) of the FEMA Rules and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 226. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

54. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European

Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

55. If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

56. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of consumers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise.

The combination regulation (merger control) provisions under the Competition Act require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which exceed any of the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. Any breach of the provisions of the Competition Act by our Company may attract substantial monetary penalties.

The applicability or impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, if we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

Risks Related to the Issue

57. We cannot assure you that our equity shares will be listed on the SME Platform of BSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares.

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Draft Red Herring Prospectus listed on **SME Platform of BSE Limited** in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the SME Platform of BSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the Company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

58. We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We do not have a formal dividend policy as on the date of this Prospectus. Further, we have not declared dividends on the Equity Shares during the past. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details, see “*Dividend Policy*” on page 150.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on the Shareholders’ investments will depend on the appreciation of the price of our Equity Shares. We cannot assure you that our Equity Shares will appreciate in value.

Our Equity Shares have never been publicly traded, and after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Issue.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The determination of the Price Band is based on various factors and assumptions, and will be determined by us, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs. The Issue Price of the Equity Shares is proposed to be determined by us, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs, through a book-building process. The Issue Price will be based on numerous factors, including factors as described under “*Basis for Issue Price*” beginning on page 91, and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. Further, the current market prices of some securities listed pursuant to certain previous issues managed by the BRLMs are below their respective issue prices. For further details, see “*Other Regulatory and Statutory Disclosures*” on page 207. The market price of our Equity Shares may be subject to significant fluctuations, and may decline below the Issue Price, in response to, among other factors:

- a. quarterly variations in our results of operations;
- b. results of operations that vary from the expectations of research analysts and investors;
- c. results of operations that vary from those of our competitors;
- d. changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- e. conditions in financial markets, including those outside India;
- f. a change in research analysts’ recommendations;
- g. announcements by us or our competitors of new products, significant acquisitions, strategic alliances or joint operations;
- h. claims or proceedings by third parties or governmental entities of significant claims or proceedings against us;
- i. new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;
- j. developments relating to our peer companies;
- k. additions or departures of Key Management Personnel; and
- l. general economic and stock market conditions

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. There has been significant volatility in the Indian stock markets in the recent past, and the market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our performance. Consequently, the

price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

59. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FII under section 115E and 115AD.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10.00%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

The Government of India announced the union budget for Fiscal 2024, following which the Finance Bill, 2023 (“**Finance Bill**”) has introduced various amendments. Subsequently, the Finance Bill received the assent from the President of India on March 31, 2023, and became the Finance Act, 2023 (“**Finance Act**”). There is no certainty on the impact of Finance Act on tax laws or other regulations, which may adversely affect the Company’s business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

60. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalization etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

61. QIBs and Non-Institutional Investors were not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion were not permitted to withdraw their Bids after Bid/Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and were not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within three Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Bidders will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

62. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.*

The Issue Price of the Equity Shares is proposed to be determined by us, in consultation with the Book Running Lead Managers, through a book-building process. This price is based on numerous factors, as described under "*Basis for Issue Price*" beginning on page 91, and may not be indicative of prices that will prevail in the open market following the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Issue Price.

63. *Investors may have difficulty enforcing foreign judgments against us or our management.*

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

64. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution.

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

65. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the BSE. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

66. Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

67. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

68. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION IV – INTRODUCTION

THE ISSUE

The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on June 06, 2024 and by our Shareholders pursuant to a resolution passed at the EGM held June 06, 2024 pursuant to Section 62(1)(c) of the Companies Act, 2013. This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The following table summarizes the Issue details:

Particulars	Details
Issue of Equity Shares by our Company*	Up to 62,86,400 Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹[●] Lakh.
Of which:	
Issue Reserved for Market Maker	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
Net Issue to the Public	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
Of which:	
Allocation to Qualified Institutional Buyers (Not more than 50% of Net Issue to public)	Not more than [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹ [●] Lakh.
Of which:	
Anchor Investors	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹[●] Lakh.
Net QIB Portion (Assuming Anchor allocation portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion)	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
Balance QIB Portion for all QIBs including mutual Funds	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.
Allocation to Non-Institutional Investors (Not less than [●] of Net Issue to public)	Atleast [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakh.
Allocation to Retail Individual Investors (Not less than [●] of Net Issue to public)	Atleast [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.
Pre-and Post-Issue Equity Shares:	
Equity Shares outstanding prior to the Issue	1,74,37,701 Equity Shares of ₹10/- each
Equity Shares outstanding after the Issue	2,37,24,101 Equity Shares of ₹10/- each
Use of Issue Proceeds	For further details please refer to “ <i>Objects of the Issue</i> ” beginning on page 84 of this Draft Red Herring Prospectus for information on use of Issue Proceed.

* Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.

- In the event of oversubscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than [●] of the Net Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than [●] of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than [●] of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than [●] of the Net Issue to QIB and not less than [●] of the Net Issue shall be available for allocation to Retail Individual Investors and not less than [●] of the Net Issue shall be available for allocation to Non-institutional bidders
- Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. One-third of the Anchor Investor Portion shall be reserved for 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 in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

For further details, please see “*Issue Procedure*” on page 225 of this Draft Red Herring Prospectus. For details, including in relation to grounds for rejection of Bids, please see “*Issue Structure*” and “*Issue Procedure*” on pages 222 and 225, respectively. For details of the terms of the Issue, please see “*Terms of the Issue*” on page 217.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements. The Restated Financial Statements have been prepared, based on financial statements for the period ended Fiscal 2024, , Fiscal 2023 and Fiscal 2022. The Restated Financial Statements have been prepared in accordance with Indian GAAP and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled “Restated Financial Information” on page 151.

*The summary financial information presented below should be read in conjunction with the chapters titled “**Restated Financial Statement**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 151 and 188 respectively.*

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M/S Richesm Healthcare Limited

Restated Statement of Assets and Liabilities

(All amounts are ₹ in lacs unless otherwise stated)

Particulars	Annexure	As at		
		March 31, 2024	March 31, 2023	March 31, 2022
Equity and Liabilities				
Shareholders' funds				
Share capital	3	1,743.77	45.21	41.30
Reserves and surplus	4	1,232.51	329.59	31.09
Share application money pending allotment	5	-	-	19.59
		2,976.28	374.80	91.98
Non-current liabilities				
Long-term borrowings	6	86.48	62.10	-
Other non current liabilities	7	19.00	-	6.64
		105.48	62.10	6.64
Current liabilities				
Short-term borrowings	8	478.10	80.55	31.48
Trade payables	9	1,408.07	378.99	10.17
- total outstanding dues of micro enterprises and small enterprises		571.55	14.02	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		836.52	364.97	10.17
Other current liabilities	10	179.67	24.32	5.34
Short-term provisions	11	287.77	22.60	0.05
		2,353.61	506.46	47.04
Total Equity and Liabilities		5,435.37	943.36	145.66
Assets				
Non current assets				
Property, plant and equipment	12	9.21	9.04	3.13
Intangible assets	13	-	-	-
Non current investment	14	0.18	0.18	-
Deferred tax assets (net)	15	0.44	0.18	0.03
Long-term loans and advances	16	291.55	-	39.87
		301.38	9.40	43.03
Current assets				
Inventory	17	1,574.31	443.83	30.93
Trade receivables	18	3,232.92	411.56	29.18
Cash and bank balances	19	106.79	38.51	18.26
Short-term loans and advances	20	219.93	40.05	24.26
Other current assets	21	0.04	0.01	-
		5,133.99	933.96	102.63
Total Assets		5,435.37	943.36	145.66

M/S Richesm Healthcare Limited
Restated Statement of Profit and Loss

(All amounts are ₹ in lacs unless otherwise stated)

Particulars	Annexure	Year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Income				
Revenue from operations	22	8,602.68	1,164.66	155.34
Other income	23	3.57	54.48	1.10
Total Income		8,606.25	1,219.14	156.44
Expenses				
Purchase of stock in trade	24	7,356.51	1,309.44	140.89
Change in inventories of stock in trade	25	(1,130.48)	(412.90)	(30.94)
Employee benefits expense	26	82.03	44.23	9.53
Finance cost	27	59.01	5.01	-
Depreciation and amortisation expenses	28	8.88	2.75	0.34
Other expenses	29	489.65	171.88	36.30
Total Expenses		6,865.60	1,120.41	156.12
Restated Profit before exceptional items and tax		1,740.65	98.73	0.32
Restated Profit before tax		1,740.65	98.73	0.32
Tax expense				
- Current tax		290.55	25.93	0.05
- Less MAT credit entitlement		(290.55)	-	-
- Deferred tax		(0.26)	(0.15)	(0.03)
Total tax expense		(0.26)	25.78	0.02
Restated Profit after tax		1,740.91	72.95	0.30

M/S Richesm Healthcare Limited

Restated Cash Flow Statement

(All amounts are ₹ in lacs unless otherwise stated)

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Cash flow from operating activities			
Net profit before tax	1,740.64	98.73	0.32
<u>Adjustments for:</u>			
Depreciation and amortisation expense	8.88	2.75	0.34
Finance cost	43.91	4.35	-
Interest on fixed deposit	(0.06)	-	(0.01)
Operating profit before working capital changes	1,793.37	105.83	0.65
Adjustments for (increase)/decrease in operating assets	-		
Inventories	(1,130.48)	(412.90)	(30.93)
Trade receivables	(2,821.36)	(382.38)	(29.18)
Other current assets	(0.03)	(0.01)	-
Loans and advances	(203.54)	24.08	(64.13)
Adjustments for increase/(decrease) in operating liabilities			
Trade payables	1,029.10	368.82	10.15
Other current liabilities	171.62	12.34	11.98
Net Cash generated/(used in) from operating activities	(1,161.32)	(284.22)	(101.46)
Less: Taxes paid	(2.77)	(3.38)	0.02
Net Cash generated/(used in) from operating activities	(1,164.09)	(287.60)	(101.44)
Cash flow from investing activities			
Purchase of property, plant & equipment	(9.29)	(9.08)	(3.47)
Sale of property, plant & equipment	0.24	0.42	-
Sale/(Purchase) of investments(net)	-	(0.18)	-
Interest income	0.06	-	0.01
Net cash (used in) investing activities	(8.99)	(8.84)	(3.46)
Cash flow from financing activities			
Issue of share capital	220.19	3.91	41.30
Share application money pending allotment	-	(19.59)	19.59
Increase in securities premium	451.83	225.55	30.79
Proceeds from/(repayment of) borrowings	610.51	111.17	31.48
Finance cost	(41.17)	(4.35)	-
Net cash generated from financing activities	1,241.36	316.69	123.16
Net increase in cash and cash equivalent (A+B+C)	68.28	20.25	18.26
Cash and cash equivalents at the beginning of the year	38.51	18.26	-
Cash and cash equivalents at end of the year	106.79	38.51	18.26

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of “Richesm Healthcare Private Limited” bearing Corporate Identification Number U24299UP2021PTC141099 dated February 02, 2021 issued by the Registrar of Companies, Kanpur. Subsequently, the name of our Company was changed to “Richesm Healthcare Limited” and a fresh Certificate of Incorporation dated October 18, 2023 was issued by the Registrar of Companies, Kanpur. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U24299UP2021PLC141099.

Registered Office	Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector 18, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301
Address at which the books of account are to be maintained	Flat No 1312 A Tower A, Savy Ville De Raj Nagar Extn, Raj Nagar Extension, Ghaziabad, Ghaziabad, Uttar Pradesh, India, 201017
Company Registration Number and Corporate Identity Number	Company Registration Number: 141099 Corporate identity number: U24299UP2021PLC141099
Registrar of Companies	Registrar of Companies, Kanpur Address: 37/17, Westcott Building, The Mall, Kanpur-208001, Uttar Pradesh. Tel No.: 0512-2310443 Email: roc.kanpur@mca.gov.in Website: www.mca.gov.in
Company Secretary and Compliance Officer	Preeti Srivastava Address: Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector 18, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301 Tel: +91 9560576416 E-mail: cs@richesm.com
Chief Financial Officer	Vikash Kumar Address: B-203/3 Jaitpur Extn Part 2, Badarpur, New Delhi 110044 Tel: 7982376627 Email: vikash@richesm.com

DETAILS OF THE BOARD OF DIRECTORS OF OUR COMPANY

S.No.	Name of Director	Age	Designation	DIN	Address
1.	Ashish Aggarwal	48 years	Managing Director	DIN: 09049444	House No-B-21, Near Surya Nagar Ghazizbad, Rampuri Chander Nagar, Uttar Pradesh 201011
2.	Dilmeet Kaur	31 years	Whole-Time Director	DIN: 09049445	B-173, Guru Teg Bahadur Nagar, Kareli, Allahabad, Uttar Pradesh 211016
3.	Gurmeet Singh	68 years	Non-Executive Director	DIN: 08106510	B-175, Guru Teg Bahadur Nagar, ,Kareli, Allahabad, Uttar Pradesh 211016
4.	Vishweshwar Dayal Goel	64 Years	Non-Executive Independent Director	DIN: 10302281	H No. 193 B DDA LIG Flats Near PS Vivek Vihar Satyam Enclave Jhilmil East Delhi 110095
5.	Ramayan Prasad Tiwari	26 years	Non-Executive Independent Director	DIN: 10302965	Village Chandapur, Malak Herher Uperhar, Phaphamau, Allahabad, Uttar Pradesh 211013

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 134 of this Draft Red Herring prospectus.

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Khandwala Securities Limited Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400 023, Maharashtra, India. Telephone : +91 224 076 7373; Facsimile: +91 224 076 7377 / 78; Email: ipo@kslindia.com Website: www.kslindia.com ; Contact Person: Sakshi Sharma / Abhishesk Joshi CIN No.: L67120MH1993PLC070709 SEBI Registration Number: INM000001899	SKYLINE Financial Services Private Limited SEBI Registration No.: INR000003241 Address: D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020 Telephone No: 011-40450193-97 Email ID: ipo@skylinerta.com Website: www.skylinerta.com Contact Person Name: Anuj Rana
MARKET MAKER	BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK
[●]	[●]
STATUTORY & PEER REVIEW AUDITORS OF THE COMPANY	LEGAL ADVISOR TO THE ISSUE
NKSC & Co., Chartered Accountants Firm Registration No.: 020076N Peer Review No: 014317 Address: 208, Vats Market (Shiva Market), Pitampura, Delhi-110034 Telephone No: +91-011-43538598 Fax No.: N.A. Email ID: priyank@valuesquare.co.in Website: www.valuesquare.co.in Contact Person: CA Priyank Goyal	T&S Law Near VVIP Mall, Raj Nagar Extension, Ghaziabad – 201 017, Uttar Pradesh, India Telephone: +91 931 022 0585 Contact Person: Sagarika Kapoor Email: info@tandslaw.in
PRINCIPAL BANKERS OF THE COMPANY	
Axis Bank Limited Address: Gaur's Residency, Hall No. 1, Plot No. 1 & 2, Chandernagar, Ghaziabad - 201011 Telephone No.: +91-9582723713 Fax No.: NA Email ID: chandernagar.branchhead@axisbank.com Website: www.axisbank.com Contact Person: Pankaj Singhal	
SYNDICATE MEMBER	
[●]	

CHANGE IN THE AUDITOR DURING LAST 3 YEARS

Except as stated below, there has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Year of Appointment	Particulars	Reason
2021	Anil Ramkumar & Co. FRN- 006948N Address- 26 Shankar Vihar Delhi First Auditor Date of Appointment- 20/02/2021 (Appointed in Annual General Meeting – 30/09/2022) Resigned on 06/03/2023	Due to preoccupation
2022	Harsh R Jain & Associates FRN- 025652N Address- 6/94, First Floor, Main Karkari Road Vishawas Nagar, Shahdara, Delhi 110032 Date of Appointment- 06/03/2023 (Appointed in Annual General Meeting held on 30/09/2023) Resigned on 04/11/2023	Due to not being Peer Reviewed

2023	NKSC & Co. FRN- 020067N Address-208, Vats Market, Shiva Market, Pitampua, Delhi – 110034 Date of Appointment- 08/11/2023 (Appointed to fill casual vacancy) (Appointed in Extra Ordinary General Meeting – 16/11/2023)	Current Auditor
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INVESTOR GRIEVANCES

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the 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 ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgment number received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the BRLM are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/ PROSPECTUS WITH BOARD AND THE REGISTRAR OF COMPANIES

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus shall be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> and pursuant to Regulation 246(2), the Board shall not be issuing observation.

Further, in accordance with Regulation 246(1) a copy of the Red Herring Prospectus along with the other documents, shall also be filed with the RoC, Kanpur under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act will be delivered for registration to the RoC at its office and through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do>

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stockbroker's network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

Registrar to Offer and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGER/STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Khandwala Securities Limited is the sole Book Running Lead Manager (BRLM) to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them.

CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

IPO GRADING

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated July 26, 2024 from Peer Reviewed Auditor namely, **NKSC & Co., Chartered Accountants**, to include its name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated May 14, 2024 on our restated financial information; and (ii) its report dated July 26, 2024 on the statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of a monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakh. Since the Issue size is below ₹ 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager

in accordance with the Book Building Process and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager in this case being Khandwala Securities Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with BSE and eligible to act as Underwriters;
- The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein [●] of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto [●] of the QIB portion to Anchor Investors on a discretionary basis in accordance with SEBI (ICDR) Regulation ("The Anchor Investor Portion) , out of which one-third shall be reserved for 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. [●] of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than [●] of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than [●] of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders, except Anchor Investors, are required to use the ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Allocation to Anchor Investors will be on a discretionary basis.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regard, specific attention is invited to the section titled "**Issue Procedure**" beginning on page 225 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section titled “**Issue Procedure**” on page 225 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investor

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page 225 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program:

Event	Indicative Dates
Bid/Issue Opening Date*	[●]
Bid/Issue Closing Date**	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.

**Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date may be extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

UNDERWRITING AGREEMENT

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative no. of Equity Shares to be Underwritten	Amount Underwritten (₹ In Lakh)	% of the Total Issue Size Underwritten
[●]	[●]	[●]	100%

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the BRLM have entered into a tripartite agreement dated [●] with [●] the Market Maker for this Issue, duly registered with BSE SME to fulfil the obligations of Market Making:

Name:	[•]
SEBI Registration No.:	[•]
BSE SME Registration No.:	[•]
Address:	[•]
Telephone No.:	[•]
Website:	[•]
Email ID:	[•]
Contact Person:	[•]

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE SME and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited (SME platform of BSE) and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors
6. On the first day of the listing, there will be a pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final. The Market Maker(s) shall have the right to terminate said arrangement by giving a one-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
9. Risk containment measures and monitoring for Market Makers: SME Platform of BSE Limited will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to-time.
10. Punitive Action in case of default by Market Maker: SME of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
11. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Makers from time to time.
12. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore To ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/Designated Stock Exchange from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

S.No	Particulars	Amount (₹ in Lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	2,44,50,000 Equity Shares of ₹ 10/- each	2445.00	[●]
	50,000 Preference Shares of ₹ 10/- each	05.00	NA
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,74,37,701 Equity Shares of ₹ 10/- each	1743.77	[●]
C.	Present Issue in terms of the Draft Red Herring Prospectus		
	Issue of up to 62,86,400 Equity Shares of Face Value ₹ 10/- each at a Price of ₹ [●]/-per Equity Share	Up to [●]	[●]
D.	Issued, Subscribed and Paid-up Share Capital after the Issue [●] Equity Shares of ₹ 10/- each		[●]
E.	Securities Premium Account		
	Before the Issue	523.94	
	After the Issue		[●]

CLASS OF SHARES

Our Company has only issued one class of share capital i.e. Equity Shares of the Face Value of ₹10/- each only. All Equity Shares are fully paid-up. Our Company has not issued any Preference Shares. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of increase in Authorised Share Capital:

Since the incorporation of our Company, the Authorised share capital of our Company has been altered in the manner set forth below:

No.	Details of Increase in Authorized Share Capital	Effective Date
1.	Increase in Authorised Share Capital from INR 15,00,000 to 40,00,000	25/06/2021
2.	Increase in authorised capital from INR 40,00,000 to 65,00,000	05/10/2021
3.	Increase in authorised capital from INR 65,00,000 to 20,500,000	29/04/2022
4.	Increase in authorised capital from INR 20,500,000 to 4,05,00,000	23/11/2022
5.	Increase in authorised capital from INR 4,05,00,000 to 5,0500,000	31/03/2023
6.	Increase in authorised capital from INR 5,05,00,000 to 20,00,00,000	18/12/2023
7.	Increase in authorised capital from INR 20,00,00,000 to 23,00,00,000	17/01/2024
8.	Increase in authorised share capital from INR 23,00,00,000 to 24,50,00,000	02/03/2024

2. Details of the Alteration to Capital Structure till Date

Date of Allotment	Nature of Allotment	No. of Equity Shares allotted	Face Value (INR)	Issue Price (INR)	Form of Consideration
02/02/2021	Initial Capital Refer to Point (i)	30,000	10/-	10/-	Cash
31/08/2021	Right Issue Refer to Point (ii)	1,75,000	10/-	10/-	Cash
20/10/2021	Right Issue Refer to Point (iii)	51,250	10/-	10/-	Cash

03/01/2022	Right Issue Refer to Point (iv)	1,50,000	10/-	10/-	Cash
10/02/2022	Private Placement Refer to Point (v)	6,783	10/-	464/-	Cash
25/04/2022	Private Placement Refer to Point (vi)	4,222	10/-	464/-	Cash
15/06/2022	Private Placement Refer to Point (vii)	7,383	10/-	464/-	Cash
04/07/2022	Private Placement Refer to Point (viii)	2,689	10/-	464/-	Cash
04/07/2022	Private Placement Refer to Point (ix)	5,126	10/-	464/-	Cash
07/11/2022	Private Placement Refer to Point (x)	13,212	10/-	464/-	Cash
16/01/2023	Private Placement Refer to Point (xi)	2,352	10/-	1224/-	Cash
29/03/2023	Private Placement Refer to Point (xii)	4,077	10/-	1214/-	Cash
05/05/2023	Private Placement Refer to Point (xiii)	7,174	10/-	1214/-	Cash
08/06/2023	Private Placement Refer to Point (xiv)	5,482	10/-	1214/-	Cash
04/07/2023	Private Placement Refer to Point (xv)	1,274	10/-	1214/-	Cash
21/07/2023	Right Issue Refer to Point (xvi)	4,55,161	10/-	1797.25/-	Cash
22/07/2023	Bonus Issue Refer Point (xvii)	18,42,370	10/-	NA	Non-Cash
18/11/2023	Private Placement Refer to Point (xviii)	388	10/-	338/-	Cash
27/12/2023	Bonus Issue Refer to Point (xix)	1,10,55,772	10/-	NA	Non-Cash
13/01/2024	Right Issue Refer to Point (xx)	17,32,386	10/-	10/-	Cash
05/03/2024	Conversion of loan into equity Refer to Point (xxi)	18,85,600	10/-	25/-	Non-Cash

Sequence of Events pertaining to Share Capital of the Company: -

- i. Initial Subscribers to the Memorandum of Association subscribed to Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

S. No.	Name of First Subscribers	No. of Shares Allotted
1.	Ashish Aggarwal	12,000
2.	Dilmeet Kaur	12,000
3.	Dharam Asrey Aggarwal	6,000
Total		30,000

- ii. The Company issued further capital by way of Rights Issue amounting to INR 17,50,000/- (Indian Rupees Seventeen Lakhs Fifty Thousand) divided into 17,5000 Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) each. Details of shareholders are as follows:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	70,000
2.	Dilmeet Kaur	70,000

3.	Dharam Asrey Aggarwal	35,000
Total		175000

- iii. The further capital by way of Rights Issue amounting to INR 512500/- (Indian Rupees Five Lakhs Twelve Thousand and Five Hundred Only) divided into 51,250 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Dharam Asrey Aggarwal	51,250
Total		51250

- iv. The further capital by way of Rights Issue amounting to INR 15,00,000/- (Indian Rupees Fifteen Lakhs Only) divided into 1,50,000 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	19,562
2.	Dilmeet Kaur	19,563
3.	Dharam Asrey Aggarwal	1,10,875
Total		150000

- v. The further capital by way of private placement on preferential basis amounting to INR 31,47,312/- (Indian Rupees Thirty One Lakhs Forty Seven Thousand Three Hundred Twelve Only) divided into 6783 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 454/- (Indian Rupees Four Hundred Fifty Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Anish Kumar Sinha	1080
2.	Nagesh Singhal	200
3.	Sudha Aggarwal	1100
4.	Mohammad Arif	860
5.	Sandeep Kapil	755
6.	Charan Preet Kaur	200
7.	Gaurav Gupta	100
8.	Harshit Srivastava	50
9.	Ashish Singh	50
10.	Sanjeev Kumar Srivastava	239
11.	Nisha Aggarwal	200
12.	Indra Pal Kaur	200
13.	Gurmeet Singh	200
14.	Yogita Payal	100
15.	Deepak Dahiya	200
16.	Manoj Kumar Raghavan Warriar	784

17.	Nandini Manoj Kumar Warriar	215
18.	Snehil Hridaya	100
19.	Vishakha Agrawal	100
20.	Ashok Kumar	50
Total		6783

- vi. The further capital by way of private placement on preferential basis amounting to INR 19,59,008/- (Indian Rupees Nineteen Lakhs Fifty Nine Thousand and Eight Only) divided into 4222 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 454/- (Indian Rupees Four Hundred Fifty Four Only) each. Detail of the shareholder is given as below

S. No.	Name of allottee	No. of Shares Allotted
1.	Dharam Asrey Aggarwal	2,146
2.	Anish Kumar Sinha	1,939
3.	Ajay Rajdhar Mishra	87
4.	Ravinder Kumar Rathi	50
Total		4,222

- vii. The further capital by way of private placement on preferential basis amounting to INR 34,25,712/- (Indian Rupees Thirty Four Lakhs Twenty Five Thousand Seven Hundred Twelve Only) divided into 7,383 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 454/- (Indian Rupees Four Hundred Fifty Four Only) each. Detail of the shareholder is given as below

S. No.	Name of allottee	No. of Shares Allotted
1.	Anish Kumar Sinha	7333
2.	Paramveer Singh	50
Total		7,383

- viii. The further capital by way of private placement on preferential basis amounting to INR 12,47,696/- (Indian Rupees Twelve Lakhs Forty Seven Thousand Six Hundred and Ninety Six Only) divided into 2689 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 454/- (Indian Rupees Four Hundred Fifty Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Anish Kumar Sinha	862
2.	Sumbul Khalid	1,077
3.	Shivanshu Verma	200
4.	Sarika Srivastava	550
Total		2,689

- ix. The further capital by way of private placement on preferential basis amounting to INR 23,78,464/- (Indian Rupees Twenty Three Lakhs Seventy Eight Thousand Four Hundred and Sixty Four Only) divided into 5,126 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 454/- (Indian Rupees Four Hundred Fifty Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Gaurav Gupta	400
2.	Sarika Srivastava	2040
3.	Raj Nagpal & LLP	100
4.	Sanjeev Chadha	2586
Total		5,126

- x. The further capital by way of private placement on preferential basis amounting to INR 61,30,368 /- (Indian Rupees Sixty One Lakh Thirty Thousand Three Hundred Sixty Eight Only) divided into 13,212 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 454/- (Indian Rupees Four Hundred Fifty Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Anish Kumar Sinha	5,172
2.	Sandeep Kapil	1,077
3.	Trandeep Kaur	2,801
4.	Honey Sehgal	515
5.	Loveleen Malhotra	2,801
6.	Amitabh Agrawal	100
7.	Sandeep	423
8.	Neha Verma	323
Total		13,212

- xi. The further capital by way of private placement on preferential basis amounting to INR 28,78,848/- (Indian Rupees Twenty Eight Lakhs Seventy Eight Thousand Eight Hundred Forty Eight Only) divided into 2,352 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 1214/- (Indian Rupees Twelve Hundred Fourteen Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	620
2.	Dharam Asrey Aggarwal	552
3.	Sudha Aggarwal	630
4.	Gaurav Gupta	300
5.	Nisha Aggarwal	250
Total		2,352

- xii. The further capital by way of private placement on preferential basis amounting to INR 49,49,478/- (Indian Rupees Forty Nine Lakhs Forty Nine Thousand Four Hundred Seventy Eight Only) divided into 4077 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 1,204/- (Indian Rupees Twelve Hundred Four Only) each. Detail of the shareholder is given:

S. No.	Name of allottee	No. of Shares Allotted
1.	Dharam Asrey Aggarwal	3,254
2.	Sandeep Kapil	412
3.	Honey Sehgal	288
4.	Charu Sehgal	41
5.	Vikash Kumar	82
	Total	4,077

- xiii. The further capital by way of private placement on preferential basis amounting to INR 87,09,236/- (Indian Rupees Eighty Seven Lakhs Nine Thousand Two Hundred Thirty Six Only) divided into 7,174 Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) each at a premium of INR 1204/- (Indian Rupees Twelve Hundred Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	1,573
2.	Dilmeet Kaur	5,601
	Total	7,174

- xiv. The further capital by way of private placement on preferential basis amounting to INR 66,55,148/- (Indian Rupees Sixty Six Lakhs Fifty Five Thousand One Hundred Forty Eight Only) divided into 5,482 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 1204/- (Indian Rupees Twelve Hundred Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	1,614
2.	Venugopal Bangera	1,688
3.	Harish Krishna Shetty	823
4.	Tressie Rufus	82
5.	Nandita Vivek Sharam	41
6.	Lalit Ramkrishna Mhalsekar	82
7.	Uma Sadanand Rege	906
8.	Sumit Krishna Gangurde	82
9.	Pravina Shetty	164
	Total	5,482

- xv. The further capital by way of private placement amounting to INR 15,46,636/- (Indian Rupees Fifteen Lakhs Forty Six Thousand Six Hundred Thirty Six Only) divided into 1274 Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) each at a premium of INR 1204/- (Twelve Hundred Four Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Mohammad Arif	247
2.	Venugopal Bangera	411
3.	Harish Krishna Shetty	205
4.	Lalit Ramkrishna Mhalsekar	411
	Total	1,274

- xvi. The further capital by way of right issue amounting to INR 45,51,610/- (Indian Rupees Forty Five Lakhs Fifty One Thousand Six Hundred Ten Only) divided into 4,55,161 (Four Lakh Fifty Five Thousand One Hundred Sixty One) Equity Shares of face value of INR 10/- (Indian Rupees Ten) each Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	3,15,225
2.	Dilmeet Kaur	99,114
3.	Anish Kumar Sinha	11,450
4.	Nagesh Singhal	200
5.	Mohammad Arif	1,107
6.	Sandeep Kapil	2,244
7.	Charan Preet Kaur	200
8.	Gaurav Gupta	1,300
9.	Harshit Srivastava	50
10.	Ashish	50
11.	Indra Pal Kaur	3,611
12.	Gurmeet Singh	3,611
13.	Vishakha Agrawal	100
14.	Ravinder Kumar Rathi	50
15.	Paramveer Singh	50
16.	Sumbul Khalid	1,077
17.	Shivanshu Verma	200
18.	Raj Nagpal LLP	100
19.	Kanishtha Sharma	25
20.	Subhameet Jaggi	25
21.	Rajat Sood	25

22.	Sonali Jain	12
23.	Vishal Aggarwal	264
24.	Amitabh Agrawal	100
25.	Sunita Devi	100
26.	Prateek Gupta	325
27.	Charu Sehgal	41
28.	Vikash Kumar	82
29.	Venugopal Bangera	4173
30.	Uma Sadanand Rege	1391
31.	Mirza Rizwan	556
32.	Honey Sehgal	803
33.	Loveleen Malhotra	7500
Total		4,55,161

- xvii. The further capital by way of Bonus issue amounting to INR 1,84,23,700/- (Indian Rupees One Crore Eighty Four Lakhs Twenty Three Thousand Seven Hundred Only) divided into 18,42,370 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	12,60,900
2.	Dilmeet Kaur	3,96,456
3.	Anish Kumar Sinha	75,072
4.	Nagesh Singhal	800
5.	Mohammad Arif	4,428
6.	Sandeep Kapil	8,976
7.	Charan Preet Kaur	800
8.	Gaurav Gupta	5,200
9.	Harshit Srivastava	200
10.	Ashish	200
11.	Indra Pal Kaur	7,622
12.	Gurmeet Singh	7,622
13.	Yogita Payal	200
14.	Snehil Hridaya	200
15.	Ashok Kumar	100
16.	Vishakha Agrawal	400

17.	Ravinder Kumar Rathi	200
18.	Paramveer Singh	200
19.	Sumbul Khalid	4,308
20.	Shivanshu Verma	800
21.	Raj Nagpal & LLP	400
22.	Sanjeev Chaddha	5,172
23.	Tarandeep Kaur	5,602
24.	Honey Sehgal	3,212
25.	Loveleen Malhotra	20,602
26.	Sandeep	846
27.	Neha Verma	646
28.	Sarika Srivastava	5,180
29.	Kanishtha Sharma	100
30.	Shubhmeet Jaggi	100
31.	Rajat Sood	100
32.	Sonali Jain	48
33.	Vishal Aggarwal	1,056
34.	Amitabh Agrawal	400
35.	Sunita Devi	400
36.	Prateek Gupta	1,300
37.	Charu Sehgal	164
38.	Vikash Kumar	328
39.	Venugopal Bangera	12,544
40.	Harish Krishan Shetty	2,056
41.	Tressie Rufus	164
42.	Nandita Vivek Sharma	82
43.	Lalit Ramakrishna Mhalsekar	986
44.	Sumit Krishna Gangurde	164
45.	Uma Sadanand Rege	4,594
46.	Pravina Shetty	328
47.	Mirza Rizwan Alam	1,112
Total		18,42,370

- xviii. The further capital by way of private placement amounting to INR 1,31,144 (Rupees One Lakh Thirty One Thousand One Hundred Forty Four Only) divided into 388 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each at a premium of INR 328/- (Indian Rupees Three Hundred Twenty Eight Only) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Vandita Sharma	300
2.	Chirag Arora	59
3.	Abhijeet Kumar Singh	29
Total		388

- xix. The further capital by way of Bonus issue amounting to INR 11,05,57,720/- (Indian Rupees Eleven Crores Five Lakhs Fifty Seven Thousand Seven Hundred Twenty Only) divided into 1,10,55,772 (One Crore Ten Lakh Fifty Five Thousand Seven Hundred Seventy Two) Equity Shares of face value of INR 10/- (Indian Rupees Ten) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	75,65,400
2.	Dilmeet Kaur	28,87,392
3.	Nagesh Singhal	4,800
4.	MohammadArif	26,568
5.	Sandeep Kapil	53,856
6.	Charan Preet Kaur	4,800
7.	Harshit Srivastava	1,200
8.	Ashish	1,200
9.	Indra Pal Kaur	45,732
10.	Gurmeet Singh	45,732
11.	Yogita Payal	1,200
12.	Snehil Hridaya	1,200
13.	Ashok Kumar	600
14.	Ravinder Kumar Rathi	1,200
15.	Sumbul Khalid	25,848
16.	Shivanshu Verma	1,600
17.	Sarika Srivastava	31,080
18.	Sanjeev Chadha	31,032
19.	Trandeep Kaur	33,612
20.	Honey Sehgal	19,272

21.	Loveleen Malhotra	1,23,612
22.	Sandeep	5,076
23.	Neha Verma	3,876
24.	Charu Sehgal	984
25.	Vikash Kumar	1,968
26.	Venugopal Bangera	75,264
27.	Harish Krishan Shetty	12,336
28.	Tressie Rufus	984
29.	Nandita Vivek Sharma	492
30.	Lalit Ramkrishna Mhalsekar	59,16
31.	Uma Sadanand Rege	27,564
32.	Sumit Krishna Gangurde	984
33.	Pravina Shetty	1,968
34.	Mirza Rizwan	6,672
35.	Vandita Sharma	1,200
36.	Chirag Arora	236
37.	Abhijeet Kumar Singh	116
38.	Pradeep Kaur	3,200
Total		1,10,55,772

xx. The further capital by way of right issue amounting to INR 1,73,23,860/- (Indian Rupees One Crore Seventy Three Lakhs Twenty Three Thousand Eight Hundred Sixty Only) divided into 17,32,386 (Seventeen Lakhs Thirty Two Thousand Three Hundred Eighty Six) Equity Shares of face value of INR 10/- (Indian Rupees Ten) each. Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	3,00,000
2.	Dilmeet Kaur	3,00,000
3.	Nagesh Singhal	1,500
4.	Mohammad Arif	8,302
5.	Charan Preet Kaur	1,500
6.	Harshit Srivastava	375
7.	Indra Pal Kaur	14,291
8.	Gurmeet Singh	14,291
9.	Ravinder Kumar Rathi	375
10.	Sumbul Khalid	8,077

11.	Shivanshu Verma	1,500
12.	Honey Sehgal	6,022
13.	Loveleen Malhotra	38,628
14.	Charu Sehgal	307
15.	Vikash Kumar	615
16.	Venugopal Bangera	23,520
17.	Harish Krishan Shetty	3,855
18.	Uma Sadanand Rege	8,613
19.	Pravina Shetty	615
20.	Anchal Ahuja	1,00,000
21.	KL Garg HUF	75,000
22.	Kamal Ahuja	1,00,000
23.	Kapur Chand HUF	50,000
24.	Kundal Lal Garg	75,000
25.	Mahesh Gopal Goel	75,000
26.	Prem Chand Gupta	50,000
27.	Ritesh Jindal	50,000
28.	Sachin Arora	1,50,000
29.	Sarla Totla	1,50,000
30.	Shruti Kucchhal	50,000
31.	Sunita Goel	75,000
Total		17,32,386

- xxi. The further capital by way of conversion of loan into equity amounting to INR 4,71,40,000/- (Indian Rupees Four Crores Seventy One Lakhs Forty Thousand Only) divided into 18,85,600 (Eighteen Lakhs Eighty Five Thousand Six Hundred) Equity Shares of face value of INR 10/- (Indian Rupees Ten) each with premium of INR 15/- (Indian Rupees Fifteen Only). Detail of the shareholder is given as below:

S. No.	Name of allottee	No. of Shares Allotted
1.	Ashish Aggarwal	17,91,320
2.	Dilmeet Kaur	94,280
Total		18,85,600

Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters – Ashish Aggarwal and Dilmeet Kaur hold total 1,45,52,512 Equity Shares representing 83.46% of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

A. Ashish Aggarwal

Date of Allotment /Acquisition /transaction and when made fully paid up	Nature (allotment/transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	% of pre issue capital of Cumulative Shares
02-02-2021	Incorporation	12,000	10	10	Cash	0.07%
31-08-2021	Right Issue	70,000	10	10	Cash	0.40%
03-01-2022	Right Issue	19,562	10	10	Cash	0.11%
26-10-2022	Share Transfer	7,051	10	464	Cash	-0.04%
16-01-2023	Private Placement	620	10	1224	Cash	0.00%
18-01-2023	Share Transfer	2,03,325	10	-	Gift	1.17%
01-02-2023	Share transfer	-500	10	10	Cash	0.00%
07-04-2023	Share Transfer	7,682	10	10	Cash	0.04%
05-05-2023	Private Placement	1,573	10	1214	Cash	0.01%
08-06-2023	Private Placement	1,614	10	1214	Cash	0.01%
07-04-2023	Share Transfer	6,400	10	-	Gift	0.04%
21-07-2023	Right Issue	3,15,225	10	1797.25	Cash	1.81%
24-07-2023	Bonus Issue	12,60,900	10	-	Non Cash	7.23%
27-12-2023	Bonus Issue	75,65,400	10	-	Non Cash	43.39%
13-01-2024	Right Issue	3,00,000	10	10	Cash	1.72%
03-02-2024	Share Transfer	-1,29,583	10	43	Cash	-0.74%
06-02-2024	Share Transfer	-1,10,000	10	30	Cash	-0.63%
28-02-2024	Share Transfer	-6,00,000	10	30	Cash	-3.44%
28-02-2024	Share Transfer	3,940	10	43	cash	0.02%
01-03-2024	Share Transfer	106040	10	30	cash	0.61%
05.03.2024	Conversion of Loan into Equity	17,91,320	10	25	Non Cash	10.27%
09-03-2024	Share Transfer	-2,69,475	10	20	cash	-1.55%
	Total	1,05,48,992				60.50%

B. Dilmeet Kaur

Date of Allotment /Acquisition /transaction and when made fully paid up	Nature (allotment/transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	% of pre issue capital of Cumulative Shares
02-02-2021	Incorporation	12,000	10	10	Cash	0.07%
31-08-2021	Right Issue	70,000	10	10	Cash	0.40%
03-01-2022	Right issue	19,563	10	10	Cash	0.11%
26-10-2022	Share Transfer	-8,050	10	464	Cash	-0.05%
05-05-2023	Private Placement	5,601	10	1214	Cash	0.03%

21-07-2023	Right Issue	99,114	10	10	Cash	0.57%
24-07-2023	Bonus Issue	3,96,456	10	-	Non-Cash	2.27%
12-08-2023	Share Transfer	1,12,608	10	10	Cash	0.65%
12-08-2023	Share Transfer	13,956	10	300	Cash	0.08%
30-09-2023	Share Transfer	600	10	300	Cash	0.00%
27-12-2023	Bonus Issue	28,87,392	10	-	Non-Cash	16.56%
13-01-2024	Right Issue	3,00,000	10	10	Cash	1.72%
05-03-2024	Conversion of Loan into Equity	94,280	10	25	Non-Cash	0.54%
	Total	40,03,520				22.96%

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are under pledge.

3. Our shareholding pattern

Category Code	Category of Shareholder	No of Shareholder	No. of Fully paid-up Equity Shares Held	No. of Partly Paid-up Shares Held	No. of Underlying Depository Receipts	Total No of Shares Held	Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of shares underlying Outstanding Convertible Securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2)	No. of locked-in shares	No. of shares held or otherwise encumbered	Number of shares held in dematerialized form
I	II	III	IV	V	VI	VII=IV+V+VI	IX	IX				X	XI=VII+X	XII	XIII	XIV
(A)	Promoters & promoter Group	5	1,47,02,924	0	0	1,47,02,924	84.32%									1,47,02,924
(B)	Public	60	27,34,777	0	0	27,34,777	15.68%									27,34,777
I	Non-Promoters-Non-Public															
(1)	Shares underlying DRs															
(2)	Shares held by Employee Trusts															
	Total	65	1,74,37,701			1,74,37,701	100%									1,74,37,701

Note:

- In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoter Group/ Companies and 50% of the Equity Shares held by the public shareholders, shall be dematerialized.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.

4. As on the date of this Draft Red Herring Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
5. Following are the details of the holding of securities of persons belonging to the category “Promoters and Promoter Group” before the Issue:

S. N.	Name of shareholder	Pre-Issue	
		No. of Equity Shares	As a % of Issued Capital
Promoters			
1	Ashish Aggarwal	1,05,48,992	60.50%
2	Dilmeet Kaur	40,03,520	22.96%
Total -A		1,45,52,512	83.46%
Promoter Group (B) :			
1	Gurmeet Singh	71,456	0.41%
2	Indra Pal Kaur	71,456	0.41%
3	Charan Preet Kaur	7,500	0.04%
Total-B		1,50,412	0.86%
Grand Total (A+B)		1,47,02,924	84.32%

6. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
Ashish Aggarwal	1,05,48,992	4.61
Dilmeet Kaur	40,03,520	3.84

7. Details of Major Shareholders:

- A. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of this Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Ashish Aggarwal	1,05,48,992	60.50%
2	Dilmeet Kaur	40,03,520	22.96%
3	Nitin Goyal	3,00,000	1.72%
4	Venugopal Bangera	2,96,511	1.70%
5	Loveleen Malhotra	1,93,143	1.11%

- B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Ashish Aggarwal	1,05,48,992	60.50%
2	Dilmeet Kaur	40,03,520	22.96%
3	Nitin Goyal	3,00,000	1.72%
4	Venugopal Bangera	2,96,511	1.70%
5	Loveleen Malhotra	1,93,143	1.11%

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Ashish Aggarwal	2,97,956	65.91%
2	Dilmeet Kaur	93,513	20.68%
3	Anish Kumar Sinha	26,086	5.77%
4	Dharm Asrey Aggarwal	5,952	1.32%

D. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of this Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Dharam Asrey Aggarwal	2,03,125	49.18%
2	Dilmeet Kaur	1,01,563	24.59%
3	Ashish Aggarwal	1,01,562	24.59%

** the % has been calculated based on existing (pre-issue) Paid up Capital of the Company during the period.

8. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price, except as disclosed in this Draft Red Herring Prospectus.
9. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
10. We have Sixty-Five (65) shareholders as on the date of filing of this Draft Red Herring Prospectus.
11. As on the date of this Draft Red Herring Prospectus, our Promoters and Promoters' Group hold a total 1,47,02,924 Equity Shares representing 84.32% of the pre-issue paid up share capital of our Company.
12. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus, except as follows:

Date	Name of buyer	Face Value	No. of Shares	Name of seller
09-03-2024	Seshagiri Anil Kumar	10	309	Ashish Aggarwal
09-03-2024	Venugopal Bangera	10	178911	Ashish Aggarwal
09-03-2024	Uma Sadanand Rege	10	39682	Ashish Aggarwal
09-03-2024	Pravina Harish Shetty	10	6253	Ashish Aggarwal
09-03-2024	Harish Krishna Shetty	10	44320	Ashish Aggarwal
03-02-2024	Shashank Gupta HUF	10	50000	Ashish Aggarwal
03-02-2024	Anisha Rao	10	8335	Ashish Aggarwal
03-02-2024	Kyathanahalli Jayadeva Jayashree	10	20833	Ashish Aggarwal
03-02-2024	Anuj Kumar Mangal	10	50000	Ashish Aggarwal
06-02-2024	Deepak Saraf	10	50000	Ashish Aggarwal
06-02-2024	Ankur Rastogi	10	30000	Ashish Aggarwal
06-02-2024	Anjali Rastogi	10	30000	Ashish Aggarwal
06-02-2024	Seshagiri Anil Kumar	10	415	Ashish Aggarwal
02-03-2024	Ashish Aggarwal	10	67320	Sandeep Kapil
01-03-2024	Ashish Aggarwal	10	7500	Nagesh Singhal
01-03-2024	Ashish Aggarwal	10	1875	Ravinder Rathi
01-03-2024	Ashish Aggarwal	10	29345	Honey Saghal
28-02-2024	Nitin Goyal	10	300000	Ashish Aggarwal
28-02-2024	Uni Alt Assets Private Limited	10	300000	Ashish Aggarwal
28-02-2024	Ashish Aggarwal	10	295	Chirag Arora

28-02-2024	Ashish Aggarwal	10	3500	Shivanshu Verma
28-02-2024	Ashish Aggarwal	10	145	Abhijeet Kumar Singh
30-09-2023	Dilmeet Kaur	10	100	Raj Nagpal & Co LLP
30-09-2023	Dilmeet Kaur	10	100	Raj Nagpal & Co LLP
30-09-2023	Dilmeet Kaur	10	400	Raj Nagpal & Co LLP

13. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.

14. Details of Promoters's Contribution locked in for 3 years:

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Issue Capital shall be considered as Promoters's Contribution.

Our Promoters has granted consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Issue, whichever is later.

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of 20.00% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018. The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Equity Shares held by our Promoters, which are locked in for a period of three years from the date of Allotment in the Issue are given below:

Name of Promoters	Date of Transaction and when made fully paid-up	Nature Of Transaction	No. Of Equity Shares	Face Value (₹)	Issue/ Acquisition Price per Equity Share (₹)	Percentage of post-Issue paid-up capital (%)	Lock in Period
Ashish Aggarwal	[●]	[●]	[●]	[●]	[●]	[●]	3 Years
Dilmeet Kaur	[●]	[●]	[●]	[●]	[●]	[●]	3 Years
Total						20.00%	

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoters' Contribution
237(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
237(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' contribution	The minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
237(1)(b)	Specified securities acquired by Promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. The Promoter hereby confirms that in the event any shares are determined to be ineligible based on the finalization of the price band, the Promoter shall be responsible for compensating the difference between the Cap Price and the acquisition price of such ineligible shares, for the purpose of fulfilling the minimum Promoters' contribution. <u>Hence Eligible</u>
237(1)(c)	Specified securities allotted to Promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the Promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to Promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
237(1)(d)	Specified securities pledged with any creditor	The minimum Promoters' contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>

Details of Promoters' Equity Shares locked-in for one year:

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance of Promoters' pre-Issue Equity Share capital of our Company, shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.

In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

15. Our Company, our Promoters, our Directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.

16. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation, except as follows:

Date of Allotment	Nature of Allotment	No. of Equity Shares allotted	Face Value (INR)	Issue Price (INR)	Form of Consideration
22/07/2023	Bonus Issue	18,42,370	10/-	NA	Non-Cash
27/12/2023	Bonus Issue	1,10,55,772	10/-	NA	Non-Cash
05/03/2024	Conversion of loan into equity	18,85,600	10/-	25/-	Non-Cash

17. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.

18. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

19. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

20. There are no safety net arrangements for this public Issue.

21. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

22. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

23. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.

24. As per RBI regulations, OCBs are not allowed to participate in this Issue.

25. There is no Buyback, stand by, or similar arrangement by our Company / Promoters / Directors / BRLM for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.

26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.

27. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.

28. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and BSE.
29. The Issue is being made through Book Building Method.
30. BRLM to the Issue viz. Khandwala Securities Limited and its associates do not hold any Equity Shares of our Company.
31. Our Company has not raised any bridge loan against the proceeds of this Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being Issued through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during periods ended on March 31, 2024, , March 31, 2023 & March 31, 2022 Fiscals, please refer to Annexure 35 —Related Party Transaction in the chapter titled “**Restated Financial Information**” beginning on page number 151 of this Draft Red Herring Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “**Our Management**” beginning on page number 134 of this Draft Red Herring Prospectus.

SECTION V- PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the BSE SME Platform.

THE OBJECTS OF THE ISSUE ARE: -

1. Funding working capital requirements of the Company
2. Inorganic Growth
3. General corporate purposes; and
4. To meet the Issue expenses.

(Collectively referred to as the "Objects")

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

Fund Requirements:

The details of the proceeds from the Fresh Issue are provided in the following table:

Particulars	Amount (₹ In Lakh)
Gross Issue Proceeds*	[●]
Less: Issue Expenses	[●]
Net Issue Proceeds	[●]

*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

Fund Utilisation:

We intend to utilize the Net Issue proceeds, in the manner set forth below:

S. No.	Particulars	Amount (₹ In Lakh)	% of Net Proceeds
1	Funding working capital requirements of the Company	2640.00	[●]
2	Pursuing inorganic initiatives	300.00	
3	General Corporate Purposes	[●]	[●]
	Net Issue Proceeds	[●]	100.00%

The requirements of the objects detailed above are intended to be funded from the proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

IN CASE OF ANY INCREASE IN THE ACTUAL UTILIZATION OF FUNDS EARMARKED FOR THE OBJECTS, SUCH ADDITIONAL FUNDS FOR A PARTICULAR ACTIVITY WILL BE MET BY WAY OF MEANS AVAILABLE TO OUR COMPANY, INCLUDING FROM INTERNAL ACCRUALS. IF THE ACTUAL UTILIZATION TOWARDS ANY OF THE OBJECTS IS LOWER THAN THE PROPOSED DEPLOYMENT SUCH BALANCE WILL BE USED FOR FUTURE GROWTH OPPORTUNITIES INCLUDING FUNDING EXISTING OBJECTS, IF REQUIRED. IN CASE OF DELAYS IN RAISING FUNDS FROM THE ISSUE, OUR COMPANY MAY DEPLOY CERTAIN AMOUNTS TOWARDS ANY OF THE ABOVE-MENTIONED OBJECTS THROUGH A COMBINATION OF INTERNAL

ACCRUALS OR UNSECURED LOANS (BRIDGE FINANCING) AND IN SUCH CASE THE FUNDS RAISED SHALL BE UTILIZED TOWARDS REPAYMENT OF SUCH UNSECURED LOANS OR RECOUPING OF INTERNAL ACCRUALS. HOWEVER, WE CONFIRM THAT NO BRIDGE FINANCING HAS BEEN AVAILED AS ON DATE, WHICH IS SUBJECT TO BEING REPAID FROM THE ISSUE PROCEEDS. WE FURTHER CONFIRM THAT NO PART OF PROCEED OF THE ISSUE SHALL BE UTILISED FOR REPAYMENT OF ANY PART OF UNSECURED LOAN OUTSTANDING AS ON DATE OF DRAFT RED HERRING PROSPECTUS.

As we operate in a competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see "**Risk Factors**" beginning on page 24 of the Draft Red Herring Prospectus.

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

1. Funding working capital requirements of the Company

The Company is specializing in health, wellness, and nutrition products. Its operations span across the procurement of diverse inventory, management of expansive distribution networks, and provision of a range of products designed to meet the evolving health and lifestyle needs of consumers. The business extends credit to its customers and manages a mix of payment terms with its suppliers. These operational facets define the nature of the Company's working capital needs.

Hence, our business is working capital intensive, and we fund a majority of our working capital requirements in the ordinary course of business from banks, and through our internal accruals. The Company's business model inherently requires significant working capital due to several key operational characteristics. Firstly, maintaining a comprehensive inventory to ensure product availability and meet customer demand is essential, tying up funds that could be used elsewhere. Additionally, the Company's sales often involve credit terms to customers, leading to a gap between the realization of sales and the actual collection of cash. This discrepancy necessitates the maintenance of a higher level of working capital to bridge the cash flow gap. Furthermore, the terms of payment with suppliers, often requiring upfront or swift payments, contrast with the longer duration to collect receivables, exacerbating the need for working capital. Seasonal demand fluctuations further impact working capital requirements, as the Company must stockpile inventory in anticipation of peak sales periods. Lastly, ongoing operational expenses, including payroll and rent, demand a steady flow of working capital to sustain day-to-day functions.

Our Company requires additional working capital for funding its incremental working capital requirements in the Financial Years ended March 31, 2025. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan. We intend to utilise ₹ 2,940.00 Lakhs from the Net Proceeds to fund working capital requirements of our Company in the Financial Year ended March 31, 2025.

a. Basis of estimation of working capital requirement

The details of our Company's working capital as of March 31, 2022, March 31, 2023 and March 31, 2024 derived from and the source of funding, on the basis of Restated Financial Statements, are set out in the table below:

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2023	31-03-2024
	Restated Audited	Restated Audited	Restated Audited
Current Assets			
Inventories	30.93	443.83	1,574.31
Trade Receivables	29.18	411.55	3,232.92
Cash and bank balances	18.26	38.51	106.79
Short term Loans & Advances	24.26	40.05	219.93
Other Current Assets	-	0.01	0.04
Total Current Assets (A)	102.63	933.95	5,133.99
Current Liabilities			
Short-term Borrowings	31.48	80.55	478.10
Trade payables	10.17	378.99	1,408.07
Other current liabilities	5.34	24.32	179.67
Short-term Provisions	0.05	22.6	287.77
Total Current Liabilities (B)	47.04	506.46	2,353.61
Net Working Capital Requirements (A-B)	55.59	427.50	2,780.38

Source of Funds			
Borrowings	31.48	80.55	478.10
Internal accruals/ Net worth	17.47	346.95	2,302.28

b. Future Working Capital

We propose to utilize ₹ 2940.00 Lakhs of the Net Proceeds in the Financial Year ended March 31, 2025, towards our Company's working capital requirements. The balance portion of working capital requirement of our Company shall be met through internal accruals and borrowings. On the basis of our existing working capital requirements, management estimates and estimated working capital requirements, the proposed funding of such working capital requirements is set forth below:

(₹ in Lakhs)

Particulars	31-03-2025
	Projected
Trade Receivables	2,113.80
Inventories	3,660.75
Cash and bank balances	518.3
Short term Loans & Advances	469.06
Other Current Assets	221.44
Total Current Assets (A)	6,983.35
Current Liabilities	
Short-term Borrowings	1,006.73
Trade payables	2,080.47
Other current liabilities	369.82
Short-term Provisions	208.46
Total Current Liabilities (B)	3,665.49
Net Working Capital Requirements (A-B)	3,317.86
Source of Funds	
Net Proceeds from the IPO	2,940.00
Working Capital Borrowings	
Internal Accruals/ Net Worth	377.86

c. Assumptions for our estimated working capital requirements:

The table below sets forth the details of holding levels (with days rounded to the nearest whole number) for the Financial Years ended March 31, 2022, March 31, 2023 and March 31, 2024 as well as projections for the Financial Year ended March 31, 2025.

Provided below are details of the holding levels (days) for financial years 2024 and 2025:

Particulars	31-03-2022	31-03-2023	31-03-2024	31-03-2025
	Restated Audited	Restated Audited	Restated Audited	Projected
Trade Receivables	69	129	137	120
Inventories	73	139	67	60
Trade Payables	26	106	70	60

Key Justifications for holdings levels:

Trade Receivables	The Company has projected its trade receivables days to remain at 120 days for the upcoming fiscal years. This projection is derived by analyzing the historical operational performance trends observed over the past years. The analysis reveals a consistent pattern in the company's approach to credit management, aimed at balancing robust sales growth with the preservation of cash flow health. The chosen receivables days are a reflection of Richesm's strategic decision to align its credit terms closely with both customer expectations and industry standards. When compared with industry peers, such as Naturo Indiabull Ltd, which shows a trend towards higher receivables days at 175, and Add-Shop E-Retail Ltd at 192 days, Richesm's projected days demonstrate a prudent yet competitive stance. The company aims to maintain this balance to enhance customer satisfaction and loyalty, which are pivotal for sustaining growth,
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	especially in a competitive market landscape. This projected calibration ensures that Richesm not only adheres to industry norms but also safeguards its liquidity and financial stability.
Inventories	For inventory days, the Company has projected a steady figure of 60 days. This decision is grounded in a evaluation of the company’s inventory management practices over recent period. The objective behind maintaining this level of inventory days is twofold: firstly, to guarantee that the company has sufficient stock to meet anticipated customer demand without interruption, and secondly, to optimize the amount of capital tied up in inventory. This strategic inventory level is designed after carefully considering industry practices, where Naturo Indiabull Ltd, has an inventory period of 163.87 days, indicating a slower turnover, and Add-Shop E-Retail Ltd manages at a brisk 68 days, reflecting a different operational model. The Company’s inventory days are thus chosen to reflect a balanced approach that ensures operational flexibility and cost efficiency. The company prioritizes maintaining an optimal inventory level that supports quick response to market opportunities while minimizing the costs associated with excess inventory holding.
Trade Payables	The projection of trade payables days at 60 by the Company is a calculated move derived from examining the Company’s payment patterns to suppliers over previous years. This level of payables days signifies our commitment to leveraging negotiated credit terms effectively, which benefits both the company and its suppliers by ensuring timely payments within a framework that supports the company’s cash flow management strategies. Compared to industry benchmarks, where Naturo Indiabull Ltd opts for rapid payment cycles at 5.02 days and Add-Shop E-Retail Ltd at 86 days, Richesm’s approach is intentionally designed to maintain a competitive edge. This strategy not only aids in solidifying trust and reliability with suppliers but also positions the Company advantageously for negotiating favorable terms, contributing positively to the company's operational efficiency and financial health.

As per the Report dated July 26, 2024, issued by our Statutory Auditors, NKSC & Co., Chartered Accountants, have compiled and confirmed the working capital estimates and working capital projections.

For more information on our Industry Peers, refer to “Basis for Issue Price” on page 91 of this Draft Red Herring Prospectus.

Inorganic Growth –

We intend to use ₹ 300.00 Lakh of the Net Proceeds to pursue inorganic initiatives focused towards expansion of our operations. One of our core strategies is to pursue inorganic growth through strategic acquisitions of high margin businesses supplemental to our operations. We intend to pursue opportunities to undertake acquisitions (i) that allow us to enhance our scale and market position; (ii) that allow us to achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits; (iii) that provide us with a platform to extend our reach to new geographic markets within India and selected overseas markets; and (iv) that add new services complementary to our service offerings or that allow us to enter strategic businesses to capture additional revenue opportunities from our existing customer base to improve our margin profile

Rationale for acquisitions in future:

We intend to utilize the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of next financial years (i.e FY 2024-25). The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be

The amount of Net Proceeds to be used for each individual acquisition and/or investments will be based on our Management’s decision and may not be the total value or cost of any such investments, but is expected to provide us with sufficient financial leverage to pursue such investments. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken in a particular period, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions and/or investments, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity, debt or any other instrument or combination thereof.

Further, in accordance with the SEBI Listing Regulations, our Company will disclose to the Stock Exchanges, details of acquisition and/or investments such as cost and nature of such acquisition and/or investments, as and when acquired. We undertake that the acquisition and/or investments proposed to be undertaken from the Net Proceeds shall not be acquired from the Promoter, Promoter Group entities, Group Companies, affiliates or any other related parties.

GENERAL CORPORATE PURPOSE

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting

exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

ISSUE RELATED EXPENSES

The estimated expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges, and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹ [●] Lakh. The break-up of the same is as follows:

(₹ In Lakh)

Particulars	Amount	% of total estimated expenses	% of total Issue size
Lead manager(s) fees including underwriting commission, advisors and other experts.	[●]	[●]	[●]
Brokerage, selling commission and upload fees.	[●]	[●]	[●]
Registrars to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Peer Review Auditor	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Others, if any include Bankers to the Issue, Depository, certifications, miscellaneous, etc.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

<i>Portion for Retail Individual Bidders</i>	[●]% of the Amount Allotted* (plus applicable taxes)
<i>Portion for Non-Institutional Bidders</i>	[●]% of the Amount Allotted* (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

The Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE.

Processing fees payable to the SCSBs of ₹ [●]/- per valid application (plus applicable taxes) for processing the Bid cum Application of Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders procured by the Syndicate Member/ Sub-Syndicate Members/ Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking.

In case the total Selling Commission and ASBA processing charges payable to SCSBs exceeds ₹ [●]Lakh, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ [●] Lakhs.

i. For Syndicate (including their Sub-Syndicate Members), RTAs and CDPs

Brokerages, selling commission and processing/uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism), Eligible Employees and Non-Institutional Bidders which are procured by members of Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

<i>Portion for Retail Individual Bidders</i>	[●]% of the Amount Allotted* (plus applicable taxes)
<i>Portion for Non-Institutional Bidders</i>	[●]% of the Amount Allotted* (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

The selling commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member.

The payment of selling commission payable to the sub-brokers/ agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

The Selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE..

Uploading charges/processing charges of ₹ [●]- valid application (plus applicable taxes) is applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: for applications made by Retail Individual Investors using the UPI Mechanism. In case the total processing charges payable under this head exceeds ₹ [●]Lakh, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●]Lakhs.)

Uploading charges/processing charges of ₹ [●] valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; (b) Eligible Employees; and (c) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts. (In case the total processing charges payable under this head exceeds ₹ [●] Lakh, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●] Lakhs.)

The Bidding/uploading charges payable to the Syndicate/ Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE.

ii. For Registered Brokers:

Selling commission payable to the registered brokers on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders and Non- Institutional Bidders	₹ [●] per valid application* (plus applicable taxes)
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iii. For Sponsor Bank:

Processing fees for applications made by Retail Individual Bidders using the UPI mechanism will be ₹ [●] per valid Bid cum Application Form* (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI Circulars, the Syndicate Agreement and other applicable laws.

*For each valid application

SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds for the previously mentioned purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(₹ in Lakh)

S.No.	Particulars	Estimated Utilization of Net Proceeds (Financial Year 2024-25)
1	Funding working capital requirements of the Company	2640.00
2	Inorganic Growth	300.00
3	General Corporate Purposes	[●]
Total		[●]

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

SHORTFALL OF FUNDS

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in a fixed/term deposit with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors

hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than ₹ 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, our Group Companies or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the issue as set out above, except in the normal course of business and as disclosed in the sections titled “*Our Promoters*” and “*Our Management*” as mentioned on page 145 and 134 of this Draft Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the “**Risk Factors**”, the details about our Company under the “**Our Business**” and its financial statements under the “**Restated Financial Information**” beginning on page 24, page 105 and page 151 respectively of this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment. All Accounting Ratios have been adjusted for the outstanding shares as on date of this Draft Red Herring Prospectus.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- | | |
|---------------------------------|---------------------------|
| 1. Company’s Core Business | 5. Competitive Advantage |
| 2. Qualified & Experienced Team | 6. Corporate Governance |
| 3. Customers Base | 7. Industry Growth Trends |
| 4. Geographic Exposure | 8. Wide Product Range |

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 105 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented in this section is derived from our Restated Financial Statements. For details, see “**Restated Financial Information**” on page 151. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

1. Standalone Basic & Diluted Earnings Per Share (EPS):

Financial Year	Basic EPS	Diluted EPS	Weight
	(₹)	(₹)	(x)
2021-22	0.0017	0.0017	1
2022-23	0.42	0.42	2
2023-24	9.98	9.98	3
Weighted Average EPS (₹)	5.13		6

Notes:

- a) 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.
- b) Basic and diluted EPS are based on the Restated Financial Information.
- c) The face value of each Equity Share is ₹10.
- d) Earnings per Share (₹) = Profit after tax excluding exceptional items for the year/period divided by the weighted average no. of equity shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares.
- e) Basic EPS and diluted EPS calculations are in accordance with Indian Accounting Standard 33 ‘Earnings per Share’.
- f) The above statement should be read with significant accounting policies and the notes to the Restated Financial Information.

2. Price to Price / Earning (P/E) Ratio in relation to Price band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E Ratio at Floor Price (no. of times) *	P/E Ratio at Cap Price (no. of times) *
P/E ratio based on the Weighted Average EPS	[●]	[●]

* To be updated at Prospectus stage.

3. Industry Price / Earning (P/E) Ratio

Currently, our Company has two listed competitors, i.e. companies engaged in comparative lines of business. We have tracked their market price movement to compute the Industry P/E as the median as set forth below:

Particulars	P/E Ratio
Highest	27.8
Lowest	12.9
Average	20.35

4. Standalone Return on Net Worth (RONW)

Financial Year	RONW	Weight
	(%)	(x)
2023-24	58.49%	3
2022-23	19.46%	2
2021-22	0.41%	1
Weighted Average RONW	35.80%	6

RoNW = Net Profit after tax, as restated, attributable to the owners of the company Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)

Notes:

a) *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.*

b) *The figures disclosed above are based on the Restated Financial Statements of our Company.*

5. Standalone Net Asset Value (NAV)

As derived from the Restated Financial Statements

Financial Year	NAV per Equity Share
	(Amounts in ₹ Lakhs)
2023-24	17.07
2022-23	2.15
2021-22	0.42
NAV after the Issue (Cap Price)	[●]
NAV after the Issue (Floor Price)	[●]

Notes:

a) *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.*

6. Comparison with Industry Peers – FY 2023-24

Name	Face Value (₹)	Revenue (₹ in Lakhs)	Basic EPS (₹)	Diluted EPS (₹)	Price to Earning (based on Diluted EPS)	RONW (%)	NAV per Equity Share (₹)
Richesm Healthcare Ltd	10	8,602.68	9.98	9.98	[●]	58.49%	17.07
Add-Shop E-Retail Ltd	10	20,306	1.12	1.12	4.2	2.73%	38.86

Naturo Indiabull Ltd	10	4,188.41	0.67	0.67	11	2.59%	20.2955
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Source: All the financial information for listed industry peers mentioned above is on a Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the BSE/NSE website.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on the BSE/NSE website on June 26, 2024 divided by the Diluted EPS.
- RoNW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Restated Financial Information” on pages 24, 105,188 and 151 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

7. The Issue Price is [●] times the Face Value of the Equity Shares

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book- building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameter.

8. Key Financial & Operational Performance Indicators (KPIs)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 1, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by NKSC & Co., Chartered Accountants, by their certificate dated July 26, 2024.

(Amounts in ₹ Lakhs)

Key Performance Indicator	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	8,602.68	1,164.66	155.34
EBITDA	1,808.54	106.49	0.66
EBITDA Margin(%)	21.02%	9.14%	0.42%
PAT	1,740.91	72.95	0.30
PAT Margin(%)	20.24%	6.26%	0.19%
ROE(%)	58.49%	19.46%	0.41%
ROCE(%)	49.17%	14.10%	0.29%

Notes:

- Revenue from operations is the total revenue generated by our Company from the sale of products.
- EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expenses
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- PAT is calculated as Profit before tax – Tax Expenses
- PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

Explanation for KPI metrics

KPI	Description
Revenue from operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business

EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
ROE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
ROCE(%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

9. Key Financial & Operational Performance Indicators (KPIs) in comparison to industry peers

Key Performance Indicator	Richesm Healthcare Limited			Add-Shop E-Retail Ltd			Natuero Indiabull Ltd		
	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24
Revenue from operations	155.34	1,164.66	8,602.68	15,965.31	19,988.41	20,306	1,127.51	1,616.23	4,188.41
EBITDA	0.66	106.49	1,808.54	2491.09	2902.46	800	148.56	168.26	145.96
EBITDA Margin	0.42%	9.14%	21.02%	15.60%	14.52%	3.94%	13.18%	10.41%	3.48%
PAT	0.3	72.95	1740.91	1,908.68	1,916.25	300	108.03	103.90	99.31
PAT Margin	0.19%	6.26%	20.24	11.96%	9.59%	1.48%	9.58%	6.43%	2.37%
ROE(%)	0.41%	19.46%	58.48%	48.46%	17.93%	2.91%	8.70%	4.27%	4.06%
ROCE(%)	0.29%	14.10%	49.17%	69.21%	37.85%	6.15%	13.69%	7.18%	4.39%

10. Price per share of our Company based on the primary issue of Shares

Price per share of the Company based on primary issuances of Equity Shares or convertible securities (excluding issuance of Equity Shares under ESOS or pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions) in a single transaction or multiple transactions combined together over a span of rolling

Date of Allotment	No. of Equity Shares allotted	Face Value (INR)	Issue Price (INR)	Nature of Consideration	Nature of Allotment
21.07.2023	4,55,161	10	10	Cash	Right Issue
13.01.2024	17,32,386	10	10	Cash	Right Issue
05.03.2024	18,85,600	10	25	Conversion of Loan into Equity	Conversion of Loan into Equity
Weight Average Cost of Acquisition (₹)					11.76

30 days, Except as below:

For further details, see “*Capital Structure*” on page 63 of this Draft Red Herring Prospectus.

11. Price per share of our Company based on the secondary sale / acquisition of Shares

Price per share of the Company based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions), in a single transaction or multiple transactions

combined together over a span of rolling 30 days, as there were no transactions of equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions) the last 5 secondary transactions have been added below:

Date of Transaction	No. of Equity Shares transacted	Face Value (INR)	Transfer Price (INR)	Buyer	Seller
09-03-2024	309	10	20	Seshagiri Anil Kumar	Ashish Aggarwal
09-03-2024	1,78,911	10	20	Venugopal Bangera	Ashish Aggarwal
09-03-2024	39,682	10	20	Uma Sadanand Rege	Ashish Aggarwal
09-03-2024	6,253	10	20	Pravina Harish Shetty	Ashish Aggarwal
09-03-2024	44,320	10	20	Harish Krishna Shetty	Ashish Aggarwal
Weight Average Cost of Acquisition (₹)					42.00

For further details, see “*Capital Structure*” on page 63 of this Draft Red Herring Prospectus.

Floor price and cap price as compared to weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) and (b), shall be disclosed in the following manner:

Past Transaction	Weighted Average Cost of Acquisition (₹)	Floor Price ₹[●]*	Cap Price ₹[●]*
WACA of Equity Shares that were issued by our Company	16.94	[●]	[●]
WACA of Equity Shares that were acquired or sold by way of secondary transactions	20	[●]	[●]

Note:

*To be updated at Red Herring Prospectus stage

- The Issue is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], each with wide circulation.
- The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “**Risk Factors**”, “**Our Business**”, “**Management Discussion and Analysis of Financial Position and Results of Operations**” and “**Restated Financial Information**” on pages 24, 105, 188 and 151, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “**Risk Factors**” and you may lose all or part of your investments.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
Richesm Healthcare Limited,
Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6,
Sector 18, Noida, Gautam Buddha Nagar,
Noida, Uttar Pradesh, India, 201301.

Sub: Statement of Possible Special Tax Benefits Available to Richesm Healthcare Limited (“the Company”) and its shareholders under direct and indirect tax laws

Dear Sirs,

We refer to the proposed initial public offering of equity shares (the “Offer”) of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2024-2025 relevant to the financial year 2023-24 for inclusion in the Draft Red-Herring Prospectus/ Red-herring Prospectus/ Prospectus (“Offer Document”) for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

The Company or its shareholders will continue to obtain these benefits in future; or the conditions prescribed for availing the benefits have been/would be met the revenue authorities’ courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

For, M/s. NKSC & Co.
Chartered Accountants
Firm Registration No.: 020076N

CA Priyank Goyal
Partner
Membership No.: 521986
UDIN: 24521986BKFKUI5680
Date: July 26, 2024
Place: New Delhi

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2023 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India

A. SPECIAL TAX BENEFITS TO THE COMPANY

1. Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company has represented to us that it has not opted for section 115BAA for the assessment year 2023-24 and 2024-25.
2. Section 80IAC of the Income Tax Act 1961, provides a 100% tax exemption for startups recognized by the Department for Promotion of Industry and Internal Trade (DPIIT). The tax exemption can be availed for any three consecutive assessment years out of ten assessment years from the date of incorporation, provided that, turnover should not exceed rupees 100 crores in any financial year.

The company has represented to us that it has adopted the tax exemption under the above-mentioned section.

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax

SECTION VI: ABOUT OUR COMPANY

OUR INDUSTRY

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

OVERVIEW OF THE INDIAN ECONOMY¹

India, with its vast and diverse economy, has positioned itself as a significant player in the global market. Despite the challenges posed by the COVID-19 pandemic, India's economy is projected to remain resilient and exhibit robust growth. The country has been capturing an increasing share in the global export of goods and services, demonstrating its competitiveness on the international stage. The government's focus on policies such as Make in India and Atmanirbhar Bharat (Self-Reliant India) aims to promote domestic manufacturing, reduce dependency on imports, and strengthen India's position in global supply chains.

Furthermore, the Production Linked Incentive (PLI) scheme, introduced by the Indian government, provides financial incentives to manufacturers in key sectors, encouraging investments, and fostering technological advancements. These initiatives, combined with a growing entrepreneurial ecosystem, skilled workforce, and favorable demographics, contribute to the overall growth outlook of the Indian economy.

Introduction

Strong economic growth in the first quarter of FY 2023-24 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2023–24 grew by 7.8% compared to its last year counterpart, indicating a strong start for India growth passage. Recent economic indicators for India during the first half of 2023 continue to signal expansionary economic conditions driven by domestic demand. FY24 performance of the economy until June 2023 shows a GDP forecast of around \$3.75 trillion experiencing a growth rate of 6.5%. The nominal GDP growth forecast for the FY24 is estimated to be around 10%.

FY24 GDP growth to moderate to 6.5% from 7.2% in FY23 on account of lagged impact of past monetary tightening, adverse spillover from global slowdown, uncertainty related to monsoon performance, waning of pent-up demand and slowdown in global trade, exports contracted on annualized basis for the first time in 10 quarters.

However there have been certain positives also experienced by the economy. Growth in Q1 of FY24 is single-handedly driven by recovery in private consumption, even as other demand side drivers showed moderation. On the supply side, services continue to outpace industry performance with strong traction in contact-intensive activities along with finance and real estate services.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

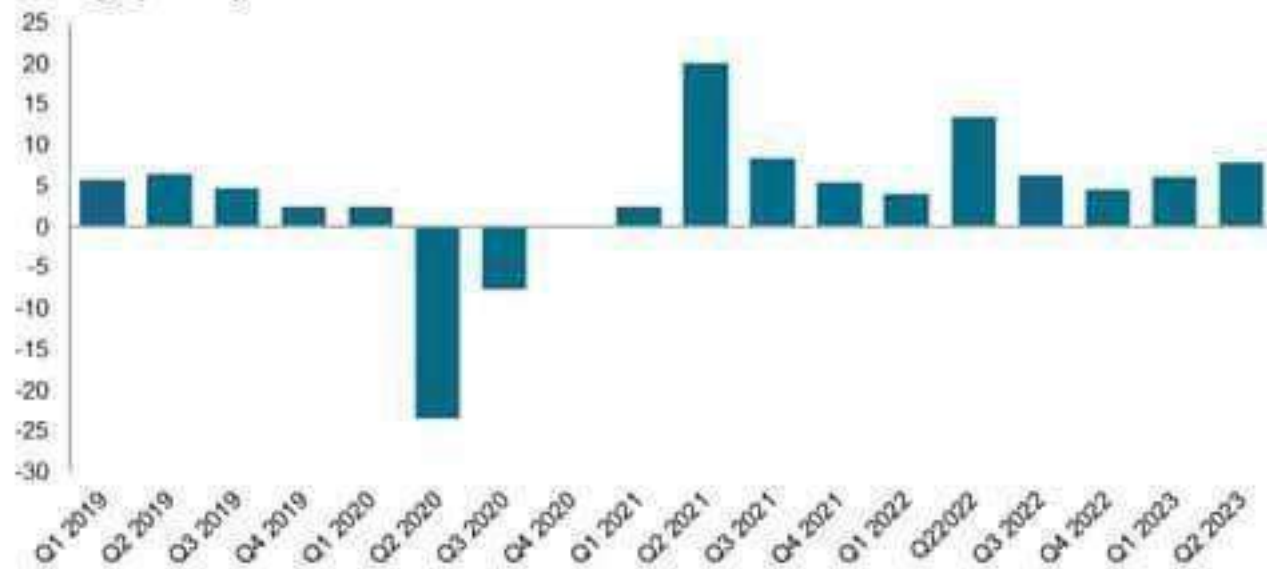
India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown.

¹ India Brand Equity Foundation. <https://www.ibef.org/economy>

India GDP growth, 2019-2023

% change, year-on-year



Source: S&P Global Market Intelligence.
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Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritize lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been significant developments in the recent past.

India's foreign exchange reserves stood at US\$ 524,520 million as of September 21, 2022, while the private equity-venture capital (PE-VC) sector received investments worth US\$ 2 billion during the same month. Merchandise exports in September 2022 reached US\$ 32.62 billion, and the PMI Services index indicated continued expansion with a reading of 56.7 from April to September 2022. Additionally, the gross Goods and Services Tax (GST) revenue collection in September 2022 amounted to ₹ 147,686 crore (US\$ 17.92 billion). Cumulative FDI equity inflows to India between April 2000 and June 2022 reached US\$ 604,996 million. In August 2022, the overall Index of Industrial Production (IIP) stood at 131.3, with the mining, manufacturing, and electricity sectors recording indices of 99.6, 131.0, and 191.3, respectively. India's retail inflation, based on the Consumer Price Index (CPI), rose to 7.41% in September 2022. Foreign Portfolio Investment (FPI) outflows amounted to ₹ 58,762 crore (US\$ 7.13 billion) in FY 2022-23 (until October 28, 2022). Furthermore, significant wheat procurement and anticipated paddy purchases were expected to reach 120.8 million metric tons and involve 16.7 million farmers, with a direct payment of MSP value of ₹ 2.37 lakh crore (US\$ 31.74 billion) to their accounts in the Rabi 2021-22 and Kharif 2021-22 seasons.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

Border Tourism Development Programme: In September 2022, the foundation stone was laid for the Shri Tanot Mandir Complex Project in Jaisalmer under this program, led by Home & Cooperation Minister.

Agriculture and Farmers Welfare: In August 2022, four new facilities were inaugurated at the Central Arid Zone Research Institute (CAZRI), supporting agricultural research and development.

Special Food Processing Fund: A fund of ₹ 2,000 crores (US\$ 242.72 million) was established in August 2022 with the National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in Mega Food Parks and processing units.

Mega Cargo Handling Terminals: The Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode, with an estimated cost of ₹ 5,963 crores (US\$ 747.64 million)

IT Collaboration with Maldives: In July 2022, India and Maldives signed a Memorandum of Understanding (MoU) to leverage information technology for court digitization, opening up growth opportunities for IT companies and start-ups in both countries.

Wildlife Conservation MoU: India and Namibia signed an MoU in July 2022 for wildlife conservation and sustainable biodiversity utilization, particularly focusing on reintroducing cheetahs into India's historical range.

International Trade Settlements: The Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (₹) in July 2022, promoting global trade growth and supporting India's export interests.

Gujarat Development Projects: In June 2022, Prime Minister inaugurated and initiated development projects worth ₹ 21,000 crores (US\$ 2.63 billion) in Vadodara, covering sectors like agriculture, IT, manufacturing, tourism, and defense.

AI in Defense: Minister of Defense launched 75 newly-developed AI products/technologies during the first-ever 'AI in Defense' (AIDef) symposium in New Delhi in July 2022.

UP Investors Summit: In June 2022, Prime Minister laid the foundation stone for 1,406 projects worth over ₹ 80,000 crores (US\$ 10.01 billion) at the UP Investors Summit, spanning various sectors including agriculture, IT, renewable energy, tourism, and defense.

These initiatives are part of the government's broader efforts to boost economic growth, enhance infrastructure, promote innovation, and attract investments in various sectors. The government's flagship programs, such as Make in India, Start-up India, Digital India, and the Smart City Mission, are also focused on creating opportunities and improving the economic conditions in the country.

India's economy has shown resilience and sustained growth in the first half of the current financial year. Despite global challenges, the country has managed to maintain a positive trajectory. One of the notable achievements for India was its ranking as the fifth-largest recipient of foreign direct investment inflows. This reflects the confidence of investors in India's economic potential and the conducive business environment created by the government. Additionally, India has witnessed a rise in employment rates, which further boosts economic growth and prosperity.

Government Support for Capital Expenditure

Capital expenditure (CapEx) plays an indispensable role in driving the growth trajectory of a nation. It encompasses investments in infrastructural projects, technological advancements, and other long-term assets that lay the foundation for future productivity and prosperity. Recognizing the paramount importance of CapEx, the Indian government has consistently taken concerted measures to bolster it, ensuring sustained economic development and infrastructural enhancement.

Robust Financial Commitment: The Economic Survey of 2022-23 unveils the government's unwavering commitment to CapEx. During the initial eight months of FY23, the central government increased its capital expenditure by an impressive 63.4%. This significant financial infusion is not merely a testament to the government's dedication but also a strategic move to drive multiplier effects throughout the economy.

Infrastructure Development: The government's focus has been on infrastructural projects that are crucial for the country's holistic development. From roads, railways, and airports to energy, water, and digital networks, the emphasis has been on creating assets that foster connectivity, accessibility, and efficiency. Such investments not only provide immediate employment opportunities but also set the stage for long-term economic dividends.

Technological Advancements: In today's digital age, technological infrastructure is as critical as physical infrastructure. The government has been proactively investing in digital platforms, IT infrastructure, and research and development. These initiatives not only position India as a global technological hub but also ensure that the benefits of digital transformation percolate to every stratum of society.

Strategic Public-Private Partnerships (PPPs): Recognizing the expertise and efficiency the private sector can bring, the government has been fostering PPPs, especially in sectors like transportation, energy, and health. Such collaborations ensure optimal utilization of resources, risk-sharing, and accelerated project implementation.

Favorable Policy Environment: Beyond direct financial allocations, the government has been creating a conducive policy environment for CapEx. Tax incentives, streamlined regulatory approvals, and dedicated institutions for project monitoring are among the myriad measures taken to encourage both public and private entities to ramp up their capital investments.

Focus on Sustainability: In line with global trends and the pressing need for environmental conservation, the government's capital expenditure strategies are increasingly pivoting towards sustainability. Investments in renewable energy projects, green buildings, and sustainable transport solutions are reflective of this shift.

Government support for capital expenditure is not just a fiscal strategy but a visionary approach to nation-building. It's a symbiotic process where the investments made today pave the way for a prosperous, sustainable, and inclusive tomorrow. As India continues to leverage CapEx as a strategic tool, it sets a precedent for developing economies worldwide, illustrating how visionary governance can shape a nation's destiny.

INTRODUCTION TO FMCG SECTOR IN INDIA

The FMCG sector in India expanded due to consumer-driven growth and higher product prices, especially for essential goods. FMCG sector provides employment to around 3 million people accounting for approximately 5% of the total factory employment in India. FMCG sales in the country was expected to grow 7-9% by revenues in 2022-23. The key growth drivers for the sector include favourable Government initiatives & policies, a growing rural market and youth population, new branded products, and growth of e-commerce platforms. Resilience needs to be the key factor in the manufacturing process, daily operations, retail and logistic channels, consumer insights and communication that will help FMCG companies to withstand the test of time and create more value for consumers in the long run. India's fast-moving consumer goods (FMCG) sector grew 7.5% by volumes in the April-June 2023 quarter, the highest in the last eight quarters, led by a revival in rural India and higher growth in modern trade.

Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector and has been expanding at a healthy rate over the years because of rising disposable income, a rising youth population, and rising brand awareness among consumers. With household and personal care accounting for 50% of FMCG sales in India, the industry is an important contributor to India's GDP.

India is a country that no FMCG player can afford to ignore due to its middle-class population which is larger than the total population of USA. The Indian FMCG market continues to rise as more people start to move up the economic ladder and the benefits of economic progress become accessible to the public. More crucially, with a median age of just 27, India's population is becoming more consumerist due to rising ambitions. This has been further aided by government initiatives to increase financial inclusion and establish social safety nets.

Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 65%) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

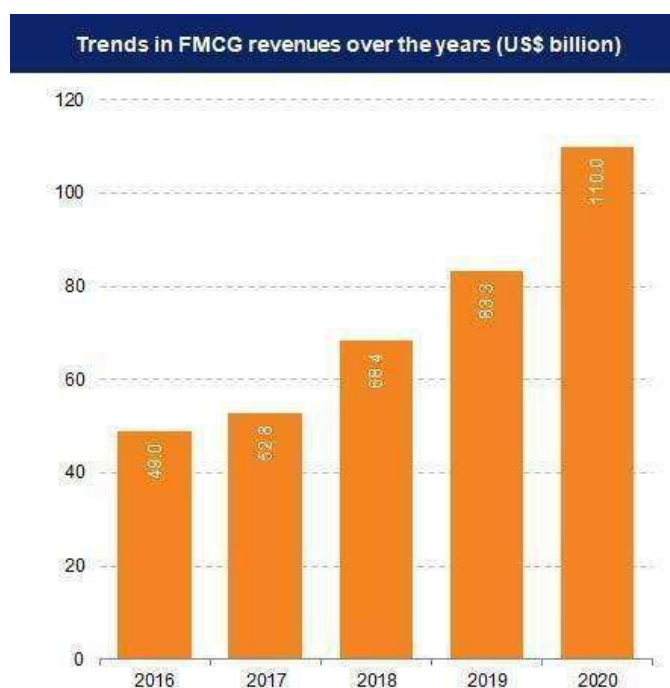
MARKET SIZE

FMCG market reached US\$ 167 billion as of 2023. Total revenue of FMCG market is expected to grow at a CAGR of 27.9% through 2021-27, reaching nearly US\$ 615.87 billion. In 2022, urban segment contributed 65% whereas rural India contributed more than 35% to the overall annual FMCG sales. Good harvest, government spending expected to aid rural demand recovery in FY24. The sector had grown 8.5% in revenues and 2.5% in volumes last fiscal year. In the January-June period of 2022, the sector witnessed value growth of about 8.4% on account of price hikes due to inflationary pressures. In Q2, 2022, the FMCG sector clocked a value growth of 10.9% Y-o-Y higher than the 6% Y-o-Y value growth seen in Q1.

Indian food processing market size reached US\$ 307.2 billion in 2022 and is expected to reach US\$ 547.3 billion by 2028, exhibiting a growth rate (CAGR) of 9.5% during 2023-2028.

The Union government approved a new PLI scheme for the food processing sector, with a budget outlay of ₹ 109 billion (US\$ 1.46 billion). Incentives under the scheme will be disbursed for six years to 2026-27.

Digital advertising will grow to reach US\$ 9.92 billion by 2023, with FMCG industry being the biggest contributor at 42% share of the total digital spend.



India includes 780 million internet users, where an average Indian person spends around 7.3 hours per day on their smartphone, one of the highest in the world. Number of active internet users in India will increase to 900 million by 2025 from 759 million in 2022. In 2021, India's consumer spending was US\$ 1,891.90 billion. Indian villages, which contribute more than 35% to overall annual FMCG sales, are crucial for overall revival of the sector. E-commerce now accounts for 17% of the overall FMCG consumption among evolved buyers, who are affluent and make average spends of about ₹ 5,620 (US\$ 68).

The Indian e-commerce market is anticipated to grow from US\$ 83 billion in 2022 to US\$ 185 billion in 2026. By 2030, it is expected to have an annual gross merchandise value of US\$ 350 billion. Fuelling e-commerce growth, India is expected to have over 907 million internet users by 2023, which accounts for ~64% of the total population of the country.

The market has grown exponentially over the past five years due to the surge in internet and smartphone users, improved policy reforms, and increase in disposable income. Mobile wallets, Internet banking, and debit/credit cards have become popular among customers for making transactions on e-commerce platforms. As of 2021, there were 1.2 million daily e-commerce transactions. The total value of digital transactions stood at US\$ 300 billion in 2021 and is projected to reach US\$ 1 trillion by 2026.

The India online grocery market size has been projected to grow from US\$ 4,540 million in 2022 to US\$ 76,761.0 million by 2032, at a CAGR of 32.7% through 2032.

The FMCG market in India is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020. The Indian FMCG industry grew by 16% in CY21 a 9-year high, despite nationwide lockdowns, supported by consumption-led growth and value expansion from higher product prices, particularly for staples. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.

FMCG giants such as Johnson & Johnson, Himalaya, Hindustan Unilever, ITC, Lakmé and other companies (that have dominated the Indian market for decades) are now competing with D2C-focused start-ups such as Mamaearth, The Moms Co., Bey Bee, Azah, Nua and Pee Safe. Market giants such as Revlon and Lotus took ~20 years to reach the ₹ 100 crore (US\$ 13.4 million) revenue mark, while new-age D2C brands such as Mamaearth and Sugar took four and eight years, respectively, to achieve that milestone.

Advertising volumes on television recorded healthy growth in the July-September quarter, registering 461 million seconds of advertising, which is the highest in 2021. FMCG continued to maintain its leadership position with 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020.

INVESTMENTS

- In October 2023, Unilever announced that it has entered into an agreement to sell Dollar Shave Club with completion expected before the end of 2023. Unilever will retain a minority shareholding of 35%.
- In June 2023, Skincare brand VLCC acquires men's grooming brand Ustraa.
- In May 2023, Reliance Retail Ventures completes acquisition of controlling stake in Lotus Chocolate.
- In January 2023, ITC has announced plans to acquire 100% of Sproutlife Foods (SFPL), a direct-to-consumer (D2C) startup and parent company of health food brand 'Yoga Bar' over a period of three to four years.
- In January 2023, ITC opened 59 acres food processing plant in Telangana, that will make in phases biscuits, chips, noodles as well as atta that ITC markets under its popular brands, including Sunfeast and Aashirvaad.
- In December 2022, Hindustan Unilever Limited (HUL) announced its foray into the 'Health & Wellbeing' category through strategic investments in Zywie Ventures Private Limited ("OZiva") and Nutritionalab Private Limited ("Wellbeing Nutrition").
- In October 2022, Dabur India Limited acquired 51% stake in Badshah Masala Private Limited to expand its foods business to ₹ 500 Crore (US\$ 60.3 million) in 3 years and expand into new adjacent categories.
- In October 2022, Tata Consumer Products renovates and rebrands TATA Q as TATA Sampann Yumside with a new and larger range of Ready to Eat and Ready to Cook offerings.
- The Government has allowed 100% Foreign Direct Investment (FDI) in food processing and single-brand retail and 51% in multi-brand retail.
- This would bolster employment, supply chain and high visibility for FMCG brands across organised retail markets thereby bolstering consumer spending and encouraging more product launches.
- From April 2000-September 2023, the food processing industry received US\$ 12,354 million in FDI.
- Some of the recent developments in the FMCG sector are as follows:
- In July, 2023, GrowUp Farms, has launched Unbeleafable®, the first range of ready-to-eat salads grown in a vertical farm to be sold in a major UK supermarket after three products from the range were made available in selected Tesco stores.
- In January 2023, Hindustan Unilever Limited and UNDP announced the launch of an "Inclusive Circular Economy" project focusing on end-to-end management of plastic waste by promoting the segregation of waste at source, collection of the segregated waste.
- In November 2022, ITC collaborates with IIT Delhi to strengthen crop residue management programme in north India and to develop a Geographical Information Systems (GIS) tool to track, monitor and identify areas where stubble-burning is practised and where it is not.

- FMCG ad volumes on television rose by 33% in the year 2021 when compared to 2019. The growth was 22% when compared to the year 2020. The top 10 advertisers on TV accounted for a 60% share of ad volumes in the year 2021 with HUL topping the list, followed by Reckitt Benckiser (India), and Brooke Bond Lipton India.
- In December 2022, Hindustan Unilever Limited announced its foray into the 'Health & Wellbeing' category through strategic investments in Zywie Ventures Private Limited ("OZiva") and Nutritionalab Private Limited ("Wellbeing Nutrition").
- In February 2023, women wellness brand Nutrizoe has introduced new flavours for its lactation-aiding bar Lactobites and nausea-inhibiting oral strips Nail the Nausea.
- In January 2023, Heritage Foods Ltd, one of India's leading dairy players, has announced the launch of GlucoShakti, a whey-based instant energy drink that revitalises hardworking youth, when strenuous physical work drains them.
- In 2022, Britannia recently launched ragi cookies and five-grain digestive biscuits under its NutriChoice brand.
- In 2023, BCS Globals, a UAE based food & beverage company, forays into the Indian energy drink market with the launch of one-of-its kind brand Wox and plans to introduce a diversified product portfolio.
- In 2023, Inspired by Japanese beauty secrets, Keomi Beauty recently kick-started its journey in the Indian beauty and skincare space
- In December 2022, Reliance Group launched its FMCG brand "Independence" in Gujarat which will bring a wide choice of high quality and affordable products including edible oils, pulses, grains, packaged foods, and other daily need products.
- Amazon aims at making all shipments net-zero carbon, with 50% net zero carbon by 2030.
- In 2021-22, Dabur India has become a complete plastic waste neutral firm in the country after collecting, processing, and recycling around 27,000 metric tonnes of post-consumer plastic waste.
- In 2021-22, over 300 million FMCG bottles have been produced from Banyan's recycled plastic for clients that include Hindustan Unilever, Reckitt, Shell and HPCL.
- In 2021, Colgate-Palmolive, the oral care giant has launched recyclable toothpaste tubes in India as a part of its commitment to sustainability.
- In 2021, Myntra partnered with Better Cotton Initiative as a part of promoting sustainable cotton farming practices.
- According to a joint report released by industry body FICCI and property consultancy firm Anarock, Indian e-commerce market is expected to reach US\$ 120 billion by 2026 from US\$ 38 billion in 2021
- In October 2022, Dabur acquired 51% stake in Badshah Masala Private Limited for ₹ 587.52 crore, (US\$ 71.81 million) less proportionate debt as on the closing date, with the Badshah enterprise being valued at ₹ 1,152 crore (US\$ 140.81 million).
- In July 2022, Chief Minister of Uttar Pradesh Mr. Yogi Adityanath, inaugurated HUL's ultra-modern factory in Sumerpur with a total investment of ₹ 700 crore (US\$ 88.07 million) planned by 2025.
- In July 2022, Emami acquired 30% stake in Cannis Lupus to enter the petcare segment in India.
- In July 2022, Godrej Consumer Products Limited (GCPL), unveiled Godrej Magic Bodywash, India's first ready-to mix bodywash at just ₹ 45 (US\$ 0.57).
- In June 2022, PepsiCo India announced its expansion plans for its largest greenfield foods manufacturing plant that produces the popular Lay's potato chips in Kosi Kalan, Mathura in Uttar Pradesh with an investment of ₹ 186 crore (US\$ 23.84 million).
- In April 2022, Dabur India announced plans to induct a fleet of 100 Electric Vehicles in its supply chain for last-mile product distribution.
- In March 2022, Emami acquired Dermicool from Reckitt for ₹ 432 crore (US\$ 55.37 million)
- In February 2022, Dabur India, formed an exclusive partnership with energy provider Indian Oil, which will give Dabur's products direct access to around 140 million Indian LPG consumer households across India.
- In February 2022, Dabur India achieved its goal to collect, process, and recycle approximately 22,000 MT of post-consumer plastic three months early.
- In February 2022, Marico Ltd announced aim to achieve net-zero emissions by 2040 in its global operations.
- In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited for a cash consideration of ₹ 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into value-added categories.
- In November 2021, Unilever Plc agreed to sell its global tea business to CVC Capital Partners for EUR 4.5 billion (US\$ 5.1 billion). The business being sold—Ekaterra—hosts a portfolio of 34 tea brands including Lipton, PG Tips, Pukka Herbs and TAZO.
- In November 2021, McDonald's India partnered with an FMCG company ITC to add a differentiated fruit beverage, B Natural, to its Happy Meal, which will be available across all McDonald's restaurants in South and West India, primarily catering to children aged 3–12 years.
- In October 2021, Procter & Gamble announced an investment of ₹ 500 crore (US\$ 66.8 million) in rural India.
- In September 2021, Vahdam India, an Indian tea brand, raised ₹ 174 crore (US\$ 24 million) as part of its Series D round led by IIFL AMC's Private Equity Fund.
- In September 2021, RP-Sanjiv Goenka Group entered the personal-care segment by launching skin and haircare products, aiming at a revenue of ₹ 400-500 crore (US\$ 53.84-67.30 million) in the next 4-5 years.
- In September 2021, Adani Wilmar announced the opening of physical stores under the name 'Fortune Mart' that will exclusively sell Fortune and other Adani Wilmar brand products.
- The rural market registered an increase of 14.6% in the same quarter and metro markets recorded growth after two quarters. Final consumption expenditure increased at a CAGR of 5.2% during 2015-20.
- According to Fitch Solutions, real household spending is projected to increase 9.1% YoY in 2021, after contracting >9.3% in 2020 due to the economic impact of the pandemic.

- The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22, according to CRISIL Ratings.

GOVERNMENT INITIATIVES

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

- The Union Budget 2023–2024 offers incentives for advances in food infrastructure research & development, and innovation, which is extremely encouraging for the FMCG sector's modest growth.
- The Union government approved a new PLI scheme for the food processing sector, with a budget outlay of ₹ 109 billion (US\$ 1.46 billion). Incentives under the scheme will be disbursed for six years to 2026-27.
- The government's initiative to promote millets for its health benefits would increase the consumption and production of the millets in the nation. To support this, the government declared that the Indian Institute of Millet Research in Hyderabad will become a worldwide centre of excellence for the exchange of best practices, knowledge, and innovations.
- In 2022, Government announced that the food processing industry has invested ₹ 4,900 crore (US\$ 593 million) so far under the PLI scheme, which was approved in March 2021, with a budget outlay of ₹ 10,900 crore (US\$ 1.3 billion), likely to increase sales and exports of food products.
- A total of 182 applications have been approved under the PLI scheme for the food processing industry. This includes 30 applications for millets-based products under the PLI scheme (8 large entities and 22 SMEs)
- In 2022, a total of 112 food processing projects were completed and operationalized, leveraging the private investment of ₹ 706.04 crore (US\$ 85.4 million) and generating direct and indirect employment for 25,293 people.
- To boost the food processing sector, the Centre has permitted under the Income Tax Act a deduction of 100% of profit for five years and 25% of profit in the next five years in case of new agro-processing industries set up to package and preserve fruits and vegetables.
- Excise Duty of 16% on dairy machinery has been fully waived off and excise duty on meat, poultry and fish products has been reduced from 16% to 8%.
- An amount of ₹ 1,000 crore (US\$ 120.7 million) is being set up initially in NITI Aayog for SETU for setting up of incubation centres and enhance skill development to facilitate the startup ecosystem in the country while improving the ease of doing business.
- The governments' incentives and the FDI funds have helped the FMCG sector strengthen employment, establish a more robust supply chain, and capture high visibility for FMCG brands across established retail markets.
- Union Budget 2023-24 has allocated US\$ 976 million for PLI schemes that aims to reduce import costs, improve the cost competitiveness of domestically produced goods, increase domestic capacity, and promote exports.
- As per the Union Budget 2022-23:
 - ₹ 1,725 crore (US\$ 222.19 million) has been allocated to the Department of Consumer Affairs
 - ₹ 215,960 crore (US\$ 27.82 billion) has been allocated to the Department of Food and Public Distribution.
 - In 2021-22, the government approved Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) with an outlay of ₹ 10,900 crore (US\$ 1.4 billion) to help Indian brands of food products in the international markets.
- The government's production-linked incentive (PLI) scheme gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD) for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable, and timely delivery of justice to consumers.
- The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket against the previous rate of 23-24%. Also, GST on food products and hygiene products has been reduced to 0-5% and 12-18% respectively.
- GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodelling their operations into larger logistics and warehousing.

ROAD AHEAD

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India. On the other hand, with the share of the unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with an increased level of brand consciousness, augmented by the growth in modern retail. Another major factor propelling the demand for food services in India is the growing youth population, primarily in urban regions. India has a large base of young consumers who form most of the workforce, and due to time constraints, barely get time for cooking. Online portals are expected to play a key role for companies trying to enter the hinterlands. The Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India is likely to reach 1 billion by 2025. It is estimated that 40% of all FMCG consumption in India will be made online by 2020. E-commerce share of total FMCG sales is expected to increase by 11% by 2030. It is estimated that India will gain US\$ 15 billion a year by implementing GST. GST and demonetisation are expected to drive demand, both in the rural and urban areas and economic growth in a structured manner in the long term and improved the performance of companies within the sector.

(Source: <https://www.ibef.org/>)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the Twelve-month period that ended on March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Richesm Healthcare Limited as on the date of this Draft Red Herring Prospectus.

The financial information used in this section, unless otherwise stated, is derived from our Restated Financial Information, as restated and prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations as included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Information” beginning on pages 24 and 151 respectively.

BUSINESS OVERVIEW

The Company operates as a comprehensive provider in the health, beauty, wellness, and nutrition sector, specializing in omnichannel sales. It supports manufacturers, producers, and traders by offering a platform to reach a wider market through its innovative "Sell with Us" program. This program aids entities with unique health, beauty, wellness, and nutrition products, including organic foods, sports nutrition, nutraceuticals, health food & drinks, herbs & ayurveda, and wellness products, who may not have access to large-scale marketing or distribution channels. The Company also integrates online sales via its e-commerce platforms, www.richesm.com and www.richesmagro.com, along with other major ecommerce platforms available in markets and with offline sales through its fulfilment centres, physical stores and a broad business-to-business sales network both domestic and abroad. This multifaceted approach ensures a seamless experience for consumers and provides market exposure and sales support to manufacturers, producers, and other traders, enabling them to effectively sell their produce through the Company's channels.

SWOT ANALYSIS

Strength	Weakness
<p>Innovative Omnichannel Sales Approach: The integration of online and offline sales channels, including a robust e-commerce platform and physical stores, ensures a comprehensive reach and accessibility for consumers across various demographics.</p> <p>Diverse Product Portfolio: The Company offers a range of health, wellness, nutrition and beauty products, including organic foods and supplements, catering to the growing market demand for healthier lifestyle choices.</p> <p>"Sell with Us" Program: This initiative supports manufacturers, producers, and traders by providing them with a platform to reach a broader customer base, thus enhancing the Company's product diversity and market presence.</p>	<p>Dependence on External Suppliers: Relying heavily on third-party manufacturers and suppliers for product sourcing could pose risks related to supply chain disruptions or quality control issues.</p> <p>Market Competition: The health, wellness, and beauty sector is highly competitive, with many established players. Differentiating the Company's offerings and retaining consumer loyalty can be challenging.</p> <p>Operational Risks: Managing an omnichannel sales model requires sophisticated logistics and operational efficiency. Any inefficiencies could impact customer satisfaction and operational costs.</p>
Opportunity	Threats
<p>Growing Health Consciousness: The increasing awareness among consumers regarding health, wellness, and sustainable living presents an opportunity for the Company to expand its product lines and market share.</p> <p>Technological Advancements: Leveraging technology in operations, marketing, and customer service can enhance the shopping experience, operational efficiency, and data analytics for better decision-making.</p> <p>Expansion into New Markets: There is potential for geographical expansion, especially in underserved Tier 2 and Tier 3 cities, where the demand for health and wellness products is rising.</p>	<p>Regulatory Changes: The health and wellness sector is subject to stringent regulations. Any changes in regulatory policies could affect product offerings and market strategies.</p> <p>Market Volatility: Economic downturns or shifts in consumer behaviour can impact discretionary spending on health and wellness products.</p> <p>Technological Disruptions: The risk of new entrants or existing competitors adopting more advanced technologies could lead to a competitive disadvantage.</p>

DETAILS OF THE MARKET

The FMCG sector in India, a vibrant and essential part of the economy, encompasses a wide array of products including packaged foods, beverages, health and beauty items, home and personal care products. Driven by India's vast population, rising incomes, urbanization, and increasing consumer awareness, the sector is witnessing a significant shift towards branded, high-quality FMCG offerings. Urban areas traditionally dominate FMCG consumption, yet rural markets are emerging as pivotal growth arenas, propelled by enhanced distribution networks and rising rural affluence. Amidst this backdrop, companies are innovating and diversifying their portfolios to include health-conscious, organic, and natural products, aligning with the global trend towards wellness and reflecting Indian consumers' preference for traditional and ayurvedic goods. The competitive landscape is marked by

the presence of both multinational giants and strong domestic contenders vying for consumer loyalty through quality, branding, and extensive marketing. The sector's distribution and supply chain intricacies underscore the role of technological advancements in streamlining operations and reaching consumers directly. However, challenges such as raw material price volatility, regulatory shifts, and the environmental impact of operations persist. The burgeoning e-commerce realm and digital transactions are reshaping retail, presenting both hurdles and opportunities for FMCG entities in online engagement and sales. Navigating these complexities requires a nuanced understanding of the Indian market and consumer behaviours, where successful companies leverage innovation, adaptability, and technological prowess to secure their foothold.

SUMMARY OF THE “SELL WITH US” BUSINESS MODEL

Omnichannel distribution:

Omnichannel distribution is a sophisticated and strategic approach that ensures a consistent and integrated customer experience across all available channels, including online marketplaces, company-owned e-commerce platforms, physical retail stores, and B2B sales networks. This model is predicated on the idea that consumers should be able to interact with and purchase from a brand through multiple avenues seamlessly, whether they are shopping online from a desktop or mobile device, by telephone, or in a brick-and-mortar store.

The key to successful omnichannel distribution lies in the integration of various sales and distribution channels into a cohesive system. Data and analytics play a crucial role in this integration, allowing for the synchronization of inventory, pricing, and marketing across all platforms. This ensures that customers receive a uniform experience, with consistent product availability, pricing, and brand messaging, regardless of how or where they choose to shop.

Omnichannel distribution not only enhances the consumer experience but also offers significant benefits to the company. It enables better data collection and analysis of customer behaviour across different channels, leading to improved customer insights and the ability to personalize marketing efforts. Additionally, it facilitates more efficient inventory management, as products can be easily moved between channels based on demand, reducing stockouts and overstock situations.

In the context of the rapidly evolving retail landscape, adopting an omnichannel distribution strategy is increasingly becoming a necessity for businesses looking to stay competitive. It caters to the modern consumer's expectation for convenience, flexibility, and a personalized shopping experience, thereby driving customer satisfaction, loyalty, and ultimately, sales growth.

Sell with Us:

The "Sell with Us" initiative is structured within the Company's business model to support market access for SMEs/Startups in the health and wellness sector, emphasizing a synergistic integration of their products, into the Company's omnichannel distribution framework. This framework is designed to optimize product visibility and accessibility, targeting an expansive consumer base, particularly in Tier 2 and Tier 3 cities. These areas are identified as strategic growth vectors due to their evolving market dynamics and increasing consumer demand for wellness products.

A distinctive aspect of the Company's approach involves the leveraging of third-party e-commerce platforms, in addition to the Company's proprietary online marketplace. This strategy is implemented to ensure comprehensive market coverage and to tap into the existing customer bases of established e-commerce entities. Concurrently, the Company utilizes a business-to-business sales network, which facilitates direct engagement with other businesses, enhancing the distribution reach of the products. This B2B network is particularly instrumental in establishing and nurturing partnerships with retailers and distributors, enabling the penetration of those products into markets that are less accessible through direct-to-consumer channels.

In essence, this initiative represents an adaptive business model that leverages collaborative synergies between the Company and its partners, aimed at mutual growth within the health and wellness sector. By providing a structured pathway for market entry and scale-up, the "Sell with Us" program embodies the Company's commitment to innovation and its strategic vision for expanding consumer access to a wide spectrum of health and wellness products. This initiative underscores the Company's role in advancing the industry by supporting smaller brands and contributing to the overarching goal of enhancing consumer health and well-being through increased product availability and choice.

BUSINESS PROCESS

Process of business is described below: -

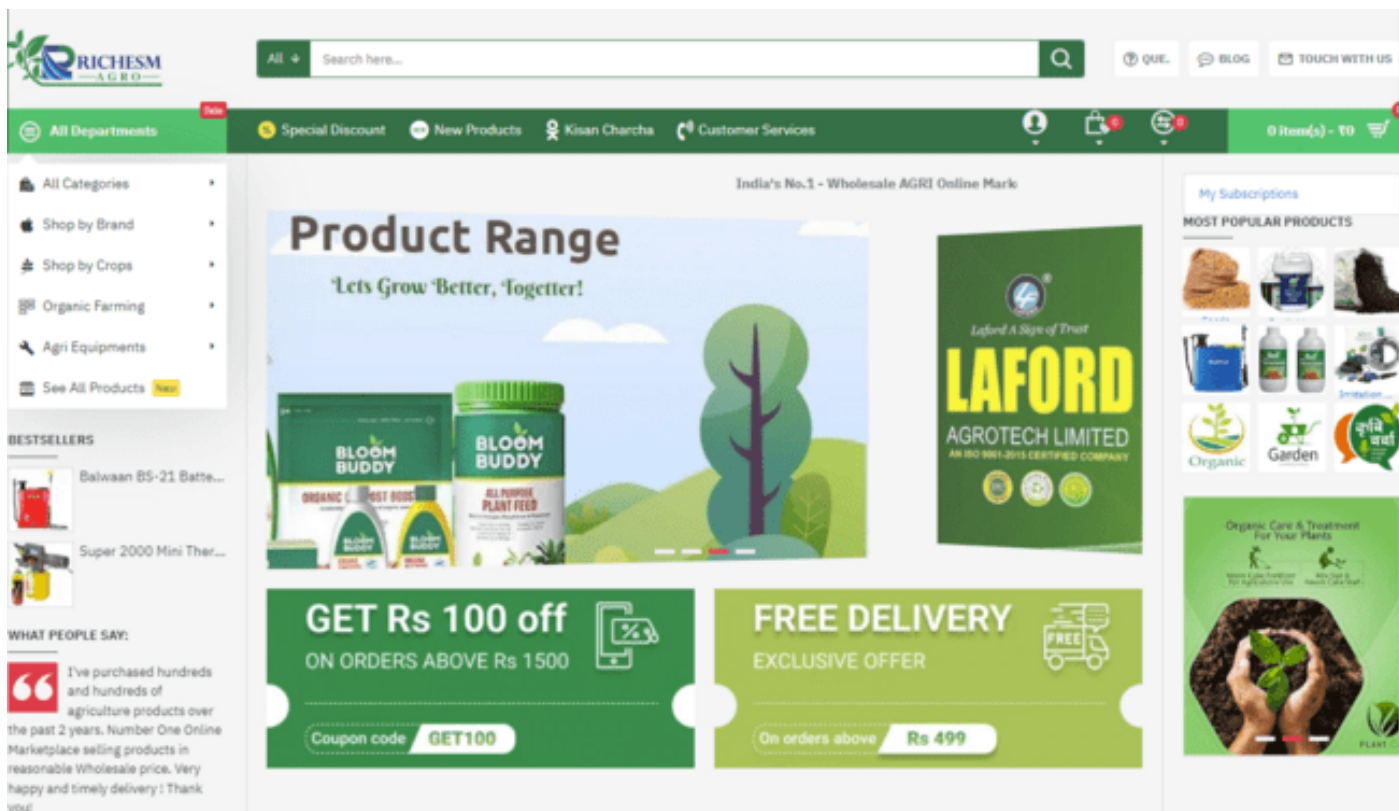


- **Product Sourcing:** The initial step involves identifying and partnering with manufacturers, producers, and traders who supply unique and high-quality health, wellness, and beauty products. This process is guided by market research to ascertain consumer demand and trends.
- **Inventory Management:** Approved products are then stocked in the Company's warehouses/fulfilment centres. Inventory management is crucial for balancing stock levels with demand to avoid overstocking or stockouts, utilizing advanced logistics and supply chain management techniques.
- **Omnichannel Sales Strategy:** The Company employs an omnichannel approach to sales, combining online sales through its e-commerce platforms, www.richesm.com and www.richesmagro.com, with offline sales through physical stores. This strategy is complemented by a business-to-business (B2B) sales network, facilitating a seamless shopping experience for consumers and extensive market reach for manufacturers.
- **"Sell with Us" Program:** A pivotal component of the Company's operation is the "Sell with Us" program, designed to assist manufacturers, producers, and traders in reaching a broader market. This involves providing partners with marketing, distribution, and sales support, leveraging the Company's omnichannel network to maximize product visibility and sales.
- **Marketing and Customer Engagement:** The Company invests in targeted marketing and customer engagement strategies to promote its product range and brand value. This includes digital marketing, social media, and personalized customer service to build brand loyalty and repeat business.
- **Feedback and Continuous Improvement:** Lastly, the Company actively seeks feedback from consumers and partners to identify areas for improvement. This feedback informs product development, operational adjustments, and enhancements to the customer experience, ensuring the Company remains adaptive and responsive to market needs.

NATURE OF OUR PRODUCT AND PRODUCT RANGE

The image shows a screenshot of the RichesM website. At the top, there is a navigation bar with links: Home, Shop By Category, Shop By Brands, Offers, Buy in Bulk, Track Your Order, Wholesale, Lab Tests (Healthians), and English. Below this is a large banner for 'QUALITY RICE AT WHOLESALE PRICES, NOURISHING LIVES WITH EVERY GRAIN!' featuring a sack of rice, a wooden scoop, and a bowl of rice. Underneath the banner is a section titled 'Infinite Choices, One Destination: Your Passport to Premium Categories' with a grid of product categories: MEDICAL SUPPLIES, MULTI-VITAMINS, PROTIEN SUPPLEMENTS, SPORTS NUTRITION, HEALTHY FOOD INGREDIENTS, IMMUNITY BOOSTER, BODY AND BEAUTY CARE, FITNESS EQUIPMENTS, HEALTH FOOD, HERBS & AYURVEDA, CORPORATE GIFTS, and ACCESSORIES.

Note: For illustration purposes only, our product range is not limited to the products shown as above. For further details, visit our website www.richesm.com.



Note: For illustration purposes only, our product range is not limited to the products shown as above. For further details, visit our website www.richesmagro.com.

Our primary offerings consist of organic foods, sports nutrition, vitamins & supplements, health food & drinks, herbs & ayurveda, wellness, and beauty products through our Omnichannel:

Name of Segment	Description
Organic Foods	Organic foods are produced following specific regulatory standards that significantly restrict the use of synthetic pesticides and fertilizers, genetically modified organisms (GMOs), antibiotics, and growth hormones. These standards are designed to promote ecological balance, conserve biodiversity, and utilize resources such as water and soil responsibly. The process emphasizes the use of natural substances and farming methods, though it allows for a limited number of synthetic chemicals under stringent regulations.
Over the Counter Medical Supplies	Over the counter (OTC) medical supplies consist of products available to consumers without a prescription. These include a wide range of items, such as bandages, disinfectants, antiseptics, over-the-counter medications for common ailments, and personal protective equipment. The availability of OTC supplies allows individuals to address minor health issues and perform first aid without the immediate need for professional medical intervention. Regulatory agencies ensure that these products meet safety and efficacy requirements.
Nutraceuticals	Nutraceuticals encompass products derived from food sources with extra health benefits in addition to their basic nutritional value. These products aim to prevent diseases, improve health, delay the aging process, increase life expectancy, or support the structure or function of the body. They can be categorized into dietary supplements, functional foods, and medicinal foods.
Ayurvedic Supplements	Ayurvedic supplements are based on Ayurveda, a traditional system of medicine from India that emphasizes the maintenance of health through careful attention to balance in one's life, right thinking, diet, lifestyle, and the use of herbs. These supplements include a variety of products, such as herbal extracts, minerals, and vitamins, which are used to support health and wellness. Ayurvedic principles guide the use of these supplements,

	focusing on holistic well-being and the balance of the body's elements.
FMCG Products	Fast-moving consumer goods (FMCG) are products that are sold quickly at relatively low cost. This category includes a wide array of everyday items such as packaged foods, beverages, toiletries, over-the-counter drugs, and other consumables. FMCG products have a short shelf life because of high consumer demand or because the product deteriorates rapidly. The FMCG sector is characterized by a high turnover and operates on thin profit margins. The industry's success relies on efficient distribution networks, brand loyalty, and product innovation.

Our Cobranded Products



Brand Photo	Description
	<p>Livewell - Nutraceutical Supplements</p> <p>The Livewell range encompasses a variety of nutraceutical supplements designed to support overall health and well-being.</p>
	<p>Nutrelis - Millet Products and Organic Tea</p> <p>Nutrelis offers a selection of millet-based products and organic teas, emphasizing the importance of natural ingredients and sustainable agriculture. Millets, form the core of this range, offering an alternative to traditional grains. The organic teas, sourced from certified organic farms, provide a natural way to support wellness.</p>

	<p>Tatvik Ayurveda - Ayurveda-Based Skincare and Bodycare Products Tatvik Ayurveda presents a line of skincare and bodycare products formulated with ayurvedic principles in mind. This range is designed to offer a holistic approach to personal care, promoting natural beauty and skin health.</p>
	<p>Baqai Dawakhana - Sexual Wellness Products Baqai Dawakhana offers a specialized range of sexual wellness products, focusing on natural and safe solutions for enhancing sexual health and well-being. Formulated with a blend of traditional herbs, these products are designed to improve overall sexual health, addressing various concerns with discretion and sensitivity.</p>
	<p>Bee Celebration – Candles and Wax Products Our product range includes beeswax and soy wax aromatherapy candles, formulated exclusively with beeswax or soy wax, essential oils, and cold-pressed coconut oil, devoid of chemical additives.</p>
	<p>WaaH Masale – Indian Masalas WaaH Masale offers a collection of Indian spices and cooking masalas, specifically formulated to cater to the diverse culinary needs and flavor profiles required in traditional Indian cuisine. This range is composed of various spices and masala blends, each designed to enhance the taste and aroma of dishes. The selection includes individual spices as well as pre-mixed masalas for specific dishes.</p>
	<p>Darjeeling Connection Darjeeling Connection presents a curated selection of organic products, including turmeric, honey, and tea, sourced directly from the pristine environments of the Darjeeling region. Together, these products embody the essence of the Darjeeling region, offering consumers healthful options that do not compromise on taste or quality.</p>

Our Sell with Us Partners

Partner Brand	Description
Benmoon Pharma	A pharmaceutical company in India focusing on R&D to create innovative medicines.
Meneki	Offers skincare products made from natural ingredients for various skin concerns.
Blendartteas	Specializes in high-quality, handcrafted tea blends and accessories.
Purely Yours	Offers natural and organic skincare, haircare, and wellness products.
Beyond Fitness	Specializes in health and sports nutrition products.

Capture Meditech	Manufactures medical and precision instruments with advanced wound management technology.
18 Herbs Organics	Offers natural and herbal products promoting health and wellness.
Foresta Organics	Provides natural supplements for various health concerns.
Health Veda Organics	Offers natural supplements and wellness products for a healthy lifestyle.
Healthy roots	Specializes in cold-pressed oils and raw honey.
Pharma Science The Indian Ayurveda	Manufactures and exports Ayurvedic products for various health concerns.
Jeevan care Ayurveda	Offers Ayurvedic medicines for health issues like diabetes and joint pain.
Ryllz Essentials	Offers organic products for skin, hair, and body care.
Lamonk	Manufacturer and exporters of natural essential oils and herbs.
Big Wolf Nutrition	Offers sports nutrition and supplements for workouts and performance.
Maha Herbals	Provides a wide range of Ayurvedic and herbal products.
VIP Hair colour shampoo	An innovative hair product acting as color, shampoo, and conditioner.
Dave's Noni And Wellness Products	Specializes in Noni wellness products.
Plantomed	Offers natural Ayurvedic products for modern health concerns.
Mr. Merchant	Specializes in unique treats like candies, mukhwas, and gifts.
Nature Farms And Beyond	An umbrella organization for organic and sustainable farming practices.
Shrijaa	Based in Gujarat, specializes in organic and natural products.
Triphal	Offers a wide range of natural and pure products for health concerns.
Platinum Nutrition	Specializes in sports nutrition products.
Muscle Performance	Offers sports nutrition and supplements for muscle growth and recovery.
Psvmlifesciences	A fast-growing food supplements company offering end-to-end solutions.
Gaba medical hall	A pharmacy in Punjab providing a wide range of medical supplies.
Iherbal	Focused on herbal health and personal care products.
Sire Ayurveda	Specializes in 100% plant-based Ayurvedic medicines.
Right Health	Manufactures plant-based medicines and nutrition supplements.
Healthy Genic	An online store offering personal and home care products.
Trefoil Pharmaceuticals Private Limited	Engaged in professional, scientific, and technical activities in the pharmaceutical industry.
Vegan Bihar	Specializes in high-quality vegan products for metabolic health.
Global Medicare Inc	Specializes in importing and distributing medical equipment.
Virog Ayurveda	An Ayurvedic clinic in Delhi offering comprehensive healing and wellness.
Symcox Herbal	Focuses on providing natural solutions for various health concerns.
Ambrosiya Neo Medicine	Deals in different kinds and flavors of tea powders.
Komfort Pride	Deals in foldable commode chairs and walkers.
Bounty Bliss	Deals in skin whitening products.
Cipzer	Sells herbal products for health problems.
Key Factor	Deals in skin and hair products.
Nisarg Organic	Deals in organic leaf/flower/fruit powders.
Nutrivo Wellness	Deals in various kinds of gummies for adults and kids.
Tatvik Ayurveda	Deals in face, body, and hair care products.

Distributorships

Company Name	Type	Brand Name	Description
Sri Veda Sattva	Authorised Distributorship	Sri Sri Tattva	A company with a holistic approach to health, offering Ayurvedic products and emphasizing a comprehensive health and wellness philosophy.
Patanjali Food	Authorised Distributorship	Patanjali	Integrated FMCG player in the edible oil business, also known for a healthy range of Edible Oils and Soya Foods.
Nutritionalab	Authorised Distributorship	Wellbeing Nutrition	Engaged in the production and preservation of a variety of food products, including meat, fish, fruit vegetables, oils, and fats.
Gatsby India	Authorised Distributorship	Gat'sby	Offers a range of men's hair styling products, including gels and sprays, for grooming needs.
Tigar Balm	Authorised Distributorship	Tiger Balm	Delivers health and well-being products rooted in oriental wisdom, targeting aches, pains, and everyday discomforts with a range of specialized formulations.

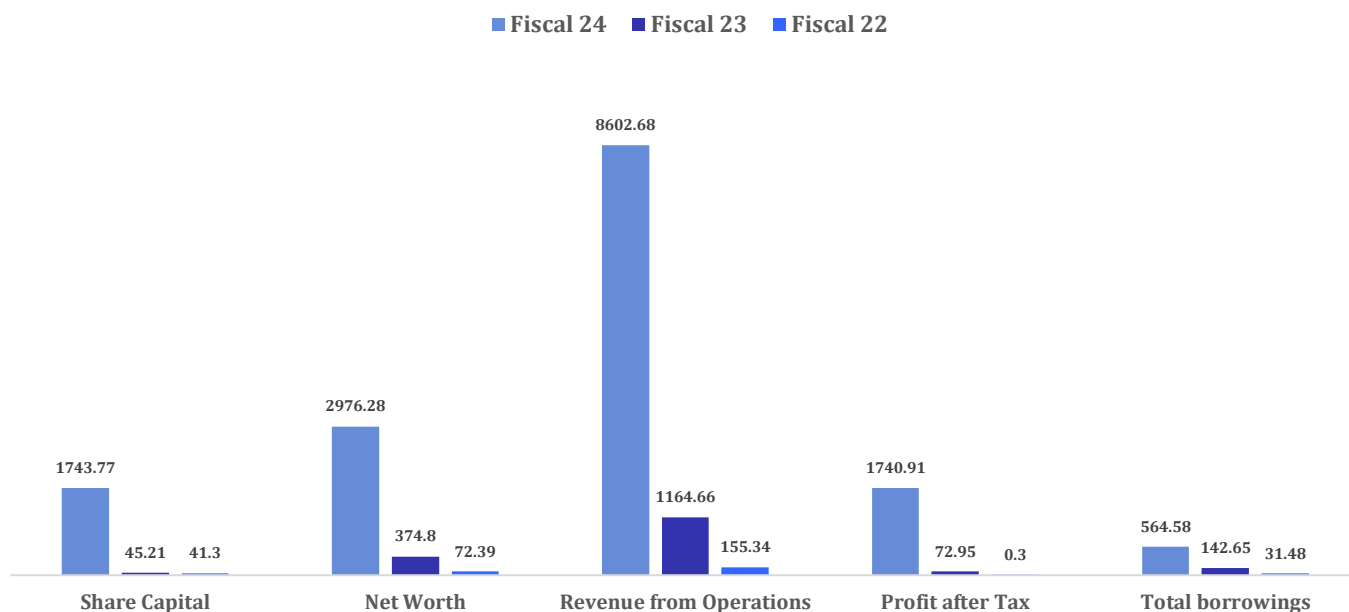
FINANCIAL HIGHLIGHTS

The table below sets forth certain key operational and financial metrics for the periods indicated:

(₹ In Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital	1743.77	45.21	41.30
Net Worth	2976.28	374.8	72.39
Revenue from Operations	8602.68	1164.66	155.34
Profit after Tax	1740.91	72.95	0.30
Earnings per share Basic and Diluted	11.38	16.56	0.07
Net Asset Value per Equity Share (in ₹)	17.07	82.90	17.53
Total borrowings	564.58	142.65	31.48

VISUAL REPRESENTATION OF OUR FINANCIAL HIGHLIGHTS



Set forth below is the segregation of our revenue from operations

a. in terms of our product category:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Organic Foods	4384.43	52.12%	306.01	26.27%	0	0.00%
Nutrition and Wellness	1735.33	20.28%	137.12	11.77%	43.59	28.06%
FMCG	2368.26	26.32%	714.61	61.36%	110.26	70.98%
Other	114.66	1.27%	6.92	0.59%	1.49	0.96%

b. in terms of business to business and business to customer sales:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
B2B	8,001.17	93.01	622.92	53.48%	98.41	63.35%
B2C	601.51	6.99	541.74	46.52%	56.93	36.65%

c. in terms of our co-branded products and other brands:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Co-Branded Products	1,446.65	16.82	9.818	0.84%	3.48	2.24%

Other Brands	7,156.03	83.18	1154.84	99.16%	151.86	97.76%
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d. in terms of our Top 10, Top 5, Top 3 customers:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Top 3 Customers	6,298.92	73.22%	574.72	49.35%	100.32	64.58%
Top 5 Customers	7,803.33	90.71%	622.48	53.45%	107.08	68.93%
Top 10 Customers	8,336.54	96.91%	680.08	58.39%	114.55	73.74%

e. in terms of domestic and export sales:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Domestic	8586.83	99.82%	1130.47	97.06%	126.95	81.72%
Export	15.85	0.18%	34.19	2.94%	28.39	18.28%

f. The % of contribution of our Company's Top 5 customers vis-à-vis the revenue from operations respectively as of for the Fiscal 2022, Fiscal 2023 and Fiscal 2024 is as follows:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Customer 1	2,960.97	34.42%	306.01	26.27%	60.99	39.26%
Customer 2	1,740.43	20.23%	184.56	15.85%	28.39	18.28%
Customer 3	1,597.52	18.57%	84.15	7.23%	10.93	7.04%
Customer 4	901.01	10.47%	28.2	2.42%	3.82	2.46%
Customer 5	603.40	7.01%	19.57	1.68%	2.94	1.89%

g. in terms of our Top 10, Top 5, Top 3 Suppliers:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Top 3 Suppliers	3,323.99	51.66	677.40	51.73%	55.47	39.37%
Top 5 Suppliers	4,886.67	75.95	848.47	64.80%	70.07	49.73%
Top 10 Suppliers	6,037.96	93.84	1,047.73	80.01%	90.84	64.47%

h. The % of contribution of our Company's Top 5 Suppliers vis-à-vis the revenue from operations respectively as of for the Fiscal 2022, Fiscal 2023 and Fiscal 2024 is as follows:

(₹ In Lakhs)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Supplier 1	1,120.06	13.02%	300.03	25.8%	27.02	17.39%
Supplier 2	1,102.37	12.81%	195.31	16.8%	18.87	12.15%
Supplier 3	1,097.90	12.76%	182.07	15.6%	9.58	6.17%
Supplier 4	1,035.95	12.04%	98.40	8.4%	7.30	4.70%
Supplier 5	783.62	9.11%	72.66	6.2%	7.29	4.70%

FINANCIAL RATIOS OF THE COMPANY

(₹ In Lakhs)

Ratios	Formula	Year ended			% Change
		March 31, 2024	March 31, 2023	March 31, 2022	
Current ratio	Current assets	2.181	1.844	2.182	18.29%
	Current liabilities				
Debt-equity ratio	Total debt	0.19	0.38	0.34	(50.16%)
	Total shareholder's equity				
Interest coverage ratio	EBIT	30.56	31.58	NA	(3.24%)
	Interest				

Return on equity	Net profit after taxes	0.585	0.195	0.003	200.52%
	Equity shareholders' funds				
Trade receivable turnover ratio	Netsales	2.66	2.83	5.32	(5.97%)
	Accounts receivable				
Net profit ratio	Net profit	0.202	0.063	0.002	223.08%
	Sales				
Return on capital employed (pre tax)	EBIT*100	50.93%	30.58%	1.15%	66.55%
	Capital employed				
Return on capital employed (post tax)	EBI* 100	49.26%	29.61%	1.15%	66.37%
	Capital employed				

PLACES OF BUSINESS OF THE COMPANY

We operate our business from the following locations:

SN	Description	State	Owned by	Location	Status	Validity (till)
1.	Registered Office and Fulfilment Centre	Uttar Pradesh	Vivek Tyagi Amount of Rent – INR 24,150/- per month	Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector 18, Gautam Buddha Nagar, Noida, Uttar Pradesh 201301	Lease	02/05/2025
2.	Corporate Office	Delhi	Sushma Agrawal Amount of Rent – INR 46,000/- per month	15 th Floor, Statesman House situated at 148, Barakhamba Road, New Delhi 110001	Rent	13/03/2027
3.	Fulfilment Centre	West Bengal	Shreyah Agarwal License Fee - INR 6000/- per year	32, Chowringhee Road, Om Tower, 7 th Floor, Unit No- 705 Park Street Kolkata 700071	Leave and License	05/03/2025
4.	Address at which the books of accounts of the company is maintained	Uttar Pradesh	Ashish Aggarwal	Flat No 1312 A Tower A, Savy Ville De Raj Nagar Extn, Raj Nagar Extension, Ghaziabad, Ghaziabad, Uttar Pradesh, India, 201017	Owned	NA
5.	Company operated store	Uttar Pradesh	R.S. Creations Amount of Rent – INR 35,400/- per month	1st Floor at 6 Sardar Patel Marg, Civil Lines, Allahabad 211018	Rent	17/11/2024
6.	Company operated store	Haryana	Deepak Dahiya Amount of Rent – INR 15,000/- per month	Shop No. 101, Dhanwapur Road, Opp. CCA School, Laxman Vihar, PH-II, Gurugram, Haryana 122006	Rent	30/11/2024
7.	Company operated store	Haryana	Ajay Singh Amount of Rent – INR 13,000/- per month	803 - C/28, Bharat Colony, Rohtak, Haryana 124001	Rent	01/11/2024
8.	Fulfilment Centre	Assam	VH Logistics Planners	Pravin Chandra Teron House, Ground Floor, Near Vimashankar	Sub-Lease	20/06/2025

			Private Limited Amount of Rent - 7200/- per month for the first year	Mandir Gate, PO Garchuk Dist, Kamrup Metro, Guwahati 781035		
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OTHER PLACE OF BUSINESS

The company also has the following places of business which have been arranged/ allotted by or for it but the actual business has not commenced from such places. The company shall ensure all documentations, licenses, registrations etc. with regard to each of the 'places' before commencement of business therefrom:

S.N	Type of places of business	State	Address	Status	Validity (till)
1	Fulfilment Centre	Maharashtra	607, Central Facility Building, APMC Fruit Market, Sector 19, Turbhe, Navi Mumbai	Leave and License Agreement	Till 31-05-2025
2	Fulfilment Centre	Kerala	214/A Malpan House, Nayathode, Angamaly Village, Ernakulam, P.O. Box 683572, Kerala	Sub-Lease	Till 18-05-2025
3	Fulfilment Centre	Karnataka	Ground Floor, 3-177/4, Sagar Complex, Kuloor Kavoore Road, Kunjata Bail, Mangaluru, Dakshina Kannada, Karnataka – 575015	Sub-Lease	Till 18-05-2025
4	Fulfilment Centre	Karnataka	Unit No.172, E Block, Cargo Village, Kempegowda International Airport. Bangalore-560300	Sub-Lease	Till 18-05-2025
5	Fulfilment Centre	Tamil Nadu	Flat No. 184/19, Sree Vasai Arcade, Annamalai Nagar, Chenathur, Krishnagiri, Bypass Road, Hosur, Tamil Nadu 635109	Rent	Till 08-12-2024
6	Fulfilment Centre	Maharashtra	6th Floor, Office No. 608, Central Facility Building, Sector 19 Vashi Navi Mumbai, Maharashtra 400703	Leave & License	Till 31-05-2025
7	Fulfilment Centre	Karnataka	Ground Floor, 3-177/4, Sagar Complex, Kuloor, Kuloor Road, Mangaluru, Dakshin Kannada, Karnataka 575015	Sub-Lease	20-06-2025

COLLABORATIONS/ TIE-UPS/ JOINT VENTURES

The Company does not have any Collaboration/Tie Ups/ Joint Ventures, as on date of Draft Red Herring Prospectus.

SUBSIDIARIES/ ASSOCIATE COMPANIES

The Company does not have any subsidiaries or associate companies, as on date of Draft Red Herring Prospectus.

EXPORT AND EXPORT OBLIGATION

The Company has export sales as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Export	15.85	0.18%	34.19	2.94%	28.39	18.28%

Our Company does not have export obligations, as on date of this Draft Red Herring Prospectus.

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our offices and other operations locations are well equipped with adequate equipment and other facilities which are required for our business operations. Our e-commerce portal richness.com is hosted on cloud servers and does not require physical infrastructure at our location.

Power

Our Company's operational energy needs, which are primarily for standard office use, are completely accommodated by the existing facilities. The power requirements for our day-to-day operations are modest and are adequately met within our current premises.

Water

The Company does not require water facilities required for business purposes. The requirements are fully met for human consumption at the existing premises.

HUMAN RESOURCES

We have a qualified and professional employee base of 14 fulltime employees and 7 contractual employees, excluding KMP, as on date of this Draft Red Herring Prospectus. Our majority workforce are skilled workmen. Many of our employees, particularly the senior management, have been working with our Company since inception. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, execution of services within time and quality, we believe human capital is one of the most valuable assets of our Company as their technical know-how and skill sets position us at a competitive advantage over our competitors in providing some of our services.

Job profile wise employee break up as following:

Job Profile	Number
Fulfillment Operations	3
Marketplace Operations	2
Store Operations	4
Customer Service	1
Finance & Accounts	3
MIS	1
Total	14

MARKETING STRATEGY

The marketing strategy of our Company is targets both B2C and B2B segments with a concentrated focus on Tier 2 and Tier 3 cities. We have implemented a multifaceted marketing strategy that synergizes digital and physical sales channels to elevate brand visibility, enhance customer loyalty, and ensure a seamless purchasing process across all platforms.

Market Analysis

- Detailed analyses of consumer behaviour, preferences, and purchasing power in Tier 2 and Tier 3 cities have been conducted, enabling the customization of offerings to local demands and trends. Competitive analyses and potential partnership opportunities have also been identified.
- Consumer bases and business clients have been segmented based on needs, behaviours, and preferences, allowing for the customization of marketing messages to increase relevance and engagement.

Digital Presence and E-commerce Optimization'

- The company's website has been optimized for search engines and designed to be mobile-friendly, recognizing the significant use of mobile internet in the target cities.
- Partnerships with major e-commerce platforms have been established, ensuring product listings are optimized for maximum visibility and conversion.
- Digital marketing initiatives, including social media, email, and SMS campaigns, have been localized and personalized to enhance engagement with the target audience.

Physical Store Integration

- An omnichannel experience has been developed, allowing for seamless interaction between online and offline shopping experiences. Features such as online stock checking in physical stores, in-store pickup of online orders, and easy returns and exchanges across channels have been implemented.
- Product offerings in physical stores have been customized based on local preferences and demand, utilizing data analytics for informed decision-making.

B2B Sales Network

- Relationships with local retailers and other B2B clients have been cultivated through personalized interactions, understanding their specific needs and fostering loyalty.
- Digital tools for B2B clients have been introduced, facilitating order placement, shipment tracking, and invoice management, streamlining the purchasing process.

Brand Building and Community Engagement

- Collaborations with local influencers and community leaders have been initiated to enhance brand visibility and credibility.
- The company has engaged in community initiatives and sponsored local events, fostering brand loyalty and recognition within the community.

Logistics and Supply Chain Optimization

- An efficient distribution strategy has been developed, ensuring timely deliveries across both B2C and B2B channels and maintaining product availability.
- A feedback loop for collecting and analyzing customer feedback across all sales channels has been established, enabling continuous improvement of product offerings and customer service.

Data Analytics and Continuous Improvement

- Data analytics are utilized to gain insights into customer behaviour, sales trends, and operational efficiency, informing strategic decisions and optimizing marketing campaigns.
- The company maintains adaptability, ready to adjust strategies based on market feedback and changing consumer trends, ensuring a competitive edge.



Our management regularly attends business expositions for marketing and sales.

BUSINESS STRATEGY

The strategic direction of the company is oriented towards an extensive expansion of its product range, brand partnerships, and category inclusions, aiming to cater to a broader spectrum of consumer needs and preferences. This expansion strategy is coupled with a targeted approach to increase our physical presence in Tier 2 and Tier 3 cities as well as in strategically significant locations such as airports and army canteens. These areas have been identified based on their economic growth potential and relatively lower market saturation for FMCG products. By establishing physical retail outlets in these regions, the company intends to enhance its market penetration, increase brand visibility, and directly engage with a wider consumer demographic.

The inclusion of airports and army canteens as focal points for new physical store openings represents a deliberate effort to capture a wider, diverse customer demographic, including transient populations and military personnel. By situating stores in airports, the company aims to leverage high foot traffic and capture the attention of domestic and international travellers, offering convenience and a range of quality products tailored to their needs. Similarly, the establishment of outlets in army canteens facilitates access to our comprehensive product range for military personnel and their families, ensuring that our offerings are available to this specific community, which values quality, reliability, and accessibility.

Parallel to market and product line expansion, the company plans to pursue vertical integration by developing in-house production capabilities for a select range of products. This strategic move aims to ensure greater control over the supply chain, enhance the ability to respond to market demands more swiftly, and maintain high standards of quality control. Vertical integration is anticipated

to lead to cost efficiencies through the reduction of dependency on external suppliers and the optimization of production processes. This approach supports the company's objective to offer products that align with consumer expectations of quality and reliability, thereby strengthening the company's competitive position in the market.


Incorporating a diverse array of products, brands, and categories into the company's portfolio aligns with the strategic goal of becoming a comprehensive provider for consumers, offering a wide selection of goods that meet various needs and preferences. The decision to expand into airports and other high-traffic locations is designed to maximize brand exposure to diverse consumer segments, including transient populations, thereby enhancing the brand's reach and consumer engagement. Through the implementation of these strategies, the company aims to achieve sustainable growth, increase its market share, and establish a strong foothold in both existing and emerging markets. This comprehensive approach underlines the company's commitment to adapting its business model and strategies to meet the evolving demands of the market and consumer base effectively.

INSURANCE

Insurance policies purchased by our Company:

S. N.	NAME OF POLICY	POLICY NO.	COVERAGE STARTS	COVERAGE ENDS	SUM INSURED (INR)
1	Marine Cargo Open Policy	0891040253	09/08/2023	08/08/2024	60,00,000
2	Marine Cargo Open Policy	0891010635	09/08/2023	08/08/2024	60,00,000
3	Commercial Policy Package	5182344752	18/07/2024	17/07/2025	1,05,00,000
4	Commercial Policy Package	5160046590	18/07/2024	17/07/2025	1,05,00,000
5	Commercial Policy Package	5160045872	18/07/2024	17/07/2025	1,05,00,000

INTELLECTUAL PROPERTY

Nature of Intellectual Property	Class	Description	Owner	Date of Certificate	Trade Mark No.
Trademark	5		Richesm Healthcare Limited	15/05/2021	4974603

DOMAINS

S. No.	Domain Addresses	Registration date	Expiry date
1	richesmagro.com	10-08-2023	10-08-2025
2	richesmtech.com	10-08-2023	10-08-2025
3	richesmtech.in	10-08-2023	10-08-2025
4	richesmorganic.com	10-08-2023	10-08-2025
5	richesmgroup.com	23-06-2023	23-06-2025
6	richesmfulfilment.com	23-06-2023	23-06-2025
7	richesm.in	10-03-2024	08-11-2026
8	richesm.com	04-02-2023	23-04-2025

INDEBTEDNESS

For details of indebtedness please refer to “*Restated Financial Information*” on page 151 of this Draft Red Herring Prospectus.

COMPETITION

The industry in which the Company operates, encompassing health, wellness, and beauty products, is marked by intense competition and rapid innovation. This sector attracts a diverse array of players ranging from large multinational corporations to niche startups, each vying for a share of the consumer's attention and wallet. The competitive landscape is further complicated by the varying scale of operations, with some companies focusing on broad, global markets, while others target specific demographics or wellness niches.

The proliferation of e-commerce has lowered entry barriers, enabling even small-scale producers to reach a global audience. This democratization of market access has intensified competition but also expanded the variety of products available to consumers.

Moreover, consumer preferences within this sector are increasingly influenced by trends towards natural, organic, and sustainable products, driving companies to innovate and reformulate their offerings. This shift has led to a burgeoning segment of the market dedicated to holistic and ayurvedic wellness products, alongside a growing demand for scientifically-backed nutraceuticals and supplements. The competitive dynamic is also shaped by regulatory environments across different regions, which can favor established players with the resources to navigate complex compliance landscapes. In response to these market forces, companies are adopting strategies such as brand differentiation, targeted marketing, and strategic partnerships to carve out and defend their market position. The landscape is characterized by a constant flux of emerging trends and consumer behaviors, requiring agility and foresight from companies to maintain relevance and competitiveness.

KEY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants and are neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 2013 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanisms regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI REGULATIONS

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administrated by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

State Tax on Profession, Trades, Callings and Employment Rules, 1975

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Drugs and Cosmetics Act, 1940 (the “Drugs Act”), the Drugs and Cosmetics Rules, 1945 (the “Drugs Rules”)

The Drugs Act regulates the import, manufacture, distribution, and sale of drugs and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated or spurious. The Drugs Act and the Drugs Rules specify the conditions for grant of a license for the manufacture, sale, import or distribution of any drug or cosmetic. They further mandate that every person holding a license to maintain such records that may be open to inspection by relevant authorities. Any violations of the provisions of the Drugs Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents are punishable with a fine, or imprisonment or both. The Drugs Rules lay down the functions of the central drugs laboratory established under Section 6 of the Drugs Act. Under the Drugs Rules, an import license is required for importing drugs. The form and manner of application for import license has also been provided under the Drug Rules

Drugs, Medical Devices and Cosmetics Bill, 2022 (the “Drugs Bill, 2022”)

In July 2022, the Ministry of Health and Family Welfare, Government of India, released a draft of the Drugs Bill, 2022. The Drugs Bill, 2022 is proposed to amend and consolidate the laws relating to, inter alia, import, manufacture, distribution and sale of drugs and medical devices and cosmetics as well as the law relating clinical trials of new drugs and clinical investigation of investigational medical devices. The Drugs Bill, 2022 lays down the standards of the quality of imported drugs and cosmetics and circumstances under which these would be deemed to be adulterated, spurious and misbranded. Under the Drugs Bill, 2022, the central government has the power to prohibit or restrict or regulate the import of drugs and cosmetics in public interest including to meet the requirements of an emergency arising due to epidemic or natural calamities. Further, it lays down the standards of quality for manufacture, sale and distribution of drugs and cosmetics and clinical trial of drugs. The Drugs Bill, 2022 also proposes establishment of several boards and committees to assist and advise the Central and State Governments in the administration and regulation of drugs, cosmetics and medical devices. While the Ministry of Health and Family Welfare, Government of India, had intended to table the Drugs, Medical Devices and Cosmetics Bill, 2023 (“Drugs Bill, 2023”) in the Parliament in its Monsoon session this year, the same was, eventually, not tabled. The Drugs Bill, 2023 sought to repeal the Drugs Act. It also sought to regulate the import, manufacture, distribution and sale of drugs, medical devices, and cosmetics, and provide for regulatory standards to ensure their quality, safety, efficacy and performance.

Cosmetics Rules, 2020 (the “Cosmetic Rules”)

Under the Cosmetic Rules, no cosmetic shall be imported into India unless the product has been registered in accordance with these rules by the central licensing authority i.e., the Drugs Controller General of India, appointed by the Central Government. Further, any person who intends to manufacture cosmetics shall make an application for grant of a license or loan license to manufacture for sale or for distribution to the state licensing authority. Also, it needs to be ensured that if cosmetics are manufactured at more than one premises, a separate license is obtained for each such premises. Under the Cosmetic Rules, each batch of the raw materials used for manufacturing the cosmetics, and also each batch of the final product is required to be tested and the records or registers showing the particulars in respect of such tests is required to be maintained. The Cosmetic Rules further prescribes the labelling and packaging requirements to be followed for sale or distribution of cosmetics of Indian origin.

Drugs (Control) Act, 1950 (the “Drugs Control Act”)

The Drugs Control Act provides for control of sale, supply, and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government by notification to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

Drugs (Prices Control) Order, 2013 (the “DPCO”)

The DPCO has been notified under the Essential Commodities Act, 1955 (“ECA”). The first schedule to the DPCO consists of a list of essential medicines or formulations. In relation to these scheduled formulations, the DPCO inter alia prescribes the method for calculating the ceiling price and provides that the Government shall fix and notify the ceiling prices. The DPCO also prescribes the

method for calculating the retail price of a new drug in the domestic market for existing manufacturers of scheduled formulations. Further, under the DPCO, the Government has been assigned the task to monitor the production and availability of scheduled formulations and the active pharmaceutical ingredients contained in the scheduled formulation.

The Narcotic Drugs and Psychotropic Substances Act, 1985 (the “NDPS Act”)

The NDPS Act is a legal framework which seeks to control and regulate the operations relating to narcotic drugs and psychotropic substances. It prohibits, inter alia, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, import into India and transshipment of narcotic drugs and psychotropic substances, except for medical or scientific purposes. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by either imprisonment or monetary fines or both.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the “DMRA”)

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document and any announcement made orally or by any means of producing or transmitting light, sound or smoke. It also specifies the ailments for which no advertisement is allowed. DMRA prohibits advertisements that give false impression regarding the true character of a drug, make false claims for a drug, or are otherwise false or misleading in any material particular. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

The Essential Commodities Act, 1955 (the “ECA”)

The ECA empowers the Central Government, to control the production, supply and distribution of trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations.

Under the ECA, an essential commodity means a commodity specified in the Schedule to the ECA, which is updated and notified from time to time. Using the powers under it, the Central Government has issued control orders for inter alia controlling the price of, regulating by licenses, permits or otherwise the production or manufacture of any essential commodity. Violations under the ECA are punishable by either imprisonment or monetary fines or both.

Legal Metrology Act, 2009 (the “LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (the “LM Rules”)

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele -shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

The Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 (“Advertisement Guidelines”)

The Advertisement Guidelines provide for the prevention of false or misleading advertisements and making endorsements relating thereto. The Advertisement Guidelines apply inter alia to a manufacturer and to all advertisements regardless of form, format or medium. The Advertisement Guidelines lay down the conditions for non-misleading and valid advertisement and prohibit surrogate or indirect advertisements of goods or services whose advertising is prohibited or restricted by law, by portraying it to be an advertisement for other goods or services, the advertising of which is not prohibited or restricted by law. Further, the Advertisement Guidelines lay down duties of inter alia a manufacturer and provide inter alia that every manufacturer shall ensure that all descriptions, claims and comparisons in an advertisement which relate to matters of objectively ascertainable facts shall be capable of substantiation. The Advertisement Guidelines further provide that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive.

The Customs Act, 1962 and related regulations

The Customs Act, 1962, as amended, (“Customs Act”) regulates import of goods into and export of goods from India. Further, the Customs Act regulates the levy and collection of customs duty on goods imported into, or exported from India in accordance with the Customs Tariff Act, 1975. Under the Customs Act, the Central Board of Excise and Customs (“CBEC”) is empowered to appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as ICDs. Further, all imported goods unloaded in a customs area are required to remain in the custody of a person approved by the Commissioner of Customs, appointed under the Customs Act, until cleared for home consumption or warehoused or transhipped. The CBC can also, by notification, declare places to be warehousing stations. At such warehousing stations the assistant or deputy Commissioner of Customs may appoint public warehouses or license private warehouses. The license granted to a private warehouse is liable to be cancelled in case of any violation of the provisions of the Customs Act or the rules or regulations thereunder, or breach of any of the conditions of licenses or by giving the licensee a written notice of one month. Any importer of goods specified in the Customs Act and which have been entered for warehousing and assessed to duty, is required to execute a bond which is cancelled once all amounts due on such goods have been paid in full and the warehoused goods have been cleared for home consumption or export, as the case maybe. Further, the assistant/deputy Commissioner of Customs is authorized to permit any owner of any warehoused goods to carry out manufacture or other operations in relation to the goods stored at the warehouse, and were found necessary for development of domestic industry, the Central Government may exempt the imported materials consumed in such manufacture or other operations from the whole or part of the excess rate of duty. The warehoused goods shall be cleared for home consumption or exportation, as the case may be, upon presenting a bill of entry or bill of export, payment of requisite duty on the goods and obtaining a clearance order from the proper officer under the Customs Act. The Customs Act provides for levy of penalty and/or confiscation of, inter alia, prohibited or dutiable goods that are imported into or exported from an area that is not appointed as a customs port or customs airport or are imported or exported without payment of requisite duty. Additionally, any owner of motor vehicle is required to obtain written permission from the Commissioner of Customs for transhipment of imported goods by a motor vehicle, pursuant to the Goods Imported (Conditions of Transhipment) Regulations, 1995.

Uniform Customs and Practice for Documentary Credits (“UCP”)

This revision of the Uniform Customs and Practice for Documentary Credits (commonly called “UCP”) is the sixth revision of the rules since they were first promulgated in 1933. The UCP 2007 Revision. ICC Publication no. 600 are rules that apply to any documentary credit ("credit") (including, to the extent to which they may be applicable, any standby letter of credit) when the text of the credit expressly indicates that it is subject to these rules. They are binding on all parties thereto unless expressly modified or excluded by the credit.

The Indian Bills of Lading Act, 1856

Bill of lading in hands of consignee, conclusive evidence of the shipment as against master, etc.-- Every bill of lading in the hands of a consignee or endorsee for valuable consideration, representing goods to have been shipped on board a vessel, shall be conclusive evidence of such shipment as against the master or other person signing the same, notwithstanding that such goods or some part thereof may not have been so shipped, unless such holder of the bill of lading shall have had actual notice at the time of receiving the same that the goods had not in fact been laden on board: Provided that the master or other person so signing may exonerate himself in respect of such misrepresentation, by showing that it was caused without any default on his part, and wholly by the fraud of the shipper, or of the holder, or some person under whom the holder claims.

Handling of Cargo in Customs Area Regulations, 2009

Handling of Cargo in Customs Area Regulations, 2009, as amended, (“Cargo Handling Regulations”) are applicable to the handling of goods that are meant for import or export at ports, airports, ICDs, land customs stations and other customs areas notified under the Customs Act. The Cargo Handling Regulations prescribe conditions that must be fulfilled by an applicant to the satisfaction of the Commissioner of Customs, pursuant to which the Commissioner of Customs may approve such applicant as a customs cargo service provider initially for a period of two years, and thereafter for periods of five years each, upon review of such approval before

its expiry. These conditions include, inter alia adequacy of infrastructure, equipment and manpower, safety and security of the premises for loading, unloading, handling, storing of containers and cargo and obtaining insurance for an amount equal to the average value of the goods likely to be stored in the customs area based on projected capacity. Further, the customs cargo service provider is required to bear the cost of customs officers that are posted at such customs area on cost recovery basis and execute a bond for an amount equal to the average amount of duty involved on imported goods and 10% of the value of the goods to be exported.

Additionally, the customs cargo service provider has certain responsibilities, including, keeping a record of goods for import, export or transshipment and ensuring that goods are not removed from the customs area, or otherwise dealt with, without the written permission of the superintendent of customs or appraiser. Further, pursuant to a circular (no. 4/2011- Customs) dated January 10, 2011 issued by the CBEC, the CBEC has issued guidelines on safety and security of premises where imported or export goods are loaded, unloaded, handled or stored. These guidelines require that hazardous goods are stored at the approved premises of the customs cargo service provider in an isolated place duly separated from general cargo, the premises are equipped with adequate firefighting apparatus and necessary fire preventive equipment be provided, the material handling equipment (including cranes, reach stackers, tractors) and other machines used in the premises for handling of cargo are in conformity with the safety standards prescribed for such equipment and that the custodian provides appropriate contingency plan to handle emergency situations, including provision of medical first aid kits within the premises. The guidelines further prescribe that the space allocated for storage of hazardous cargo within the premises should be properly constructed and should provide specifications for the construction of such premises.

Motor Transport Workers Act, 1961 (“MTWA”)

The MTWA provides for the welfare of motor transport workers and to regulate the conditions of their work. It applies to every motor transport undertaking employing five or more motor transport workers. A ‘motor transport worker’ means a person who is employed in a motor transport undertaking directly or through an agency, whether for wages or not, to work in a professional capacity on a transport vehicle or to attend to duties in connection with the arrival, departure, loading or unloading of such transport vehicle and includes a driver, conductor, cleaner, station staff, line checking staff, booking clerk, cash clerk, depot clerk, time-keeper, watchman or attendant.

The Food Safety and Standards Act, 2006 (the “FSS Act”)

The FSS Act consolidates the laws relating to food and to establish the Food Safety and Standards Authority of India (the “Food Authority”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The Food Authority is required to provide scientific advice and technical support to the GoI and the state governments in framing the policy and rules relating to food safety and nutrition. The FSS Act also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication process. The Food Safety and Standard Regulations, 2011 lays down the procedure for registration and licensing process for food business and detailed standards for various food products.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder:

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2023:

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

LAWS RELATED TO ENVIRONMENTAL LAWS

National Environmental Policy, 2006

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

Environment (Protection) Act, 1986 as amended (“EPA”)

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water

Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization has been relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Noise Pollution (Regulation and Control) Rules, 2000

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

Environment Impact Assessment Notification of 2006

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

The Public Liability Insurance Act, 1991 (the “PLI Act”) and the Public Liability Insurance Rules, 1991 (the “PLI Rules”)

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

LAWS RELATING TO INTELLECTUAL PROPERTY

Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

The Patents Act, 1970:

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

Designs Act, 2000

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

Code on Wages, 2019

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604€ dated December 18, 2020.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

**The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

The Factories Act, 1948

The Factories' Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)

Public Liability Insurance Act, 1991 (“PLI Act”)

Industrial (Development and Regulation) Act, 1951 (“IDRA”)

Industrial Disputes Act, 1947 (“ID Act”)

Payment of Bonus Act, 1965 (“POB Act”)

Child Labour (Prohibition and Regulation) Act, 1986

Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressa“) Act, 2”13 (“SHWW Act”)

Equal Remuneration Act, 1976 (“ER Act”)

Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)

Workmen Compensation Act, 1923 (“WCA”)

Maternity Benefit Act, 1961 (“Maternity Act”)

Industrial Employment Standing Orders Act, 1946

Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

OTHER GENERAL REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):

MSME Act was enacted to facilitate the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Other regulations:

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

Other Applicable Laws.

In addition to the above, we are also governed by the provisions of the Companies Act 2013 and rules framed thereunder, fire-safety related laws, Indian Contract Act, 1872, Sale of Goods Act, 1930, Transfer of Property Act, 1882, Insurance (Development and Regulation) Act, 1999, Insolvency and Bankruptcy Code, 2016, Commercial Courts Act, 2015, Arbitration & Conciliation Act, 1996, foreign trade laws and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day-to-day business, operations and administration.

The above-mentioned legislations are applicable to the company out of which the key Acts and Regulations which govern the company are law relating to company and commercial laws, labour and their employment laws and tax laws. The above list however may not be exhaustive.

The Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and various Governmental Agencies/ Regulatory Authorities/ Certification Bodies required for its present business or to continue and expand its business activities.

It must, however, be distinctly understood that in granting the above approvals, licenses etc. the Government of India and other certifying or licensing authorities do not take any responsibility for the financial soundness of the entity (The Company in the present case) or the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The Company is carrying on its existing business/ commercial activities in terms of its object clauses as contained in its Memorandum and Articles of Association.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

HISTORY OF OUR COMPANY

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of “Richesm Healthcare Private Limited” bearing Corporate Identification Number U24299UP2021PTC141099 dated February 02, 2021 issued by the Registrar of Companies, Kanpur. Subsequently, the name of our Company was changed to “Richesm Healthcare Limited”, and a fresh Certificate of Incorporation dated October 18, 2023 was issued by the Registrar of Companies, Kanpur. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U24299UP2021PLC141099.

CHANGES IN OUR REGISTERED OFFICE

The registered office of our Company is presently situated at 1/54, 1st Floor, Wave Silver Tower, Plot No D-6, Sector 18, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301. The changes have been as follows:

Particulars of Registered Office	Date of Event	Purpose
From: Flat No. 1312-A, Tower-A, Savy Villede, Raj Nagar Extension, Ghaziabad, Uttar Pradesh 201011 To: 1/54, 1st Floor, Wave Silver Tower, Plot No D-6, Sector 18, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301	16/11/2023	Administrative convenience

MAIN OBJECTS OF OUR COMPANY

The Main Objects of our Company are inter alia as set forth below:

To manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade all kinds of pharmaceuticals, antibiotics, drugs, medicines, biologicals, nutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products, dry salters, mineral waters, cordials and also to deal in medicinal goods such as surgical instruments, contraceptives, photographic goods, oils, perfumes, cosmetics, patent medicines, soaps, artificial limbs, hospital requisites, proprietary medicines, veterinary medicines and tinctures extracts and to carry on the business of vialling, bottling, repacking, processing of tablets, capsules, syrups, injections, ointments, etc. and also to carry on the business of chemists, druggists, buyers, sellers, agents, distributors and stockists of all kinds of pharmaceuticals and allied products.

To carry on in India or abroad business of importers, merchants, general order suppliers, commission agents, representatives, distributors, royalty owner, contractors, auctioneers, indent agents, passage agents, factors, organisers, concessionaries, sale agents, sub agents, and insurance agents, in connection with the business as referred to in sub-clause (1) above.

To acquire, establish, run and maintain hospital(s) for the reception and treatment of persons suffering from illness, or mental defect or for the reception and treatment of persons during convalescence, or of persons requiring medical attention, or rehabilitation, to provide medical relief to the public in all branches of medical sciences by all available means, to run, own, manage, administer, diagnostic Centres, Scan Centres, Nursing Homes, Clinics, Dispensaries, Maternity Homes, Child Welfare and Family Planning Centres, Clinical, Pathological testing laboratories, X-Ray and ECG Clinics in India and abroad, to act as Consultant and Advisors providing technical know-how, technical services and allied services for the establishment, operation and improvement of Nursing Homes, Hospitals, Clinics, Medical Institutions, Medical Centres, Diagnostics Centres and Laboratories In India and abroad, to carry out medical research by engaging in the research and development of all fields of medical sciences, and in therapies of medical treatment, so as to afford medical relief in a better way, to provide research facilities for carrying on research, basic and applied, in all systems and discipline or medical and surgical knowledge, to develop pharmacological standardization of indigenous medical plant, to encourage and discover new medical and/or surgical management of disease and affections and to investigate and make known the nature and merits of investigations and findings and research in the said field and to acquire any processes upon such terms as may seem expedient and to improve the same and undertake the manufacture of any product developed, discovered or improved and/or to give licences for the manufacture for the same to other and either to market the same or to grant licenses to other to market the same on such terms as may be deemed fit, to provide, encourage, initiate or promote facilities for the discovery, improvement or development of new method of diagnosis, understanding and treatment of diseases.

AMENDMENTS TO THE MOA SINCE INCORPORATION

S. No.	Particulars	Date of Event
1.	Increase in Authorised Share Capital from 15,00,000 to 40,00,000	25/06/2021
2.	Increase in authorised capital from INR 40,00,000 to 65,00,000	05/10/2021
3.	Increase in authorised capital from INR 65,00,000 to 20,50,000	29/04/2022
4.	Increase in authorised capital from INR 20,50,000 to 4,05,00,000	23/11/2022
5.	Increase in authorised capital from INR 4,05,00,000 to 5,0500,000	31/03/2023

6.	Change of language of objects of the Company	01/09/2023
7.	Conversion of Private Limited into Public Limited	30/09/2023
8.	Increase in authorised capital from INR 5,05,00,000 to 20,00,00,000	18/12/2023
9.	Increase in authorised capital from INR 20,00,00,000 to 23,00,00,000	17/01/2024
10.	Increase in authorised share capital from INR 23,00,00,000 to INR 24,50,00,000	02/03/2024

KEY EVENTS AND MILESTONES

Year	Key milestones
2021	On 2 nd Feb 2021, Incorporated as a Private Limited company with ROC, Kanpur.
	Started as an e-commerce portal with vertical specialisation in the Health, Wellness, Beauty, and Nutrition Categories.
	Opened Store & Fulfilment Centre at Gurugram, Haryana
	Opened Store & Fulfilment Centre at Noida, UP
2022	Appointed Merchant Partner of Benefit Hub India
	Appointed Direct Distributor of Haleon (GSK) for Centrum
2023	Opened Store & Fulfilment Centre at Prayagraj (Allahabad), UP
	Consumer Banking Alliance Partner – ICICI Bank
	Opened Fulfilment Centre at Vashi, Navi Mumbai, Maharashtra
	Appointed Merchant Partner of Patanjali Foods Limited
	Launched “Sell with Us” program for niche brands
	Merchant tie-up with Compass Logistics International for Exports
	Business Pivot to include Marketplace Fulfilled B2C and Intermediary Fulfilled B2B Wholesale as large sales channels
	Launch Of “RichesM” label products
	Expanded Fulfilment Operations to Bengaluru, Cochin, Mangalore and Guwahati
	The Company converted into a Public Limited Company w.e.f. 18th October’ 2023.
Opened Store & Fulfilment Centre at Rohtak, Haryana	
2024	Won AAI bid to establish and operate RichesM Store at Prayagraj Airport

AWARDS AND ACCREDITATIONS

Year	Particulars
2021	Registered IEC Holder
	Certificate Of Recognition – Startup India
	6 th Humanit, Achievers Awards 2021
2022	Awarded “Best Health & Nutrition Company – E-Commerce”
2023	Member & Merchant Exporter – Coffee Board
	Registered Exporter Of Spices – Spice Board
	Licensed Exporter – Tea Board
	USFDA Certificate of Registration
	Invited Speaker (Dilmeet Kaur) At G20 Jan Bhagidari (Lucknow)
	Awarded “Honorary Associate” – Purvanchal Msme & Startup Expo (Varanasi)
	National Award For Supply Chain And Logistics Excellence - Cii “Scale” (Bengaluru)
	Associate Sponsor – Rajdhani Gaurav Awards 2023 (Season) (New Delhi)
	“Gifting & Health Partner” – G20 Jan Bhagidari (Lucknow)
	Special Invitee – Global Organic Expo 2023 (Greater Noida)
	Associate Sponsor – Miss/Mrs India Woman Of Substance Awards 2023 (Goa)
International Dazzing Award for Best Health Care Company of the Year	
2024	Registered Primary Seller – GeM Portal
	Certificate Of Recognition (Dilmeet Kaur) – Indian Pride Awards 2024
	AWARD & FASHION EVENT 2024 TAAZATALKS & ALPERZ CLUB
	Visionary Leaders of Bharat 2024

DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of our Company's activity, business model, marketing strategy, strengths and prospects, please refer to the chapters entitled "*Our Business*", "*Management Discussion and Analysis of Financial Conditions*" and "*Basis for Issue Price*" on page 105,188 and 91 respectively.

HOLDING COMPANY OF OUR COMPANY

Our Company does not have any holding company as on the date of filing this Draft Red Herring Prospectus.

SUBSIDIARY COMPANIES OF OUR COMPANY

Our Company does not have any Subsidiary as on this date of filing of this Draft Red Herring Prospectus.

ACQUISITION OF BUSINESS/UNDERTAKINGS & AMALGAMATION

Except as disclosed in this Draft Red Herring Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to "*Capital Structure*" beginning on page 63 of this Draft Red Herring Prospectus. For details of our Company's debt facilities, please refer to the section "*Restated Financial Information*" on page 151 of this Draft Red Herring Prospectus.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

INJUNCTION OR RESTRAINING ORDER

There are no injunctions/ restraining orders that have been passed against the Company.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOANS INTO EQUITY SHARES

Our Company has not defaulted in making payment of interest and repayment and there is no pending overdue with any lender as of the date of filing of this Draft Red Herring Prospectus. Refer "*Risk Factors*" beginning on Page 24 of this Draft Red Herring Prospectus for further information.

Furthermore, except as disclosed in "*Capital Structure*" beginning on Page 63 of this Draft Red Herring Prospectus, none of the Company's loans have been converted into equity in the past.

LOCK-OUT OR STRIKES

Our Company, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

SHAREHOLDERS OF OUR COMPANY

Our Company has Sixty-Five (65) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to "*Capital Structure*" beginning on page 63 of this Draft Red Herring Prospectus.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see "*Our Management*" on page 134 of this Draft Red Herring Prospectus.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material

development in “*Management’s Discussion and Analysis of Financial Conditions & Results of Operations*” beginning on page 188 of this Draft Red Herring Prospectus.

SHAREHOLDERS AGREEMENTS

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

COLLABORATION AGREEMENTS

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

NON-COMPETE AGREEMENT

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

JOINT VENTURE AGREEMENT

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

FINANCIAL PARTNERS

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus.

CORPORATE PROFILE OF OUR COMPANY

For details on the description of our Company’s activities, the growth of our Company, please see “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 105, 188 and 91 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consists of 5 (Five) Directors, out of whom 2 (Two) are Executive Directors and 3 (Three) are Non-Executive Directors and 2 (Two) of whom are Independent Directors.

Sr. No.	Name	DIN	Category	Designation
1.	Ashish Aggarwal	09049444	Executive	Managing Director
2.	Dilmeet Kaur	09049445	Executive	Whole-Time Director
3.	Gurmeet Singh	08106510	Non-Executive	Director
4.	Vishweshwar Dayal Goel	10302281	Non-Executive	Independent Director
5.	Ramayan Prasad Tiwari	10302965	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship(s)
1.	<p>Ashish Aggarwal Designation: Managing Director</p> <p>Address: House No-B-21, Near Surya Nagar Ghazizbad, Rampuri Chander Nagar, Uttar Pradesh 201011</p> <p>Date of Birth: 02-06-1975</p> <p>Qualification: Post-Graduate Diploma in Business Management (New Delhi Institute of Management), Executive Programme in Business Management (IIM Calcutta)</p> <p>Occupation: Business</p> <p>Experience: 18 Years</p> <p>Term of Office: 5 Years</p> <p>Date of Expiration of Term: 07/09/2028</p>	49	<p>List of Associated Companies</p> <ul style="list-style-type: none"> ● Rich Ocean Services Private Limited ● Richesm Ventures Private Limited ● Richesm Wellness and Hospitality Private Limited ● Richesm Fulfillment Solutions Private Limited ● Richesm Foundation ● HV Media Private Limited <p>List of Associated LLP None</p>
2.	<p>Dilmeet Kaur Designation: Whole-Time Director</p> <p>Address: B -173 , Guru Teg Bahadur Nagar , Kareli, Allahabad , Uttar Pradesh 211016</p> <p>Date of Birth: 03-04-1992</p> <p>Qualification: Bachelor of Technology (Civil Engineering)</p> <p>Occupation: Business</p> <p>Experience: 9 Years</p> <p>Term of Office: 5 Years</p> <p>Date of Expiration of Term: 07/09/2028</p>	32	<p>List of Associated Companies</p> <ul style="list-style-type: none"> ● Oshellare Health Private Limited ● Richesm Ventures Private Limited ● Richesm Wellness and Hospitality Private Limited ● Rich Ocean Services Private Limited ● Richesm Fulfillment Solutions Private Limited ● Richesm Foundation ● Oshellar Health Private Limited <p>List of Associated LLP</p> <ul style="list-style-type: none"> ● Euphoric Corporation LLP
3.	<p>Gurmeet Singh Designation: Non-Executive Director</p> <p>Address: B -175 , Guru Teg Bahadur Nagar , Kareli,</p>	68	<p>List of Associated Companies</p> <ul style="list-style-type: none"> ● Rich Ocean Services Private Limited <p>List of Associated LLP</p>

	<p>Allahabad, Uttar Pradesh 211016</p> <p>Date of Birth: 06-10-1955</p> <p>Qualification: Diploma in Quality Assurance from Industrial Training Institute, Allahabad</p> <p>Occupation: Retired</p> <p>Experience: 38 Years</p> <p>Term of Office: NA</p> <p>Date of Expiration of Term: Retire by Rotation</p>		None
4.	<p>Vishweshwar Dayal Goel Designation: Independent Director</p> <p>Address: H No. 193 B DDA LIG Flats Near PS Vivek Vihar Satyam Enclave Jhilmil East Delhi 110095</p> <p>Date of Birth: 12-09-1959</p> <p>Qualification: Bachelor of Arts</p> <p>Occupation: Business</p> <p>Experience: 30</p> <p>Term of Office: 5 Years</p> <p>Date of Expiration of Term: 30/09/2028</p>	64	<p>List of Associated Companies None</p> <p>List of Associated LLPs None</p>
5.	<p>Ramayan Prasad Tiwari Designation: Independent Director</p> <p>Address: Village Chandapur, Malak Herher Uperhar, Phaphamau, Allahabad, Uttar Pradesh 211013</p> <p>Date of Birth: 26-01-1988</p> <p>Qualification: Bachelor of Arts</p> <p>Occupation: Self Employed</p> <p>Experience: 15 Years</p> <p>Term of Office: 5 Years</p> <p>Date of Expiration of Term: 30/09/2028</p>	36	<p>List of Associated Companies None</p> <p>List of Associated LLP None</p>

BRIEF PROFILE OF THE DIRECTORS

Ashish Aggarwal, for further details kindly refer to the subsection titled – “*Key Managerial Personnel*” of this chapter.

Dilmeet Kaur, for further details kindly refer to the subsection titled – “*Key Managerial Personnel*” of this chapter.

Gurmeet Singh, His career began as a Technician at the Industrial Training Institute Allahabad in 1979, where he learnt technical troubleshooting capabilities and conducted preventive maintenance. After obtaining a Diploma in Quality Assurance from ITI Allahabad in the same year, he advanced to the role of Quality Assurance Supervisor within the same institution from 1979 to 2013. Here, he led quality assurance initiatives, conducted audits, and played a key role in staff training and process improvement.

Vishweshwar Dayal Goel, brings expertise and experience in the manufacturing sector, particularly in the production of PVC compounds. With over three decades of hands-on experience in this field, he has developed a comprehensive understanding of the complexities involved in PVC compound manufacturing processes. His academic background includes a Bachelor of Arts (General) degree obtained from the University of Sikkim. Currently, he is pursuing a LLB 3-Year Degree Course from Sri Vinayak College of Law Mavi Kalan, Baghpat, Uttar Pradesh.

Ramayan Prasad Tiwari, specializes in business liaisoning, leveraging extensive experience in navigating and managing relationships within governmental frameworks and has an experience of around 10 years in this field. He holds a Bachelor of Arts degree from Chatrapati Shahu Ji Maharaj University, Kanpur, equipping him with the foundational knowledge and skills necessary for his role in liaisoning.

Confirmations

As on the date of this Draft Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE, during the term of their directorship in such company.
- b) None of the Directors are on the RBI List of wilful defaulters
- c) None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d) None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018. None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.
- e) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- f) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

FAMILY RELATIONSHIP BETWEEN DIRECTORS

None of the Directors or Director and Key Managerial Personnel or Senior Management of the Company are related to each other as per Section 2(77) of the Companies Act, 2013, except as follows:

Name of Director	Relationship
Dilmeet Kaur	Daughter of our Director Gurmeet Singh
Gurmeet Singh	Father of our Whole-Time Director Dilmeet Kaur

DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) IN LISTED COMPANIES WHOSE SHARES HAVE BEEN / WERE SUSPENDED FROM BEING TRADED ON THE STOCK EXCHANGES AND REASONS FOR SUSPENSION

None of our Directors is / was a Director in any listed company during the last five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on any stock exchange.

DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) IN LISTED COMPANIES WHICH HAVE BEEN/ WERE DELISTED FROM THE STOCK EXCHANGE(S) AND REASONS FOR DELISTING

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

DETAILS OF ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CONSUMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH OF THE DIRECTORS WERE SELECTED AS A DIRECTOR OR MEMBER OF SENIOR MANAGEMENT

There are no arrangements or understandings with major shareholders, consumers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.

DETAILS OF SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, the directors have been issued Appointment letters for their term of appointment.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

BORROWING POWER OF THE BOARD

In terms of the special resolution passed at an Extraordinary General Meeting of our Company held on July 6, 2024 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, the consent of members of the Company has been accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹100 Crores.

COMPENSATION OF MANAGING DIRECTORS AND/OR WHOLE-TIME DIRECTOR(S)

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our MD/WTD for Fiscal 2024:

Name of the Executive Director	Designation	Compensation (in ₹ Lakhs)
Ashish Aggarwal	Managing Director	28.00 per annum
Dilmeet Kaur	Whole-Time Director	28.00 per annum

PAYMENTS OR BENEFITS TO OUR DIRECTORS

Non-Executive Directors:

Non-Executive Directors of the company - both Independent and Non-Independent - may be paid sitting fee, commission, and any other amounts as may be decided by our board in accordance with the provisions of the Articles of Association, the Companies Act, and other applicable laws & regulations.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our directors

Our Company does not have any performance-linked bonus or a profit-sharing plan in which our directors have participated.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered.

Our Company will not pay any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

SHAREHOLDING OF DIRECTORS OF OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him/her for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	No. of Equity Shares held	% of pre-issue Equity Share Capital of our Company
1.	Ashish Aggarwal	1,05,48,992	62.50%
2.	Dilmeet Kaur	40,03,520	22.96%
3.	Gurmeet Singh	71,456	0.41%

INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances. Provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Except as stated in the chapter “*Our Management*” and “*Restated Financial Information*” beginning on page 134 and 151 respectively and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Book Running Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Interest in promotion of Our Company

Except Ashish Aggarwal and Dilmeet Kaur, who are Promoters of our company, none of our directors have any interest in the promotion of our Company other than in ordinary course of business.

Interest in the property of Our Company

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of Our Company

Save and except as stated otherwise in “*Related Party Transaction*” in the chapter titled “*Restated Financial Information*” beginning on page number 151 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

Bonus or profit-sharing plan for the directors

There is no bonus or profit-sharing plan for the Directors of our Company.

Other indirect interest

Except as stated in chapter titled “*Restated Financial Information*” beginning on page 151 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

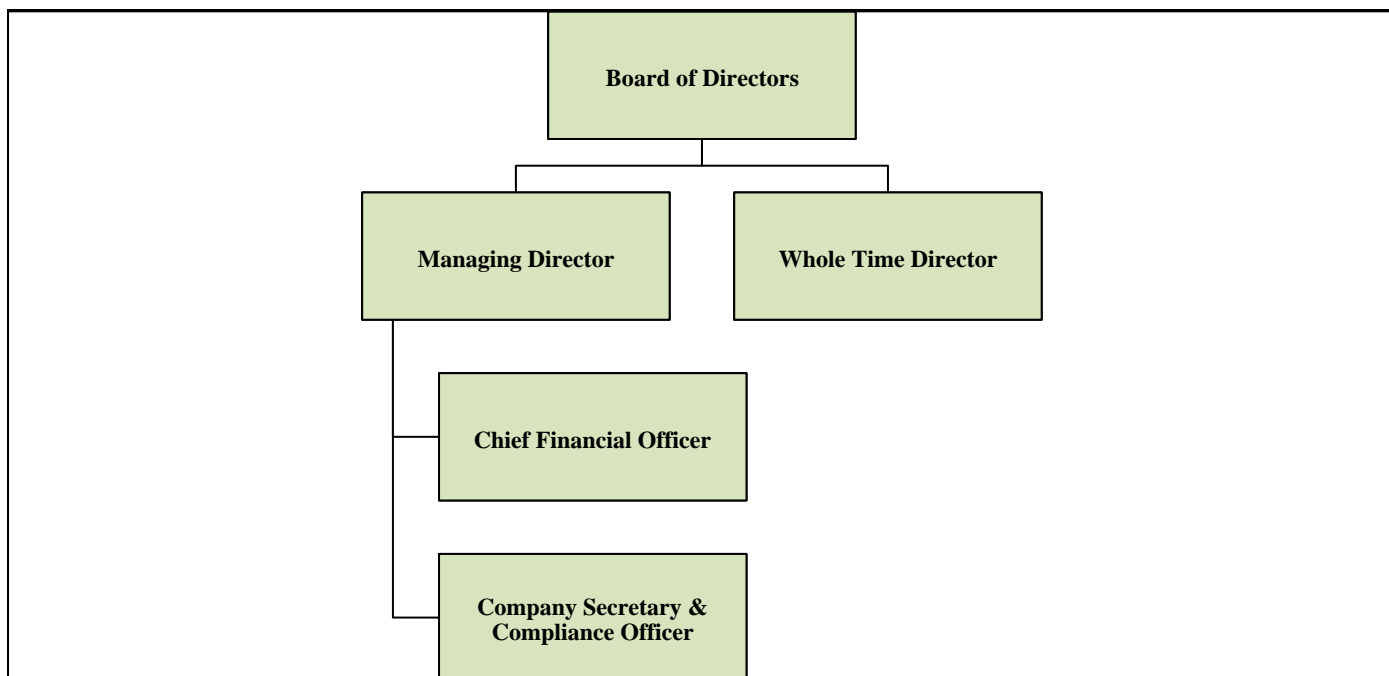
CHANGES IN THE BOARD

Save and except as mentioned below, there has been no change in directorships in our Company:

S. No	Name of Director	DIN	Date of Appointment	Date of change in designation	Date of Cessation	Reason
1	Mr. Ashish Aggarwal	09049444	02/02/2021	07/09/2023	-	Designation changed to Managing Director
2	Ms. Dilmeet Kaur	09049445	02/02/2021	07-09-2023	-	Designation changed to Whole Time Director
3	Mr. Dharam Asrey Aggarwal	07720007	02/02/2021		04/01/2023	Resigned due to personal reason

4	Mr. Vishweshwar Dayal Goel	10302281	07/09/2023		-	Appointed as Independent Director
5	Mr. Gurmeet Singh	08106510	07/09/2023		-	Appointed as Non-Executive Director
6	Mr. Ramayan Prasad Tiwari	10302965	07/09/2023		-	Appointed as Independent Director

MANAGEMENT ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including a woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. *Audit Committee*
2. *Nomination and Remuneration Committee*
3. *Stakeholders Relationship Committee*

Audit Committee

The Audit Committee was constituted vide Board resolution dated March 01, 2024 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Status in the Committee	Nature of Directorship
Vishweshwar Dayal Goyal	Chairman	Independent
Ramayan Prasad Tiwari	Member	Independent
Ashish Aggarwal	Member	Managing Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.

The Audit Committee enjoys following powers:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise if it considers necessary
- The audit committee may invite such executives as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of the internal audit committee.

The Audit Committee shall mandatorily review the following information:

- Management Discussion and Analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on March 01, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Status in the Committee	Nature of Directorship
Ramayan Prasad Tiwari	Chairman	Independent
Vishweshwar Dayal Goyal	Member	Independent
Gurmeet Singh	Member	Non-Executive

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

- Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors
- Devising a policy on diversity of the Board of Directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria, laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a committee.

The Meetings of the Committee shall be held at such regular intervals as may be required. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, including at least one independent director.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

Stakeholder Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a meeting of our Board held on March 01, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

- a) Ramayan Prasad Tiwari (*Chairperson*);
- b) Vishweshwar Dayal Goyal (*Member*);
- c) Gurmeet Singh (*Member*).

Role of Stakeholders' Committee

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

1. resolving the grievances of the security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company.
5. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities.

6. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Sr. No.	Name, Designation, Date of Joining, Qualification, Term and Previous Employment	Past business experience, and functions and areas of experience
1	<p>Name: Ashish Aggarwal</p> <p>Designation: Managing Director</p> <p>Date of Joining: Inception</p> <p>Qualification: Post-Graduate Diploma in Business Management (New Delhi Institute of Management), Executive Programme in Business Management (IIM Calcutta)</p> <p>Term of Office: 5 Years</p> <p>Date of Expiration of Term: 07/09/2028</p> <p>Previous Employment: Guardian Life Care Private Limited</p>	<p>Past Business Experience: He has engaged in strategic planning, business development, sourcing, finance, and logistics, contributing to organizational growth and process optimization.</p> <p>Functions: He oversees strategic direction, operational execution, and financial management of the organization. He leads business development efforts, cultivates strategic partnerships, and ensures alignment between various departments to achieve corporate objectives. His role also involves decision-making at the highest level to guide the company's growth and sustainability.</p> <p>Areas of Experience: His expertise lies in retail operations management, strategic partnership formation, financial management, and leading cross-functional teams, with a focus on supply chain efficiency and operational effectiveness.</p>
2	<p>Name: Dilmeet Kaur</p> <p>Designation: Whole-Time Director</p> <p>Date of Joining: Inception</p> <p>Qualification: Bachelor of Technology (Civil Engineering)</p> <p>Term of Office: 5 Years</p> <p>Date of Expiration of Term: 07/09/2028</p> <p>Previous Employment: NIL</p>	<p>Past business experience: She has a past business experience as Co-founder of the Company, where she has been instrumental in fundraising, scaling the consumer business, and guiding the strategic direction of the company.</p> <p>Functions: She oversees daily operational activities, strategic planning, and execution, ensuring alignment with the Company's goals. She plays a pivotal role in decision-making processes, assists the Managing Director in crafting business strategies, and ensures effective implementation, driving the company's growth and operational efficiency.</p> <p>Areas of Experience: Expertise in fundraising, strategic liaison, relationship building, data analysis, and adaptability to innovation. Responsibilities include strategy development, financial analysis, and stakeholder engagement. Committed to corporate social responsibility, supporting societal benefit initiatives.</p>
3	<p>Name: Vikash Kumar</p> <p>Designation: Chief Financial Officer</p> <p>Date of Joining: 23/12/2023</p>	<p>Past Business Experience: He has transitioned from operating his own business to corporate finance. His experience encompasses managing financial operations, developing business strategies, and handling fiscal decision-making within an entrepreneurial context.</p> <p>Functions: He oversees financial strategy, risk assessment, accounting, and reporting. He manages fiscal activities and evaluates the financial</p>

	<p>Qualification: B. Com</p> <p>Term of Office: Permanent</p> <p>Date of Expiration of Term: NA</p> <p>Previous Employment: HV Media Private Limited</p>	<p>implications of business decisions, including mergers and acquisitions.</p> <p>Areas of Experience: His expertise is in financial governance and strategy development. His qualifications in commerce and prior role at HV Media Private Limited have provided experience of more than 6 (Six) years in financial stewardship within the media sector.</p>
4	<p>Name: Preeti Srivastava</p> <p>Designation: Company Secretary and Compliance Officer</p> <p>Date of Joining: 01/03/2024</p> <p>Qualification: Company Secretary</p> <p>Term of Office: Permanent</p> <p>Date of Expiration of Term: NA</p> <p>Previous Employment: Daffodil Hotels Private Limited</p>	<p>Past business experience: She possess an overall experience of 23 years in the field of corporate and secretarial compliance. Served as Company Secretary in Daffodil Hotels Private Limited, part of HFCL Group, focused on hotels and hospitality. Held a similar role in Rajesh Projects (India) Private Limited within the RG Group, engaged in real estate. Previously, assisted as Company Secretary at PME Power Solutions (India) Limited, involved in manufacturing power transformers and transmission lines execution.</p> <p>Functions: The Company Secretary and Compliance Officer ensures adherence to statutory and regulatory requirements, oversees corporate governance, manages shareholder relations, and conducts board and general meetings. They maintain statutory records, draft corporate documents, and liaise with regulatory authorities, ensuring the company's compliance with legal and ethical standards, and reporting obligations.</p> <p>Areas of experience: Expertise includes company law compliance, secretarial audit, drafting of board and general meeting documentation, and handling statutory registers. Skilled in vetting agreements, convening meetings, managing share transfers, and ensuring compliance with listing requirements. Experience extends to annual reporting, filing with regulatory authorities, capital management, auditor appointments, and company office shifts, including NCLT matters.</p>

COMPENSATION OF KEY MANAGERIAL PERSONNEL

The table below sets forth the details of the compensation (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our key managerial personnel for Fiscal 2024:

Name of the KMP	Designation	Compensation for the Fiscal 2024 (in ₹ Lakhs)
Ashish Aggarwal	Managing Director	28.00 per annum
Dilmeet Kaur	Whole-Time Director	28.00 per annum
Preeti Srivastava	Company Secretary and Compliance Officer	0.87 per annum
Vikash Kumar	Chief Financial Officer	1.20 per annum

Notes:

- i. All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- ii. There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- iii. None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company; although they abide by their terms of appointments.

Family Relationship Between Key Managerial Personnel

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

Contingent and Deferred Compensation Payable to Key Managerial Personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel holds any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus, Except as follows:

Name	Designation	No. of Equity Shares Held
Ashish Aggarwal	Managing Director	1,05,48,992
Dilmeet Kaur	Whole Time Director	40,03,520
Vikash Kumar	Chief Financial Officer	3,075

Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business or in their roles of shareholders and Promoters of the Company.

Changes in Our Company's Key Managerial Personnel During the Last Three Years

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of KMP	Date of Change	Reason
1	Ashish Aggarwal	07/09/2023	Change of Designation
2	Dilmeet Kaur	07/09/2023	Change of Designation
3	Shivanshu Verma	01/07/2023	Internal Promotion
4	Shivanshu Verma	23/12/2023	Resignation
5	Vikash Kumar	23/12/2023	Appointment
6	Preeti Srivastava	01/03/2024	Appointment

Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel other than the loan mentioned in the chapter "**Restated Financial Information**" page 151.

Payment of Benefits to Officers of Our Company (Non-Salary Related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled "**Restated Financial Information**" and the chapter titled "**Our Business**" beginning on pages 151 and 105 of this Draft Red Herring Prospectus, we have not paid/given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

RETIREMENT BENEFITS

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.


OUR PROMOTERS

The Promoters of our Company are:

S.N.	Name	Category	Shareholding
1.	Ashish Aggarwal	Individual Promoter	60.50%
2.	Dilmeet Kaur	Individual Promoter	22.96%

For details of the build-up of our promoter' shareholding in our Company, see "Capital Structure" beginning on page 63 of this Draft Red Herring Prospectus.

Brief profiles of our Individual Promoters is as under:

	Name	Ashish Aggarwal
	Date of Birth and Age	02-06-1975; 49 years
	PAN	AFWPA6230K
	Personal Address	House No-B-21, Near Surya Nagar Ghazizbad, Rampuri Chander Nagar, Uttar Pradesh 201011
	Qualification	Post-Graduate Diploma in Business Management (New Delhi Institute of Management), Executive Programme in Business Management (IIM Calcutta)
	Directorships & Other Ventures	<ul style="list-style-type: none"> ● Richesm Ventures Private Limited ● Rich Ocean Services Private Limited ● Richesm Wellness and Hospitality Private Limited ● Richesm Fulfillment Solutions Private Limited ● Richesm Foundation ● HV Media Private Limited
	Experience	18 Years
	Occupation	Business
	No. of Equity Shares & % pre-Issue Shareholding	1,05,48,992 Shares: 60.50%

	Name	Dilmeet Kaur
	Date of Birth and Age	03-04-1992; 32 years
	PAN	CJOPK6435Q
	Personal Address	B -173 , Guru Teg Bahadur Nagar , Kareli, Allahabad , Uttar Pradesh 211016
	Qualification	Bachelor of Technology (Civil Engineering)
	Directorships & Other Ventures	<ul style="list-style-type: none"> ● Oshellare Health Private Limited ● Richesm Ventures Private Limited ● Richesm Wellness and Hospitality Private Limited ● Rich Ocean Services Private Limited ● Richesm Fulfillment Solutions Private Limited ● Oshellare Health Private Limited ● Richesm Foundation ● Euphoric Corporation LLP
	Experience	9 Years
	Occupation	Business

	No. of Equity Shares & % pre-Issue Shareholding	40,03,520 Shares; 22.96%
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For details pertaining to other ventures of our Promoters, refer to “**Our Group Companies**” beginning on page 149 of this Draft Red Herring Prospectus.

UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhaar and Passport Number of the Promoters will be submitted to BSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.

Our Promoters has confirmed that they have not been identified as wilful defaulters.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

COMMON PURSUITS/ CONFLICT OF INTEREST

The Promoters which are engaged in a similar line of business as our Company as on date of this Draft Red Herring Prospectus, namely via Riches Multi Services (Sole Proprietorship of Dilmeet Kaur) and Euphoric Corporation LLP (where Dilmeet Kaur is a Designated Partner) which are both engaged in sale, purchase and dealing of goods of similar nature to our Company, although the business models are distinct from our Company. Further, the Company and the Sole Proprietorship, in which the Promoters and Directors are interested have entered into a non-compete agreement to avoid and prevent any kind of Conflict of Interest. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

RELATIONSHIP OF PROMOTER WITH OUR DIRECTORS

Our Promoters are part of our Board of Directors as Managing Director and Whole Time Director. None of our Promoters are related to any of our Company’s Directors within the meaning of Section 2(77) of the Companies Act, 2013, except as disclosed in “**Our Management**” beginning on page number 134 of this Draft Red Herring Prospectus.

EXPERIENCE OF OUR PROMOTER

For information, refer to “**Our Management**” beginning on page number 134 of this Draft Red Herring Prospectus.

INTEREST OF PROMOTER

Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

Interest in the property of Our Company

Our Promoters have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Promoters also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

For more information, refer to “**Our Business**” beginning on page number 105 of this Draft Red Herring Prospectus.

Interest as member of Our Company

Our Promoters hold 1,45,52,512 Equity Shares aggregating to 83.46% of pre-issue Equity Share Capital in our Company and are therefore interested in the extent of his respective shareholding and the dividend declared, if any, by our Company. Except to the extent of his respective shareholding in our Company and benefits provided to our Promoters given in “**Our Management**” beginning on page 134 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

Interest as Director of our Company

Except as stated in the “**Restated Financial Information**” beginning on page 151 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

COMPANIES / FIRMS FROM WHICH THE PROMOTER HAVE DISASSOCIATED THEMSELVES IN THE LAST (3) THREE YEARS

Our Promoters has not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus, except as follows:

Ashish Aggarwal

S.No.	Company Name	Effective Date	Reason
1.	Connectens Entrepreneur Private Limited	10.05.2023	Pre-occupation in other assignment

Dilmeet Kaur

S.No.	Company Name	Effective Date	Reason
1.	Connectens Entrepreneur Private Limited	10.05.2023	Pre-occupation in other assignment

OTHER VENTURES OF OUR PROMOTER

Save and except as disclosed in the '*Our Promoters*' beginning on page 145 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

CHANGE IN THE CONTROL OF OUR COMPANY

There have been changes in the control of our Company, the Current Promoters of our Company are Ashish Aggarwal and Dilmeet Kaur. Initial subscribers to the MoA of our Company were Ashish Aggarwal, Dilmeet Kaur and Dharam Asrey Aggarwal. For details of the shareholding acquired by the Promoters of our Company refer to the capital build-up of our Promoters under "*Capital Structure*" beginning on page 63 of this Draft Red Herring Prospectus.

S.No.	Name of Promoters	Subscription Date	Cessation Date
1.	Ashish Aggarwal	02/02/2021	-
2.	Dilmeet Kaur	02/02/2021	-
3.	Dharam Asrey Aggarwal	02/02/2021	15/06/2022

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, please refer to "*Outstanding Litigation and Material Developments*" beginning on page 198 of this Draft Red Herring Prospectus.

PAYMENT OF BENEFITS TO OUR PROMOTER AND PROMOTER GROUP DURING THE LAST TWO YEARS

Save and except as disclosed under "*Restated Financial Information*" beginning on page number 151 of the Draft Red Herring Prospectus, there has been no Payment or benefit to promoter during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

OTHER CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under "*Outstanding Litigation and Material Developments*" beginning on page 198 of this Draft Red Herring Prospectus.

GUARANTEES

Our promoter may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to "*Statement of Financial Indebtedness*" and "*Restated Financial Information*" on page 186 and 151 respectively of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Company, please refer to “*Restated Financial Information*” beginning on page 151 of the Draft Red Herring Prospectus.

INFORMATION OF OUR GROUP COMPANIES

For details related to Our Group Companies please refer “*Our Group Companies*” on page 149 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018, form part of our Promoter Group:

S. No.	Relationship	Ashish Aggarwal	Dilmeet Kaur
1	Father	Dharam Asrey Aggarwal	Gurmeet Singh
2	Mother	Sudha Aggarwal	Indra Pal Kaur
3	Spouse	Nisha Aggarwal	-
4	Brother	Manish Aggarwal	-
5	Sister	-	Charan Preet Kaur
6	Son	Anand Aggarwal	-
7	Son’s spouse	-	-
8	Daughter	-	-
9	Daughter’s spouse	-	-
10	Spouse’s Father	Shanker Lal Aggarwal	-
11	Spouse’s Mother	Madhu Bala	-
12	Spouse’s Brother	-	-
13	Spouse’s Sister	-	-

B. Companies and proprietorship firms forming part of our Promoter Group are as follows:

Nature of Relationship	Name of Entities
Anybody corporate in which 20% or more of the share capital is held by the Promoters or an immediate relative of the Promoters or a firm or HUF in which the Promoters or any one or more of his immediate relative is a member.	<ul style="list-style-type: none"> ● Richesm Fulfillment Solutions Private Limited ● Richesm Foundation ● Richesm Ventures Private Limited ● Richesm Wellness and Hospitality Private Limited ● Rich Ocean Services Private Limited ● Euphoric Corporation LLP ● Richesm Multi services
Anybody corporate in which a body corporate as mentioned above holds 20% or more of the total share capital	NIL
Any HUF or firm in which the aggregate share of the Promoters and his relatives is equal to or more than 20% of the total capital	NIL

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Issue Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the chapter titled “*Restated Financial Information*” beginning on Page 161 of this Draft Red Herring Prospectus.

Pursuant to a resolution passed by our Board dated March 1, 2024 for the purpose of disclosure in the Issue Documents for the Issue, a company shall be considered material and disclosed as “Group Company”, if:

1. Such company (ies) in which, the investment in the form of equity or loan by the Company exceeds 10% of the net worth of the Company for the last audited financial year;
2. Where the Company has entered into one or more transactions with such company(ies) in the last audited financial year, cumulatively exceeding 10% of the total revenue of the Company for the last audited financial year;
3. Any other company/ entities that the Board may decide to consider material.

Accordingly, based on the parameters outlined above, as on date of this Draft Red Herring Prospectus, our Board has identified the following companies as Our Group Companies (“Group Companies”): **NIL**

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, the Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year/Fiscal, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see “*Financial Indebtedness*” on page 186.

There is no guarantee that any dividends will be declared or paid. We have not declared dividend in any Financial Year.

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SECTION VII – RESTATED FINANCIAL INFORMATION

RESTATED AUDITED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Independent Auditors Report on Restated Audited Financial Results for the period March 31 2024 , March 31 2023 and March 31 2022.	152-184

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENT

**The Board of Directors
Richesm Healthcare Limited,**

Office No. 1/54, 1st Floor,
Wave Silver Tower, Plot No. D-6
Noida, Sector 18, Gautam Buddha Nagar
Uttar Pradesh - 201301

Respected Sirs,

1. We have examined, the attached Restated Financial Statements of Richesm Healthcare Limited (the **"Company"** or the **"Issuer"**) comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 the Restated Statement of Profit and Loss, and the Restated Statement of Cash Flows for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, the statement of significant accounting policies, and other explanatory information (collectively, the "Restated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on 14 May 2024 for the purpose of inclusion in the Draft Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (**"the Act"**);
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by The Institute of Chartered Accountants Of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statement & other financial information for the purpose of inclusion in the Draft Prospectus / Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Kanpur in connection with the proposed IPO. The Board of Directors responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information.



3. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure 1 & 2 to the Restated Financial Statements. The Restated Financial Statements have been extracted by the management from the Audited Financial Statements of the Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with accounting principles generally accepted in India at the relevant time and approved by the Company in its board meetings held on, 2 May 2024, 21 July 2023 and 5 September 2022 respectively. The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors of the Company are also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

4. We have examined such Restated Financial Statements taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.



5. These Restated Financial Statements have been compiled by the management from:

- a) The Restated Financial Statements also contains the financial information year ended March 31, 2024 and for the year ended March 31, 2023 and year ended March 31, 2022. The financial information have been prepared by making Restated adjustments (refer annexure 3A) to the audited financial statements as at and for the year ended March 31, 2024 and year ended March 31, 2023 and March 31, 2022 which have been approved by the Board of Directors at their meeting held on 2 May 2024, 21 July 2023 and 5 September 2022 respectively as described in Annexure 1 & 2 to the Restated Financial Statements.

6. For the purpose of our examination:

Audit for the financial year ended March 31, 2024 was audited by us vide our report dated 2 May 2024. Audit for the financial year ended March 31, 2023, and March 31, 2022 was conducted by Harsh R Jain & associates Chartered accountants and Anil Ramkumar & Co. Chartered accountants vide report dated July 21, 2023, and September 5, 2022 respectively. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Financial Statements of the Company. Accordingly, reliance has been placed on the financial information examined by them for the said years and the financial report included for these period/years is based solely on the report submitted by them.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Statements:

- a) Have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount if any, in the respective financial years to which they relate.
 - iii. Extra-ordinary items, if any, that needs to be disclosed separately in the accounts requiring adjustments.
 - iv. Qualification in the Audit Reports issued by Statutory Auditor if any for the year ended March 31, 2024 and Year ended March 31, 2023 and March 31, 2022.
 - v. Qualifications in respect of matters specified in paragraphs 3 and 4 of Companies (Auditors' Report) Order, 2020 and which form part of Independent Auditors' reports to the financial statements for the years' ended March 31, 2023, which do not require adjustments to the restated summary financial statements are as below:



Clause 3 (vii)

- (a) The Company is not regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, and there have been serious delays in a large number of cases.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable, except as follows:

Statement of arrears of Statutory Dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (in lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Tax Act, 1961	Advance Tax	43.58	FY 2023-24	15th June 2023	Not paid	

Clause 3 (ix)

- (a) The Company has defaulted in repayment of loans or other borrowings to financial institutions and banks as per the details given in Appendix A. The Company has not taken any loans from government nor has it issued any debentures during the year.

Clause 3 (x)

- (b) The Company has made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and in our opinion, the requirements of section 42 and section 62 of the Act have been complied with, except for the following non-compliances:

Nature of securities	Type of Allotment	Amount Involved (in lakhs)	Nature of non-compliance
Equity Share Capital	Private Placement	102.56	Withdrawn and utilized the money before allotment of shares.
Equity Share Capital	Private Placement	0.99	Conversion of loan into equity
Equity Share Capital	Private Placement	1.31	Money had remitted in General Operating bank instead of separate bank account

8. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.



9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We, NKSC & Co., Chartered Accountants have been subjected to the peer review process of The Institute of Chartered Accountants of India ("ICAI") and hold a valid Certificate No. 014317 dated 16 June 2022 issued by the "Peer Review Board" of the ICAI.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with Securities and Exchange Board of India, SME Platform of NSE, and Registrar of Companies, Kanpur in connection with the proposed IPO. Our report should not be used, referred to or distributed or any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For NKSC & Co.

Chartered Accountants

Firm Registration No.: 020076N

A circular stamp for NKSC & Co. Chartered Accountants, Delhi. The stamp contains the text "NKSC & Co.", "Chartered Accountants", and "DELHI". A handwritten signature in blue ink is written over the stamp.

CA Priyank Goyal

Partner

Membership No.: 521986

UDIN: 24521986BKFKSQ5074

Date: May 14, 2024

Place: New Delhi

M/S Richesm Healthcare Limited
Restated Statement of Assets and Liabilities
(All amounts are ₹ in lacs unless otherwise stated)

Particulars	Annexure	As at		
		March 31, 2024	March 31, 2023	March 31, 2022
Equity and Liabilities				
Shareholders' funds				
Share capital	3	1,743.77	45.21	41.30
Reserves and surplus	4	1,232.51	329.59	31.09
Share application money pending allotment	5	-	-	19.59
		2,976.28	374.80	91.98
Non-current liabilities				
Long-term borrowings	6	86.48	62.10	-
Other non current liabilities	7	19.00	-	6.64
		105.48	62.10	6.64
Current liabilities				
Short-term borrowings	8	478.10	80.55	31.48
Trade payables	9			
- total outstanding dues of micro enterprises and small enterprises		571.55	14.02	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		836.52	364.97	10.17
Other current liabilities	10	179.67	24.32	5.34
Short-term provisions	11	287.77	22.60	0.05
		2,353.61	506.46	47.04
Total Equity and Liabilities		5,435.37	943.36	145.66
Assets				
Non current assets				
Property, plant and equipment	12	9.21	9.04	3.13
Intangible assets	13	-	-	-
Non current investment	14	0.18	0.18	-
Deferred tax assets (net)	15	0.44	0.18	0.03
Long-term loans and advances	16	291.55	-	39.87
		301.38	9.40	43.03
Current assets				
Inventory	17	1,574.31	443.83	30.93
Trade receivables	18	3,232.92	411.56	29.18
Cash and bank balances	19	106.79	38.51	18.26
Short-term loans and advances	20	219.93	40.05	24.26
Other current assets	21	0.04	0.01	-
		5,133.99	933.96	102.63
Total Assets		5,435.37	943.36	145.66

Summary of significant accounting policies

2

The accompanying notes form an integral part of these financial statements.

As per our report of even date.

For **NKSC & Co.**

Chartered Accountants

Firm Registration Number: 020076N


Priyank Goyal

Partner

Membership No.: 521986

UDIN No. 24521986BKFKSQ5074

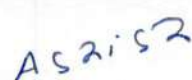


Date: May 14, 2024

Place: New Delhi

For and on behalf of Board of Directors of

M/S Richesm Healthcare Limited


Aashish Aggawal

Director

Director

DIN No.: 09049444


Vikash Kumar

Chief Financial Officer

PAN No.: DVGPK6143G

Date: May 14, 2024

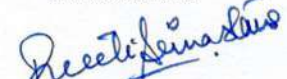
Place: Noida


Dilmeet Kaur

Director

Director

DIN No.: 09049445


Preeti Srivastava

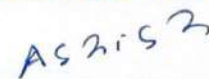
Company Secretary

ICSI No.: A31615

Date: May 14, 2024

Place: Noida

For Richesm Healthcare Limited


Managing Director

M/S Richesm Healthcare Limited
Restated Statement of Profit and Loss
(All amounts are ₹ in lacs unless otherwise stated)

Particulars	Annexure	Year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Income				
Revenue from operations	22	8,602.68	1,164.66	155.34
Other income	23	3.57	54.48	1.10
Total Income		8,606.25	1,219.14	156.44
Expenses				
Purchase of stock in trade	24	7,356.51	1,309.44	140.89
Change in inventories of stock in trade	25	(1,130.48)	(412.90)	(30.94)
Employee benefits expense	26	82.03	44.23	9.53
Finance cost	27	59.01	5.01	-
Depreciation and amortisation expenses	28	8.88	2.75	0.34
Other expenses	29	489.65	171.88	36.30
Total Expenses		6,865.60	1,120.41	156.12
Restated Profit before exceptional items and tax		1,740.65	98.73	0.32
Restated Profit before tax		1,740.65	98.73	0.32
Tax expense				
- Current tax		290.55	25.93	0.05
- Less MAT credit entitlement		(290.55)	-	-
- Deferred tax		(0.26)	(0.15)	(0.03)
Total tax expense		(0.26)	25.78	0.02
Restated Profit after tax		1,740.91	72.95	0.30
Earnings/(Loss) per equity share				
- Basic & diluted earning per share	30	11.38	16.56	0.07

This is the restated statement of profit and loss referred to in our report of even date.
The accompanying notes form an integral part of these financial statements.

As per our report of even date.

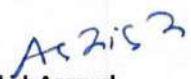
For **NKSC & Co.**
Chartered Accountants
Firm Registration Number: 020076N

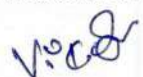

Priyank Goyal
Partner
Membership No.: 521986
UDIN No. 24521986BKPKSQ5074



Date: May 14, 2024
Place: New Delhi

For and on behalf of Board of Directors of
M/S Richesm Healthcare Limited


Aashish Aggawal
Director
DIN No.: 09049444


Vikash Kumar
Chief Financial Officer
PAN No.: DVGPK6143G

Date: May 14, 2024
Place: Noida



Dilmeet Kaur
Director
DIN No.: 09049445


Preeti Srivastava
Company Secretary
ICSI No.: A31615

Date: May 14, 2024
Place: Noida

For Richesm Healthcare Limited


Managing Director

M/S Richesm Healthcare Limited

Restated Cash Flow Statement

(All amounts are ₹ in lacs unless otherwise stated)

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
A. Cash flow from operating activities			
Net profit before tax	1,740.64	98.73	0.32
Adjustments for:			
Depreciation and amortisation expense	8.88	2.75	0.34
Finance cost	43.91	4.35	-
Interest on fixed deposit	(0.06)	-	(0.01)
Operating profit before working capital changes	1,793.37	105.83	0.65
Adjustments for (increase)/decrease in operating assets			
Inventories	(1,130.48)	(412.90)	(30.93)
Trade receivables	(2,821.36)	(382.38)	(29.18)
Other current assets	(0.03)	(0.01)	-
Loans and advances	(203.54)	24.08	(64.13)
Adjustments for increase/(decrease) in operating liabilities			
Trade payables	1,029.10	368.82	10.15
Other current liabilities	171.62	12.34	11.98
Net Cash generated/(used in) from operating activities	(1,161.32)	(284.22)	(101.46)
Less: Taxes paid	(2.77)	(3.38)	0.02
Net Cash generated/(used in) from operating activities	(1,164.09)	(287.60)	(101.44)
B. Cash flow from investing activities			
Purchase of property, plant & equipment	(9.29)	(9.08)	(3.47)
Sale of property, plant & equipment	0.24	0.42	-
Sale/(Purchase) of investments(net)	-	(0.18)	-
Interest income	0.06	-	0.01
Net cash (used in) investing activities	(8.99)	(8.84)	(3.46)
C. Cash flow from financing activities			
Issue of share capital	220.19	3.91	41.30
Share application money pending allotment	-	(19.59)	19.59
Increase in securities premium	451.83	225.55	30.79
Proceeds from/(repayment of) borrowings	610.51	111.17	31.48
Finance cost	(41.17)	(4.35)	-
Net cash generated from financing activities	1,241.36	316.69	123.16
Net increase in cash and cash equivalent (A+B+C)	68.28	20.25	18.26
Cash and cash equivalents at the beginning of the year	38.51	18.26	-
Cash and cash equivalents at end of the year	106.79	38.51	18.26



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited
Restated Cash Flow Statement
(All amounts are ₹ in lacs unless otherwise stated)

Notes to Cash Flow Statement

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
(i). Cash and cash equivalents comprise of:			
- In current account of scheduled bank	103.31	36.84	8.28
- Cash on hand	0.13	0.67	9.98
- As term deposits in scheduled bank	3.35	1.00	-
Total	106.79	38.51	18.26

- (ii). The accompanying notes form an integral part of the financial statements.
 (iii). The above cash flow statement has been prepared under the indirect method set out in AS-3 (*Cash Flow Statements*) as specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Summary of significant accounting policies (Refer note 2)
 As per our report of even date.

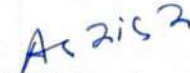
For **NKSC & Co.**
 Chartered Accountants
 ICAI Firm Registration No.: 020076N


Priyank Goyal
 Partner
 ICAI Membership No.: 521986
 UDIN No. 24521986BKFK505074



Date: May 14, 2024
 Place: New Delhi

For and on behalf of the Board of Directors of
M/S Richesm Healthcare Limited


Aashish Aggawal
 Director
 DIN No.: 09049444


Vikash Kumar
 Chief Financial Officer
 PAN No.: DVGPK6143G

Date: May 14, 2024
 Place: Noida



Dilmeet Kaur
 Director
 DIN No.: 09049445


Preeti Srivastava
 Company Secretary
 ICSI No.: A31615

Date: May 14, 2024
 Place: Noida

For Richesm Healthcare Limited


 Managing Director

1. Background

The Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "Richesm Healthcare Private Limited" bearing Corporate Identification Number U24299UP2021PTC141099 dated February 02, 2021 issued by the Registrar of Companies, Kanpur. Subsequently, the name of our Company was changed to "Richesm Healthcare Limited" and a fresh Certificate of Incorporation dated October 18, 2023 was issued by Registrar of Companies, Kanpur. As on date the Corporate Identification Number of our Company is U24299UP2021PLC141099.

The company engaged in the trading business. The Company sale its product on Online and offline Platform.

2. Summary of significant accounting policies

(i) Basis for preparation of Restated Financial Statements:

The Restated Statement of assets and liabilities of the Company as at March 31, 2024, March 31, 2023, March 31, 2022 and the related Restated Statement of profits and losses, and cash flow for the year ended March 31, 2024 and year ended March 31, 2023, March 31, 2022 and accompanying annexures to Restated Financials Statement (hereinafter collectively called "Restated Financial Statement") have been prepared specifically for inclusion in the draft red herring prospectus to be filed by the Company with the Stock Exchanges in connection with proposed initial public offer of equity shares of Rs. 10 each of the Company (the "Offering"). The Company has prepared the Restated Statement on the basis that it will continue to operate as a going concern. The Restated Financial Statements have been prepared to comply in all material respects with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act")
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
- c) Guidance Note on Reports in Company Prospectuses (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

The Restated Financial Statements has been compiled from:

- a) Audited financial statements of the Company as at and for the year ended 31, 2024, March 31, 2023 and March 31, 2022 which have been approved by the Board of Directors at their meeting held on 15 March 2024, 21 July 2023 and 5 September 2022 respectively prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. These financial statements have been approved by the Board of Directors at their meetings held on 15 March 2024. The Restated Financial Statements are presented in INR, and all values are rounded to the nearest lacs, except when otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

(ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the reported date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimate is recognised prospectively in current and future periods.



For Richesm Healthcare Limited

Managing Director

(iii) Revenue recognition

Revenue from sales of goods is recognised when significant risks and rewards of ownership of goods are transferred to the customer.

Other Income

Interest

Revenue from interest on time deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

(iv) Property, Plant & Equipment

Items of property, plant & equipment are stated at cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditure related to an item of property; plant & equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant & equipment, including day to day repair and maintenance and cost of replacing parts are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Property, plant & equipment retired from active use and held for disposal are stated at lower of book value and net realisable value as estimated by the Company and are shown separately in the financial statements under other current assets. Loss determined, if any, is recognised immediately in the Statement of Profit and Loss, whereas profit and sale of such assets is recognised only upon completion of sale thereof.

(iv) Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Statement of Profit and Loss.

(v) Depreciation and amortisation

Depreciation has been calculated on Written Down Method at the useful lives, which are equal to useful lives specified as per schedule II to the Act. Amortisation has been calculated on Written Down method at the useful lives, based on management estimates and in accordance with Accounting Standard-26 "Intangible Asset".

Depreciation and amortisation on addition to property, plant & equipment and intangible assets respectively is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard from property, plant & equipment and intangible assets respectively is provided for up to the date of sale, deduction or discard of the assets as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year end, and changes, if any, are accounted for prospectively.



For Richesm Healthcare Limited

Managing Director

The useful lives of the assets are as under:

Particulars	Useful life (years)
Property, plant & equipment:	
Furniture and fixtures	8-10
Plant & Machinery	15
Office equipment	5
Computer equipment	3

(vi) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(vii) Leases:

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset as determined by the management or the useful life envisaged in Schedule II to the Act, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(viii) Employee Benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc are recognised in the Statement of Profit and Loss in the year in which the employee renders the related service.



For Richesm Healthcare Limited

Managing Director

(ix) Taxation

Tax expense for the year comprising current tax, deferred tax charge or benefit and MAT credit entitlement is included in determining the net profit for the year.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the entity has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax

Minimum alternate tax (MAT) under the Income Tax Act, 1961, payable for the year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the period in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the "Income-tax Act, 1961", the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(x) Provisions, contingent liabilities and contingent assets

Provision

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.



For Richesm Healthcare Limited

Managing Director

(xi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity share outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

(xiii) Segment Reporting

The Company is working in only trading of goods. Therefore, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not required.

(xiv) Material Events

Material events occurring after the balance sheet date are taken into cognizance.

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For Richesm Healthcare Limited
Managing Director

3 Restated Statement of Equity Share Capital

- i). The Company has two class of shares i.e. Equity Shares and preference share, having a par value of ₹ 10 per share.

Particulars	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised shares						
Equity shares of ₹ 10 each fully paid (previous year ₹ 10)	2,44,50,000	2,445.00	50,00,000	500.00	20,50,000	205.00
Preference share shares of ₹ 10 each fully paid	50,000	5.00	50,000	5.00	-	-
	2,45,00,000	2,450.00	50,50,000	505.00	20,50,000	205.00
Issued, subscribed and fully paid up shares						
Equity shares of ₹ 10 each fully paid (previous year ₹ 10)	4,52,094	45.21	4,13,033	41.30	4,13,033	41.30
Addition during the period	1,69,85,607	1,698.56	39,061	3.91	-	-
	1,74,37,701	1,743.77	4,52,094	45.21	4,13,033	41.30

- (ii).
- Reconciliation of the number of equity shares and amount outstanding at the beginning and end of the year**

Particulars	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Opening balance	4,52,094	45.21	4,13,033	41.30	-	-
Addition during the year (refer footnote (a), (b) and (c))	22,01,865	220.19	-	-	4,13,033	41.30
Allotment of share for a consideration otherwise than in cash (refer footnote (d))	1,47,83,742	1,478.37	39,061	3.91	-	-
Shares outstanding at the end of the year	1,74,37,701	1,743.77	4,52,094	45.21	4,13,033	41.30

Footnotes:

- (a) During the current year, the Company has made a private placement of 13,930 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 1,214 (including premium of ₹ 1,204) per share on May 05, 2023, June 08, 2023 and July 04, 2023.
- (b) During the current year, the Company has made a preferential allotment of 388 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 338 (including premium of ₹ 328) per share on November 18, 2023.
- (c) During the current year, the Company has made a right issue of 4,55,161 and 17,32,386 fully paid-up equity shares of face value of ₹ 10 each at issue price of ₹ 10 per share on July 21, 2023 and January 13, 2024 respectively. The Board has approved the same in Board meeting held on July 21, 2023 and January 13, 2024 respectively. Further, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares during the year ended March 31, 2024.
- (d) During the current year, the shareholders of the Company at their meeting held on July 22, 2023 and December 26, 2023 had approved the schemes of bonus issue in the proportion of 2 and 4 new equity shares for every 1 equity share respectively. A total sum of amounting ₹ 1289.81 lacs out of the Company's reserve and surplus be capitalized and the said sum so capitalized be applied in paying up in full at par 1,28,98,142 new equity shares of ₹ 10 each (hereinafter referred to as the "Bonus Shares") in the share capital of the Company.
- The Company has also converted related party loans of ₹ 471.40 lacs into 18,85,600 fully paid-up equity shares of face value of ₹ 10 each at issue price of ₹ 25 per share on

- (iii).
- Terms/rights attached to equity shares**

Voting

Each shareholder is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current and previous year.

Liquidation

In the event of liquidation of the Company, the shareholders shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

- (iv). The Company does not have any holding Company.

- (v).
- Shares held by the shareholders holding more than 5% shares in the Company**

Particulars	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Number	Percentage	Number	Percentage	Number	Percentage
Dharam Asrey Aggarwal	-	-	5,952	1.32%	2,03,125	49.18%
Ashish Aggarwal	1,05,48,992	60.50%	2,97,956	65.91%	1,01,562	24.59%
Dilmeet Kaur	40,03,520	22.96%	93,513	20.68%	1,01,563	24.59%
Anish Kumar Sinha	-	-	26,086	5.77%	-	-
	1,45,52,512	83.45%	4,23,507	93.68%	4,06,250	98.36%

- (vi).
- Details of shares held by promoters and promoters group**

Equity shares of INR 10 each, fully paid up held by:

Particulars	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Number of shares	% of total shares	Number of shares	% of total shares	Number of shares	% of total shares
Dharam Asrey Aggarwal	-	-	5,952	1.32%	2,03,125	49.18%
Ashish Aggarwal	1,05,48,992	60.50%	2,97,956	65.91%	1,01,562	24.59%
Dilmeet Kaur	40,03,520	22.96%	93,513	20.68%	1,01,563	24.59%
	1,45,52,512	83.45%	4,23,507	93.68%	4,06,250	98.36%



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

(vii). **Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

Particulars	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares allotted as fully paid-up pursuant to fully paid up for consideration other than cash	1,47,83,742	1,478.37	-	-	-	-
	1,47,83,742	1,478.37	-	-	-	-

(vii). There has been no issue of any buyback of shares from the period of incorporation of company till the reporting date.



For Richesm Healthcare Limited

Managing Director

Annexure 3A -Restated Statement of Material Adjustments

Summarised below are the Restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the period/year ended March 31, 2024, March 31, 2023, March 31, and 2022 and their consequential impact on the profit/ (loss) of the Company:

Particulars	For the Period/Year ending		
	March 31, 2024	31-Mar-23	31-Mar-22
A) Net profit/(loss) after tax as per audited financials statements	1,740.91	72.95	0.30
B) Adjustments			
(i) Audit qualifications			
- Provident Fund	-	-	-
(ii) Adjustments due to prior period items			
- Gratuity	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
Total adjustments	-	-	-
Restated profit/(loss) adjustments (A+C)	1,740.91	72.95	0.30

Summarised below are the Restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the period/year ended March 31, 2024, March 31, 2023, and March 31, 2022 and their consequential impact on the shareholder funds of the Company:

Particulars	For the Period/Year ending		
	March 31, 2024	31-Mar-23	31-Mar-22
A) Total Shareholder's funds as per audited financials statements	2,976.28	374.80	72.40
Opening reserves adjustment			
B) Adjustments			
(i) Audit qualifications			
- Provident Fund	-	-	-
(ii) Adjustments due to prior period items			
- Gratuity	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
Total adjustments	-	-	-
Restated shareholder's funds (A+C)	2976.28	374.80	72.40



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited
Notes to the Restated Financial Statements
(All amounts are ₹ in lacs unless otherwise stated)

4 Restated Statement of Reserves and surplus

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Profit in the Statement of Profit and Loss			
Opening balance	73.25	0.30	-
Add: Profit for the year	1,740.91	72.95	0.30
Less: Bonus issued during the year	(1,105.58)	-	-
Closing Balance	708.58	73.25	0.30
Securities Premium			
Opening balance	256.34	30.79	30.79
Add: Additions during the year	451.83	225.55	-
Less: Bonus issued during the year	(184.24)	-	-
Closing Balance	523.93	256.34	30.79
Total Reserves and surplus	1,232.51	329.59	31.09

5 Restated Share application money pending allotment

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Share application money received	-	-	19.59
Total	-	-	19.59

Footnotes:

- The company has agreed to issue 4,222 equity shares having a par value of ₹ 10 per share at the premium of ₹ 454 per share. The company has allotted these shares on April 25, 2022.
- The company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money.

6 Restated Statement of Long-term borrowings

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Term loans (unsecured)			
- From Banks (refer footnote (i))	50.71	69.48	-
- From NBFCs (refer footnote (ii))	139.93	15.20	-
Less: Current maturities of long-term borrowings	(104.16)	(22.58)	-
Total	86.48	62.10	-

Footnotes:

(i). **Term loans from banks**

Name of bank	ROI	Loan taken	Tenure	EMI	As at		
					March 31, 2024	March 31, 2023	March 31, 2022
HDFC Bank	16.25%	25.00	36 months	0.88	17.98	25.00	-
ICICI Bank	16.50%	35.00	36 months	1.24	25.05	34.38	-
Unity Small Finance Bank	19.65%	10.20	36 months	0.38	7.69	10.10	-
Total					50.72	69.48	-

(ii). **Term loans from NBFCs**

Name of financial institution	ROI	Loan taken	Tenure	EMI	As at		
					March 31, 2024	March 31, 2023	March 31, 2022
Hero FinCorp Limited	19.00%	15.20	36 months	0.56	11.05	15.20	-
UGRO Capital Limited	19.50%	25.44	36 months	0.94	20.39	-	-
Kisetsu Saison Finance India Private Limited	19.50%	15.30	24 months	0.77	10.18	-	-
Moneywise Financial Services Private Limited	21.27%	15.18	36 months	0.56	12.46	-	-
Ambit Finvest Private Limited	22.00%	10.00	24 months	0.52	8.26	-	-
Clix Capital Services Private Limited	20.50%	25.00	36 months	0.95	22.72	-	-
Tata Capital Financial Services Limited	17.00%	20.00	36 months	0.71	18.24	-	-
Getvantage Tech Private Limited	0.00%	25.00	10 months	2.50	18.12	-	-
Incred Financial Services Limited	21.00%	25.00	24 months	1.28	13.80	-	-
Incred Financial Services Limited	22.00%	10.00	24 months	0.52	4.70	-	-
Total					139.92	15.20	-



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited
Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

7 Restated Statement of Other Non-Current Liabilities

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Security deposit	19.00	-	6.64
Total	19.00	-	6.64

8 Restated Statement of Short-term borrowings

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Secured			
Bank overdraft (refer footnote (i))	215.09	57.97	-
Unsecured			
Unsecured loan from related parties (refer footnote (ii))	79.82	-	31.48
Unsecured loan from others (refer footnote (iii))	50.00	-	-
Credit Card (refer footnote (iv))	29.03	-	-
Current maturities of long-term borrowings	104.16	22.58	-
Total	478.10	80.55	31.48

Footnotes:

(i). The Company had taken Bank overdraft facility from Canara Bank which is transferred to Bank of Baroda in current year. Details of the facility are as follows:

Particulars	Canara Bank	Bank of Baroda
Sanctioned limit	₹ 95.00 lacs	₹ 300.00 lacs
Tenure	12 months	12 months
Interest rate	11.40%	12.10%
Repayment terms	On demand	On demand
Security:		
- Primary security	1. 25% of inventories 2. 40% of trade receivables	1. 25% of inventories 2. 25% of trade receivables due for less than 90 days
- Collateral	1. Rs. 49.86 lacs with Property of Ashish Aggarwal (Director): Flat no. A-1312 A, 12th floor, Tower A, Savy Ville De, Vill - Noor Nagar, Gaziabad, Uttar Pradesh and super area of such flat 2. Rs. 45.14 lacs with CGTMSE coverage - hybrid security model	Property of Ashish Aggarwal (Director): Flat no. A-1312 A, 12th floor, Tower A, Savy Ville De, Vill - Noor Nagar, Gaziabad, Uttar Pradesh and super area of such flat
- Personal guarantee	1. Ashish Aggarwal (Director) 2. Dilmeet Kaur (Director)	1. Ramayan Tiwari (Director) 2. Vishweshwar Goel (Director)
Loan due as on March 31, 2022	-	-
Loan due as on March 31, 2023	₹ 57.97 lacs	-
Loan due as on March 31, 2024	-	₹ 215.09 lacs

(ii). The Company has taken interest-free loans* from its related parties repayable on demand. Details of the loans are as follows:

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Ashish Aggarwal	79.82	-	0.09
Dilmeet Kaur	-	-	16.72
Dharam Asrey Aggarwal	-	-	14.67
Total	79.82	-	31.48

*For related parties loans, refer note 35.

(iii). The Company has taken loan of Rs. 50.00 lacs from Divine Comex Enterprises Private Limited at 12% interest which is repayable on demand. The Company has not provided any security or guarantee for the said loan.

(iv). The Company has taken business credit card from ICICI Bank with combined credit limit of Rs. 40.00 lacs. During the current year, some expenses are converted into EMI's which are disclosed in long-term and short-term borrowing as per the repayment schedule.

9 Restated Statement of Trade payables

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Due to micro, small and medium enterprises (refer note 34)	571.55	14.02	-
Others	836.52	364.97	10.17
Total	1,408.07	378.99	10.17

Footnotes:

(i). Trade payables other than due to micro, small and medium enterprises are non-interest bearing and are normally settled in the Company's operating cycle.



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

(ii). Ageing schedule for trade payables - March 31, 2024

Outstanding as at September 30, 2023 from due date of payment for

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Micro, small and medium enterprises	571.55	-	-	-	571.55
Other than micro, small and medium enterprises	836.52	-	-	-	836.52
Disputed dues - Micro, small and medium enterprises	-	-	-	-	-
Disputed dues - Other than micro, small and medium enterprises	-	-	-	-	-
Total	1,408.07	-	-	-	1,408.07

Ageing schedule for trade payables - March 31, 2023

Outstanding as at March 31, 2023 from due date of payment for

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Micro, small and medium enterprises	14.02	-	-	-	14.02
Other than micro, small and medium enterprises	364.97	-	-	-	364.97
Disputed dues - Micro, small and medium enterprises	-	-	-	-	-
Disputed dues - Other than micro, small and medium enterprises	-	-	-	-	-
Total	378.99	-	-	-	378.99

Ageing schedule for trade payables - March 31, 2022

Outstanding as at March 31, 2022 from due date of payment for

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Micro, small and medium enterprises	-	-	-	-	-
Other than micro, small and medium enterprises	10.17	-	-	-	10.17
Disputed dues - Micro, small and medium enterprises	-	-	-	-	-
Disputed dues - Other than micro, small and medium enterprises	-	-	-	-	-
Total	10.17	-	-	-	10.17

10 Restated Statement of Other current liabilities

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Interest accrued but not due	2.73	-	-
Employee related payables (refer note 35)	64.45	0.63	3.59
Advance from customers	108.81	10.03	1.00
Expenses payable	-	12.51	-
Statutory dues payable	3.68	1.15	0.75
Total	179.67	24.32	5.34

11 Restated Statement of Short-term provisions

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Provision for income tax (net of advance tax)	287.77	22.60	0.05
Total	287.77	22.60	0.05

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For Richesm Healthcare Limited



12 Restated Statement of Property, plant and equipment

Financial year 2023-2024

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the year	Deletions/ Adjustments	As at March 31, 2024	As at March 31, 2024
Office Equipment	5.48	6.30	0.24	11.54	1.80	2.66	-	4.46	7.08
Furniture & fixture	0.09	0.16	-	0.25	0.03	0.05	-	0.08	0.17
Computer	6.56	2.48	3.89	5.15	1.26	5.82	3.89	3.19	1.96
	12.13	8.94	4.13	16.94	3.09	8.53	3.89	7.73	9.21

Financial year 2022-2023

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Deletions/ Adjustments	As at March 31, 2023	As at March 31, 2023
Office equipment	3.01	2.89	0.42	5.48	0.24	1.56	-	1.80	3.68
Furniture & fixture	0.09	-	-	0.09	0.00	0.02	-	0.03	0.06
Computer	0.37	6.19	-	6.56	0.09	1.17	-	1.26	5.30
	3.47	9.08	0.42	12.13	0.33	2.75	-	3.09	9.04

Financial year 2021-2022

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the period	Deletions/ Adjustments	As at March 31, 2022	As at March 31, 2022
Office equipment	-	3.01	-	3.01	-	0.24	-	0.24	2.76
Furniture & fixture	-	0.09	-	0.09	-	0.00	-	0.00	0.09
Computer	-	0.37	-	0.37	-	0.09	-	0.09	0.28
	-	3.47	-	3.47	-	0.33	-	0.33	3.13

Footnotes

- The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2024, March 31, 2023 and March 31, 2022.
- There are no impairment losses recognised for the year ended March 31, 2024, March 31, 2023 and March 31, 2022.
- There are no exchange differences adjusted in Property, plant & equipment.
- Refer note 28 for depreciation

13 Restated Statement of Intangible assets

Financial year 2023-2024

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the period	Deletions/ Adjustments	As at March 31, 2024	As at March 31, 2024
Software	-	0.35	0.35	-	-	0.35	0.35	-	-
	-	0.35	0.35	-	-	0.35	0.35	-	-

Footnotes

- Refer note 28 for amortisation

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For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited
Notes to the Restated Financial Statements
(All amounts are £, in lacs unless otherwise stated)

12 Restated Statement of Property, plant and equipment

Financial year 2023-2024

	Gross block (at cost)		Accumulated depreciation		Net block As at March 31, 2024
	As at April 1, 2023	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024	
Office Equipment	548	11.54	1.80	2.66	7.08
Furniture & fixture	0.09	0.25	0.03	0.05	0.17
Computer	6.56	5.15	1.26	3.89	1.96
	12.13	16.94	3.09	8.53	9.21
					7.73

Financial year 2022-2023

	Gross block (at cost)		Accumulated depreciation		Net block As at March 31, 2023
	As at April 1, 2022	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023	
Office equipment	3.01	5.48	0.24	1.56	3.68
Furniture & fixture	0.09	0.09	0.00	0.02	0.06
Computer	0.37	6.56	0.09	1.17	5.30
	3.47	12.13	0.33	2.75	9.04
					3.09

Financial year 2021-2022

	Gross block (at cost)		Accumulated depreciation		Net block As at March 31, 2022
	As at April 1, 2021	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022	
Office equipment	-	3.01	-	0.24	2.76
Furniture & fixture	-	0.09	-	0.00	0.09
Computer	-	0.37	-	0.09	0.28
	-	3.47	-	0.33	3.13
					0.24

Footnotes

- The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2024, March 31, 2023 and March 31, 2022.
- There are no impairment losses recognised for the year ended March 31, 2024, March 31, 2023 and March 31, 2022.
- There are no exchange differences adjusted in Property, plant & equipment.
- Refer note 28 for depreciation

13 Restated Statement of Intangible assets

Financial year 2023-2024

	Gross block (at cost)		Accumulated depreciation		Net block As at March 31, 2024
	As at April 1, 2023	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024	
Software	0.35	0.35	-	0.35	-
	0.35	0.35	-	0.35	0.35

Footnotes

- Refer note 28 for amortisation

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For Richesm Healthcare Limited

Managing Director

14 Restated Statement of Non current investment

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Unquoted *			
Investment in equity instrument at cost			
1800 shares in HV Media Private Limited of Rs. 10 each	0.18	0.18	-
Total	0.18	0.18	-

* Aggregate book value of unquoted non current investment

0.18 0.18 -

Footnote:

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

15 Restated Statement of Deferred tax assets (net)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Deferred tax asset	0.44	0.18	0.03
Total	0.44	0.18	0.03

Footnotes:

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the decrease/increase in net "Deferred Tax Asset" for the current year has been recognised as charge/(benefit) in the Statement of Profit and Loss. The tax effect of significant timing differences as at year ended that reverse in one or more subsequent years gave rise to the following net Deferred Tax Asset.

16 Restated Statement of Long-term loans and advances

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
MAT credit entitlement	290.55	-	-
Capital advance (refer note 32)	1.00	-	39.87
Total	291.55	-	39.87

17 Restated Statement of stock-in-trade (Valued at lower cost and net realisable value)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Stock-in-trade *	1,574.31	443.83	30.93
Total	1,574.31	443.83	30.93

* Stock-in-trade is hypothecated as securities for bank overdraft (refer note 8)

18 Restated Statement of Trade receivables

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Unsecured, considered good	3,232.92	411.56	29.18
Total	3,232.92	411.56	29.18

Footnotes:

- (i) Trade receivables are hypothecated as securities for bank overdraft (refer note 8)
(ii) Trade receivables are non-interest bearing and are normally received in the Company's operating cycle.
(iii) Trade receivable includes transaction with related party (refer note 35)

(iv) Ageing schedule for trade receivables - March 31, 2024

Particulars	Outstanding as at March 31, 2024 from due date of payment for					Total
	0-6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 years	
Secured						
Undisputed - considered good	-	-	-	-	-	-
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
Unsecured						
Undisputed - considered good	2,052.08	973.15	207.69	-	-	3,232.92
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
Total	2,052.08	973.15	207.69	-	-	3,232.92



For Richesm Healthcare Limited

Managing Director

Ageing schedule for trade receivables - March 31, 2023

Outstanding as at March 31, 2023 from due date of payment for

Particulars	0-6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 years	Total
Secured						
Undisputed - considered good	-	-	-	-	-	-
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
Unsecured						
Undisputed - considered good	405.41	6.15	-	-	-	411.56
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
Total	405.41	6.15	-	-	-	411.56

Ageing schedule for trade receivables - March 31, 2022

Outstanding as at March 31, 2022 from due date of payment for

Particulars	0-6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 years	Total
Secured						
Undisputed - considered good	-	-	-	-	-	-
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
Unsecured						
Undisputed - considered good	24.48	4.70	-	-	-	29.18
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
Total	24.48	4.70	-	-	-	29.18

(v) Based on the status of the case, the company is confident of realizing the entire amount of trade receivables and does not foresee any impairment in carrying value. The management is confident of realizing the value at which they are carried notwithstanding the period outstanding.



For Richesm Healthcare Limited

Managing Director

19 Restated Statement of Cash and bank balances

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Cash and cash equivalents			
Cash on hand	0.13	0.67	9.98
Balances with banks			
- In current accounts	103.31	36.84	8.28
Other bank balances			
Bank deposits *	3.35	1.00	-
Total	106.79	38.51	18.26

* The Company has availed bank guarantee of ₹ 3.35 lacs from Bank of Baroda for which bank deposit of equal amount is provided as margin.

20 Restated Statement of Short-term loans and advances

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Security deposits	5.05	2.93	0.45
Balance with government authorities	33.89	27.82	5.88
Advance to suppliers	172.34	9.28	6.67
Other loan and advance	3.00	-	-
TDS Receivable from NBFC	2.72	-	-
Prepaid expenses	2.93	0.02	11.26
Total	219.93	40.05	24.26

21 Restated Statement of Other current assets

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Interest accrued but not due on fixed deposits	0.04	0.01	-
Total	0.04	0.01	-

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For Richesm Healthcare Limited

Managing Director



22 Restated Statement of Revenue from operations

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Sales	8,602.68	1,164.66	155.34
Total	8,602.68	1,164.66	155.34

23 Restated Statement of Other income

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Rebate & discount	3.36	4.05	0.57
Shipping fees	0.12	15.98	-
Commission received	-	34.45	-
Interest on fixed deposits	0.06	-	0.01
Miscellaneous income	0.03	-	0.52
Total	3.57	54.48	1.10

24 Restated Statement of Purchase of Stock in Trade

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Purchase of stock in trade	7,356.51	1,309.44	140.89
Total	7,356.51	1,309.44	140.89

25 Restated Change in Inventories of stock in trade

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
A. Inventory at the beginning of the year			
Stock in trade	443.83	30.93	-
Total (A)	443.83	30.93	-
B. Inventory at the end of the year			
Stock in trade	1,574.31	443.83	30.93
Total (B)	1,574.31	443.83	30.93
(Increase)/Decrease in inventories (A-B)	(1,130.48)	(412.90)	(30.93)

26 Restated Statement of Employee benefits expense

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Salaries, wages, bonus and other benefits	76.26	41.20	9.14
Staff welfare expenses	5.77	3.03	0.40
Total	82.03	44.23	9.54

27 Restated Statement of Finance cost

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Interest on borrowings	43.91	4.35	-
Interest on delay in payment of statutory dues	1.02	0.66	-
Other borrowing cost	14.08	-	-
Total	59.01	5.01	-



For Richesm Healthcare Limited

Managing Director

28 Restated Statement of Depreciation and amortisation expenses

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (refer note 12)	8.53	2.75	0.34
Amortisation on intangible assets (refer note 13)	0.35	-	-
Total	8.88	2.75	0.34

29 Restated Statement of Other expenses

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Legal & Professional services (refer footnote i)	63.48	20.80	2.62
Advertisement and business promotion expenses	19.63	10.89	4.39
Preliminary expenses	-	-	0.21
Rent	16.63	7.62	2.79
Repairs and maintenance	6.23	2.33	0.93
Power, fuel and water expenses	1.24	0.74	0.13
Bank charges	2.56	-	0.18
Transportation expenses	165.98	71.67	9.51
Commission & collection expenses	119.74	35.38	-
Insurance expenses	0.36	0.46	0.10
Office expenses	8.05	2.69	0.85
Ineligible ITC	40.16	-	-
Communication expenses	1.40	1.77	0.52
Travelling expenses	19.89	14.68	11.74
Rates & Taxes	15.73	2.14	2.33
Miscellaneous expenses	8.57	0.71	0.00
Total	489.65	171.88	36.30

Footnotes:

(i) Payment to auditors (excluding GST)

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Statutory audit	4.00	1.00	-
Tax audit	0.25	0.25	-
Total	4.25	1.25	-

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For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

30 Restated Statement of Earnings Per Share

The calculation of earnings per share (EPS) has been made in accordance with AS-20 (Earnings per Share). A statement on calculation of basic and diluted EPS is as under:

Particulars	Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Restated profit attributable to the equity share holders	1,740.91	72.95	0.30
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	153.04	4.41	4.13
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share after issue of bonus and right shares (refer footnote (ii) and (iii))	153.04	138.26	137.68
Restated Basic and diluted earning per share	11.38	16.56	0.07
Restated adjusted Basic and diluted earning per share after issue of bonus and right shares (refer footnote (ii) and (iii))	11.38	0.53	0.00

Footnotes:

- (i) The Company does not have any outstanding dilutive potential equity shares for year ended March 31, 2024, March 31, 2023 and March 2022. Hence, basic and diluted earning per share of the Company are same for year ended March 31, 2024, March 31, 2023 and March 2022.
- (ii) During the current year, the Company has made a right issue of 4,55,161 and 17,32,386 fully paid-up equity shares of face value of ₹ 10 each at issue price of ₹ 10 per share on July 21, 2023 and January 13, 2024 respectively.
- (iii) During the current year, the shareholders of the Company at their meeting held on July 22, 2023 and December 26, 2023 had approved the schemes of bonus issue in the proportion of 2 and 4 new equity shares for every 1 equity share respectively.

31 Restated Statement of contingent liabilities

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Bank guarantees	3.35	-	-
Total	3.35	-	-

32 Restated Statement of capital commitments

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) (refer note 16)	4.00	-	-
Total	4.00	-	-

33 Restated Statement of Leases

As lessee

The Company has taken premises for business purpose under operating lease. All lease agreements entered by the company are cancellable and do not have any undue restrictive or onerous clauses. The lease rental expenses are recognised in the Statement of Profit and Loss amounting ₹ 16.63 lacs, ₹ 7.62 lacs & ₹ 2.79 lacs for the year ended March 31, 2024, March 2023 and March 2022 respectively.

34 In terms of Section 22 of Chapter V of Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the disclosures of payments due to any supplier are as follows:

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year			
- Trade payables	571.55	14.02	-
- Other current liabilities	-	-	-
- Payables for expenses	-	-	-
- Principal amount due to micro and small enterprises	-	-	-
- Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-	-



For Richesm Healthcare Limited

Managing Director

M/5 Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

35 Restated Statement of Related party disclosure

The disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are given below:

A. List of related parties with whom transactions have taken place:

Nature of relationship	Name of related party
Key management personnel	Dharam Asrey Aggarwal (Director upto January 4, 2023) Ashish Aggarwal (Director) Dilmeet Kaur (Director)
Enterprises in which key management personnel and their relatives are able to exercise significant influence	Riches Multi Services (sole proprietorship of Director) RM Services (Sole proprietorship of relative of director) KMRS Ventures (Relative of director is director and shareholder) Rich Ocean Services Private Limited (Common director)

B. Details of related party transactions are as below:

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
1. Loans taken/adjusted			
Ashish Aggarwal	651.65	0.02	14.80
Dilmeet Kaur	33.57	-	16.72
Dharam Asrey Aggarwal	-	29.83	32.32
	685.22	29.85	63.84
2. Loans repaid			
Ashish Aggarwal	124.00	0.11	14.71
Dilmeet Kaur	10.00	16.72	-
Dharam Asrey Aggarwal	-	44.50	18.15
	134.00	61.33	32.86
3. Loans converted into equity			
Ashish Aggarwal	447.83	-	-
Dilmeet Kaur	23.57	-	-
Dharam Asrey Aggarwal	-	-	-
	471.40	-	-
4. Advance given			
Rich Ocean Services Private Limited	0.15	0.12	-
	0.15	0.12	-
5. Security deposit given			
Riches Multi Services	-	1.80	-
	-	1.80	-
6. Revenue from operations			
Dilmeet Kaur	0.28	-	-
Ashish Aggarwal	3.14	-	-
Riches Multi Services	8.20	1.28	0.89
RM Services	8.44	0.64	-
KMRS Ventures	166.70	2.11	-
	186.76	4.04	0.89
7. Purchase of stock in trade			
Riches Multi Services	69.88	116.02	2.46
RM Services	2.63	0.01	-
KMRS Ventures	0.80	1.84	-
	73.30	117.88	2.46
8. Director's remuneration			
Ashish Aggarwal	28.00	2.40	-
Dilmeet Kaur	28.00	2.40	-
	56.00	4.80	-
8. Payment made for director's remuneration (including statutory payments)			
Ashish Aggarwal	-	2.40	-
Dilmeet Kaur	-	2.40	-
	-	4.80	-
6. Expenses made on behalf of company			
Ashish Aggarwal	138.23	-	-
Dilmeet Kaur	66.48	-	-
Riches Multi Services	-	8.19	-
	204.71	8.19	-
6. Payment made on behalf of related party			
RM Services	7.64	1.39	-
Riches Multi Services	31.97	123.10	-
	39.61	124.49	-



For Richesm Healthcare Limited

Managing Director

C. Balance outstanding with or from related parties

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
1. Short-term borrowings			
Ashish Aggarwal	79.82	-	0.09
Dilmeet Kaur	-	-	16.72
Dharam Asrey Aggarwal	-	-	14.67
	79.82	-	31.48
2. Employee related payables			
Ashish Aggarwal	32.06	-	-
Dilmeet Kaur	31.21	-	-
	63.27	-	-
3. Trade receivables			
RM Services	-	5.95	-
KMRS Ventures	169.44	0.27	-
	169.44	6.23	-
4. Advance to supplier			
Riches Multi Services	115.32	-	-
Rich Ocean Services Private Limited	0.27	0.12	-
	115.59	0.12	-
5. Security deposit			
Riches Multi Services	1.80	1.80	-
	1.80	1.80	-



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

36 Restated Statement of Accounting Ratios

	Ratios	Formula	year ended			% Change
			March 31, 2024	March 31, 2023	March 31, 2022	
a).	Current ratio	Current assets Current liabilities	2.18	1.84	2.18	18%
b).	Debt-equity ratio	Total debt Total shareholder's equity	0.19	0.38	0.34	(50%)
c).	Debt service coverage	Earnings available for debt services (Interest + instalments)	40.99	23.86	NA	72%
d).	Return on equity	Net profit after taxes Equity shareholders' funds	0.58	0.19	0.00	201%
e).	Trade receivable turnover ratio	Credit sales Average accounts receivable	4.72	5.29	10.65	(11%)
f).	Net profit ratio	Net profit Sales	0.20	0.06	0.002	223%
g).	Return on capital employed (pre tax)	EBIT*100 Capital employed	59%	24%	0.35%	147%
h).	Return on capital employed (post tax)	EBIT*100 Capital employed	44%	18%	0.26%	147%



For Richesm Healthcare Limited

Managing Director

M/S Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

37 Restated Statement of Capitalisation

Particulars	Pre offer	Post issue
Debt:		
Long-term Borrowings	86.48	-
Short-term Borrowings	478.10	-
Total Debt (A)	564.58	-
Shareholders Fund:		
Equity shares	1,743.77	-
Reserves and Surplus	1,232.51	-
Total Shareholders Fund (B)	2,976.28	-
Total Debt / Shareholders Fund (A/B)	0.19	-



For Richesm Healthcare Limited


Managing Director

M/S Richesm Healthcare Limited

Notes to the Restated Financial Statements

(All amounts are ₹ in lacs unless otherwise stated)

38 Restated Statement of Segmental Reporting

The Company operates in a single segment of trading of goods. Therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

39 Restated Statement of Other statutory information

- (i). The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - (ii). The Company does not have any transactions with companies struck off.
 - (iii). The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
 - (iv). The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.
 - (v). The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (vi). The Company does not receive any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (vii). The Company does not have transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 40 These financial statements were approved for issue by the Board of Directors on May 14, 2024.
- 41 The Company has converted its status from private limited to public limited as on October 18, 2023.
- 42 The Company has reclassified/regrouped previous year figures where necessary to conform to the current year's classification.

As per our report of even date.

For **NKSC & Co.**

Chartered Accountants

Firm Registration Number: 020076N


Priyank Goyal
Partner

Membership No.: 521986

UDIN No. 24521986BKFKSQ5074



Date: May 14, 2024

Place: New Delhi

For and on behalf of Board of Directors of
M/S Richesm Healthcare Limited


Aashish Aggawal
Director
DIN No.: 09049444


Vikash Kumar
Chief Financial Officer
PAN No.: DVGPK6143G

Date: May 14, 2024

Place: Noida


Dilmeet Kaur
Director
DIN No.: 09049445


Preeti Srivastava
Company Secretary
ICSI No.: A31615

Date: May 14, 2024

Place: Noida

For Richesm Healthcare Limited


Managing Director

OTHER FINANCIAL INFORMATION*(In ₹ Lakhs, unless otherwise)*

Particulars	For period ended		
	31-03-2024	31-03-2023	31-03-2022
EBITDA	1,808.54	106.49	0.66
Earnings Per Share (EPS):			
Basic	11.38	16.56	0.07
Diluted	11.38	16.56	0.07
Return on Net Worth	58.49%	19.46%	0.41%
Net Asset Value per share	17.07	82.90	17.53

STATEMENT OF FINANCIALS INDEBTEDNESS

To,
The Board of Directors,

Richesm Healthcare Limited,

Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6,
Sector 18, Noida, Gautam Buddha Nagar,
Noida, Uttar Pradesh, India, 201301.

Dear Sir,

Below is the summary of loans outstanding as at 3^{1h} March 2024 in the books of accounts of **Richesm Healthcare Limited**.

Name of Lender	ROI	Security Offered	Sanction Amount (in lakhs)	Loan Type	Outstanding amount as on March 31, 2024 (in lakhs)
HDFC Bank	16.25%	NA	25.00	Unsecured – from banks	17.98
ICICI Bank	16.50%	NA	35.00	Unsecured – from banks	25.05
Unity Small Finance Bank	19.65%	NA	10.20	Unsecured – from banks	7.69
Hero FinCorp Limited	19.00%	NA	15.20	Unsecured – from NBFC	11.05
UGRO Capital Limited	19.50%	NA	25.44	Unsecured – from NBFC	20.39
Kisetsu Saison Finance India Private Limited	19.50%	NA	15.30	Unsecured – from NBFC	10.18
Moneywise Financial Services Private Limited	19.75%	NA	15.18	Unsecured – from NBFC	12.46
Ambit Finvest Private Limited	22.00%	NA	10.00	Unsecured - from NBFC	8.26
Clix Capital Services Private Limited	20.50%	NA	25.00	Unsecured - from NBFC	22.72
Tata Capital Financial Services Limited	17.00%	NA	20.00	Unsecured - from NBFC	18.24
Getvantage Tech Private Limited	0.00%	NA	25.00	Unsecured - from NBFC	18.12
Incred Financial Services Limited	21.00%	NA	25.00	Unsecured - from NBFC	13.80
Incred Financial Services Limited	22.00%	NA	10.00	Unsecured - from NBFC	4.70
Bank of Baroda.	12.10%	Hypothecation of current assets	300.00	Secured from bank	215.90
Divine Comex Enterprises Private Limited	12.00%	NA	50.00	Unsecured	50.00
ICICI Credit Card – 3002	NA	NA	40.00	Unsecured	29.03
TOTAL			646.32		

Further, we confirm that the Company has utilised the loans for the purposes for which they were availed.

For, M/s. NKSC & Co.
Chartered Accountants
Firm Registration No.: 020076N

CA Priyank Goyal
Partner
Membership No.: 521986
UDIN: 24521986BKFKRO1052

Date: May 20, 2024
Place: New Delhi

CAPITALISATION STATEMENT

For the pre-Issue and post-Issue capitalisation statement of our Company, refer Annexure 36 – “*Restated Financial Information*” on page 151 of this Draft Red Herring Prospectus.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the period ended 31st March 2024, 31st March 2023, and 31st March 2022. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled “Restated Financial Information” on page 151 of the Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled “Risk Factors” on page 24 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the chapter titled “Forward-Looking Statements” of this Draft Red Herring Prospectus. Unless otherwise stated, the Restated Financial Information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to RHL, our Company as on the date of this Draft Red Herring Prospectus. Unless otherwise indicated, Restated Financial Information included herein are based on our Restated Financial Statements for period ended 31st March 2024, 31st March 2023 and 31st March 2022 and included in this Draft Red Herring Prospectus beginning on page 151 of this Draft Red Herring Prospectus.

BUSINESS OVERVIEW

The Company operates as a comprehensive provider in the health, wellness, and nutrition sector, specializing in omnichannel sales. It supports manufacturers, producers, and traders by offering a platform to reach a wider market through its innovative "Sell with Us" program. This program aids entities with unique health, wellness, and beauty products, including organic foods, sports nutrition, vitamins & supplements, health food & drinks, herbs & ayurveda, and wellness products, who may not have access to large-scale marketing or distribution channels.

The "Sell with Us" initiative assists SMEs/Startups in the health and wellness sector to expand their market reach. It leverages omnichannel distribution, third-party e-commerce platforms, and a B2B network to optimize product visibility and accessibility. This collaborative model supports mutual growth within the health and wellness sector, emphasizing the Company's commitment to innovation and market expansion.

The Company integrates online sales via its e-commerce platforms, www.richesm.com and www.richesmagro.com, along with other major ecommerce platforms and with offline sales through its physical stores and a broad business-to-business sales network. This multifaceted approach ensures a seamless experience for consumers and provides market exposure and sales support to manufacturers, producers, and other traders, enabling them to effectively sell their produce through the Company's channels. The Company offers a diverse range of products including organic foods, sports nutrition, vitamins & supplements, ayurvedic supplements, FMCG products, and over-the-counter medical supplies through its omnichannel platform.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL STATEMENTS

As per mutual discussion between the Board of the Company and Book Running Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months, except as follows:

Our Company has secured an 80-IAC tax exemption, entitling us to a tax rebate. Concurrently, during the three-year tax holiday period, the Company will remit Minimum Alternate Tax (MAT) on its income.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure 4 of Restated Financial Statements under “*Restated Financial Information*” beginning on page 151 of this Draft Red Herring Prospectus.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 24 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Uncertainty in relation to the continuing effect of the COVID-19 pandemic on our business and operations.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
3. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
4. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. Inability to successfully obtain registrations in a timely manner or at all;

8. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
9. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
10. Recession in the market;
11. Changes in laws and regulations relating to the industries in which we operate;
12. Effect of lack of infrastructure facilities on our business;
13. Our ability to successfully implement our growth strategy and expansion plans;
14. Our ability to meet our capital expenditure requirements;
15. Our ability to attract, retain and manage qualified personnel;
16. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
17. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
18. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
19. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
20. Conflicts of interest with affiliated companies, the promoter group and other related parties;
21. The performance of the financial markets in India and globally;
22. Any adverse outcome in the legal proceedings in which we are involved;
23. Our ability to expand our geographical area of operation;
24. Concentration of ownership among our Promoters.

DISCUSSION ON THE RESULTS OF OPERATIONS

Particulars	31-March-24	% of Revenue	% Change vis-à-vis FY 2023	31-Mar-23	% of Revenue	% Change vis-à-vis FY 2022	31-Mar-22	% of Revenue
Income								
Revenue from operations	8,602.68	99.96%	638.64%	1,164.66	95.53%	649.75%	155.34	99.30%
Other income	3.57	0.04%	-93.45%	54.48	4.47%	4852.73%	1.10	0.70%
Total Income	8,606.25	100.00%	605.93%	1,219.14	100.00%	679.30%	156.44	100.00%
Expenses								
Purchase of Stock in trade	7,356.51	85.48%	461.81%	1,309.44	107.41%	829.42%	140.89	90.06%
Changes in inventories of stock-in-trade	(1.13 0.48)	-13.14%	173.79%	(412.90)	-33.87%	1234.52%	(30.94)	-19.78%
Employee benefits expenses	82.03	0.95%	85.46%	44.23	3.63%	364.11%	9.53	6.09%
Finance costs	59.01	0.69%	1077.84%	5.01	0.41%	0.00%	-	0.00%
Depreciation and amortisation expenses	8.88	0.10%	222.91%	2.75	0.23%	708.82%	0.34	0.22%
Other expenses	489.65	5.69%	184.88%	171.88	14.10%	373.50%	36.30	23.20%
Total Expenses	6,865.60	79.77%	512.78%	1,120.41	91.90%	617.67%	156.12	99.79%
Restated Profit/(Loss) before tax	1,740.65	20.23%	1663.04%	98.73	1.97%	30532.95%	0.32	0.21%
Tax expense								
Current tax	290.55	3.38%	1020.51%	25.93	2.13%	50743.25%	0.05	0.03%
- Less MAT credit entitlement	(290.55)	-3.38%	-	-	0.00%	0.00%	-	0.00%
Deferred tax (benefit)/charge	(0.26)	0.00%	81.12%	(0.15)	-0.01%	333.94%	(0.03)	-0.02%
Total tax expense	(0.26)	0.00%	-101.03%	25.78	2.11%	149025.39%	0.02	0.01%
Share of minority in profit								
Restated Profit/(Loss) after tax	1,740.91	20.23%	2286.45%	72.95	5.98%	24626.69%	0.30	0.19%

Key components of company's profit and loss statement:

Revenues

◆ Revenue from operations

Our revenue primarily generated from these three major categories of products:

- Organic Foods;
- Health, Wellness, Beauty and Nutrition, and;
- Fast Moving Consumer Goods (FMCG).

Initially, our product offerings centered around FMCG and nutrition & wellness ranges being. However, we expanded our portfolio to include organic food categories after the fiscal year 2022.

◆ Other income

Other income includes earnings from non-core business activities such as

Rebate and Discount: Rebates and discounts are incentives offered by suppliers to encourage bulk purchases or repeat business, typically based on volume or loyalty.

Shipping Fees: Shipping fees represent the income generated from the shipping charges we applied to B2C sales.

Commission received: We have received a one-time commission in Fiscal 2023 from a vendor upon the initial introduction of their product.

Interest on Fixed Deposits: We earned income from the initial deposits made for a property.

Miscellaneous Income: Miscellaneous Income consists fine and penalty to staff and other incomes from irregular sources.

Expenditure

◆ Purchase of Stock-in-trade

Procuring stock-in-trade represents the primary expense, constituting a considerable share of the total revenue.

◆ Change in inventories of stock-in-trade

Change in inventories consist of costs attributable to an increase or decrease in inventory levels during the relevant financial period. Changes in inventory accounted for (13.14)%, (33.87)%, and (19.78)% of our total income for Fiscal 2024, Fiscal 2023, and Fiscal 2022.

Better inventory management with focus on just-in-time and B2B fulfilment.

◆ Employment benefit expenses

Employment benefit includes (i) Salaries, wages, bonus and other benefits (ii) Staff welfare expenses. Employee benefit expenses accounted for 0.95%, 3.63%, and 6.09% of our total income for Fiscal 2024, Fiscal 2023, and Fiscal 2022.

◆ Finance costs

Finance costs include interest expense on borrowings, Interest on delay in payment of statutory dues, & other borrowing costs. Finance costs accounted for 0.69%, and 0.41% of our total income for Fiscal 2024 and Fiscal 2023. We don't have any borrowings in Fiscal 2022.

◆ Depreciation and amortisation expenses

Depreciation represents depreciation on our property, plant and equipment, which consist of office equipment, furniture and fixtures and computer. Amortization represents amortisation on Software. Depreciation and amortization expense accounted for 0.10%, 0.23%, and 0.22%, of total income for Fiscal 2024, Fiscal 2023, and Fiscal 2022.

◆ Other expenses

Other expenses primarily include expenses such as legal & professional services, advertisement and business promotion expenses, preliminary expenses, rent, repairs and maintenance, power, fuel and water expenses, bank charges, shipping fees, commission & collection expenses, insurance expenses, office expenses, ineligible ITC, communication expenses, travelling expenses, rates & taxes, and miscellaneous expenses. Shipping fees have one of the major contributions to other expenses.

Commission and collection expenses: Commission and collection expenses are associated with using fulfillment services through an e-commerce platform.

Shipping fees: Shipping fees are linked to the B2C orders from e-commerce platforms, which we fulfill directly to customers.

Other expenses accounted for 5.69%, 14.10%, and 23.20% of our total income for Fiscal 2024, Fiscal 2023, and Fiscal 2022.

SUMMARY OF MAJOR ITEMS OF INCOME AND EXPENDITURE

FISCAL 2024 COMPARED WITH FISCAL 2023

Revenue from Operation

In Fiscal 2024, our revenue from operations totalled ₹8,602.68 lakhs, with contributions of 52.12% from organic foods, 20.28% from nutrition and wellness, 26.32% from FMCG and 1.27% from other products. We observed a substantial growth of 638.64% in revenue from operations compared to Fiscal 2023 that is ₹1,164.66 Lakhs, with contribution of growth of 1332.77% from Organic foods, 1165.56% from nutrition and wellness, 231.41% from FMCG and 1556.94% from other products.

The increase in revenue reflects the following points:

Bulk Sales through third-party channels: In Fiscal 2024, we secured significant clients who distributed our products to Defence Canteen Stores and the President's estate. Approval was granted for 65 of our products, leading to substantial bulk sales to these clients.

Geographical Expansion: In Fiscal 2024, company reach expanded to Maharashtra, West Bengal, Karnataka and Tamil Nadu.

Portfolio Expansion: Company's product portfolio expanded due to the increase in the number of partners of "Sell with us" Program.

Other Income

The decrease in other income from ₹54.48 Lakhs in Fiscal March 2023 to ₹ 3.57 Lakhs in Fiscal 2024, representing a decline of 93.45% as compared to fiscal 2023, can be primarily attributed to decline in rebates and discount, shipping fees, and Miscellaneous income. The reason of decrease in other income is following:

Rebates and Discount: The decrease in rebates and discounts is attributed to the shift from "Volume Linked" purchasing to OTB (One Time Buy) for B2C items, aligning with B2B supplies.

Shipping Fees: The decrease in shipping fees in Fiscal 2024 compared to Fiscal 2023 indicates a reduction in shipping charges from our end for B2C sales.

Commission Received: In Fiscal 2023, we received a one-time commission from a vendor upon the initial introduction of the product as per the agreement. However, in Fiscal 2024, this the commission was no longer received due to the cessation of the agreement.

Purchase of stock-in-trade

The expenditure on purchased traded goods in Fiscal 2024 accounted for 85.48% of our revenue, marking a 461.81% increase over Fiscal 2023 that reflects that we're focused on adding more products to meet the demand in the market and maintaining healthy inventory.

Changes in Inventories of stock-in-trade

Change in inventories of Stock-in-Trade was ₹-412.90 Lakhs for Fiscal 2023 as compared to ₹-1,130.48 lakhs for Fiscal 2024 reflects the same negative increase in change in inventories of stock-in-trade, primarily attributable to a higher inventory of Stock-in-Trade at the end of Fiscal 2023. We must maintain our inventory at a specific level to fulfil the demands of both our B2B and B2C customers.

Employee Benefit Expenses

Employee benefit expenses as of Fiscal 2024, accounting for 0.95% of our revenue, saw an 85.46% increase over Fiscal 2023. This rise due to the increase in remuneration of the Directors and an increase in the incentives and benefits disbursed to Staff.

Salary of the staff: In Fiscal 2024, the staff salary decreased compared to Fiscal 2023, reflecting the company's adaptation to technology, with much of the work now automated.

Staff welfare Expenses: In Fiscal 2024 staff welfare expenses increased due to addition in benefits given to employees..

Finance Costs

In Fiscal 2024, Finance cost accounting for 0.69% of our revenue, saw an 1077.84% increase over Fiscal 2023. This rise in finance cost is due to the following reasons:

Interest on borrowings: In Fiscal 2024, our borrowing increased to support the company's expansion. Interest on borrowing rose significantly due to the increased borrowings of the company.

Other borrowing cost: Other borrowing cost is the new inclusion in Fiscal 2024, it includes the loan processing charges and loan processing fees associated with the recent borrowings.

Depreciation and Amortization Expenses

Our depreciation and amortization expense increased by ₹6.13 lakhs or 222.91%, from ₹2.75 lakhs in Fiscal 2023 to ₹8.88 lakhs in Fiscal 2024. The increase in depreciation was primarily due to additions in Office equipment and Computers.

Amortisation is the new introduction in Fiscal 2024 reflects the addition of ERP Software.

Other Expenses

Other expenses increased by ₹317.77 lakhs or by 184.88% from ₹171.88 lakhs in Fiscal 2023 to ₹489.65 lakhs in Fiscal 2024. This was primarily due to an increase in shipping fees by ₹84.39 lakhs from ₹71.67 lakhs in Fiscal 2023 to ₹119.74 lakhs in Fiscal 2024, increase in legal and professional fees by ₹42.67 lakhs from ₹20.80 lakhs in Fiscal 2023 to ₹63.47 lakhs in Fiscal 2024, increase in commission and collection fees by ₹84.35 lakhs from ₹35.37 lakhs in Fiscal 2023 to ₹119.73 lakhs in Fiscal 2024, increase in rent by ₹9.01 lakhs from ₹7.61 lakhs in Fiscal 2023 to ₹16.63 lakhs in Fiscal 2024, increase in advertisement by ₹8.73 lakhs from ₹10.88 lakhs in Fiscal 2023 to ₹19.62 lakhs in Fiscal 2024, In Fiscal 2024, an introduction of ineligible Input Tax Credit (ITC) was recorded for the first time, totaling ₹40.16 lakhs.

This rise in Other Expenses is due to the following reasons:

- Shipping fees are linked to the rise in B2C orders from e-commerce platforms, which we fulfil directly to customers.
- Repair and maintenance costs increased due to the addition of equipment and computers.
- In fiscal 2024, legal expenses increased substantially as compared to Fiscal 2023 and most of the legal related expenses increased or introduced following the company's listing.
- Rent increased in Fiscal 2024 compared to Fiscal 2023, indicating the geographical expansion of our company.
- Advertisement and business promotion expenses increased as the company focused on raising awareness about its brand.
- The rise in commission and collection expenses reflects our adoption of fulfilment by platform services for our B2B operations.
- Rates and taxes saw a significant increase due to the addition of new categories such as stamp duty and ROC (Registrar of Companies) fees.
- The appearance of ineligible Input Tax Credit (ITC) for the first time under the "Other Expenses" category contributes towards increase in other expenses.

Tax Expenses

In fiscal 2024, Our company has obtained an 80-IAC tax exemption, allowing us to receive a tax rebate due to this our total tax expense decreased by ₹26.05 lakhs or by 101.03% from ₹25.78 lakhs in Fiscal 2023 to -₹0.26 lakhs in Fiscal 2024.

Profit after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in profit; from profit of ₹72.95 lakhs in fiscal 2023 to profit of ₹1740.91 lakhs in fiscal 2024. Profit after tax as a percentage of total revenue stood at 20.23% for Fiscal 2024 versus 5.98% for Fiscal 2023.

The increase in profit after tax in Fiscal 2024, compared to Fiscal 2023, can be attributed to the high-margin organic products. Additionally, optimization efforts extended to obtaining stock in trade at more favourable prices than before.

FISCAL 2023 COMPARED WITH FISCAL 2022

Revenue from Operation

In Fiscal 2023, our revenue from operations totalled ₹1,164.66 lakhs, with contributions of 26.27% from organic foods, 11.77% from nutrition and wellness, 61.36% from FMCG and 0.59% from other products. We observed a substantial growth of 649.75% in revenue from operations compared to Fiscal 2022, with contribution of growth of 214.57% from nutrition and wellness, 548.11% from FMCG and 364.43% from other products highlighting the increasing demand and acceptance of products in health, wellness, and nutrition sector. The growth was also because of inclusion of organic foods in our product portfolio, its contribution to the revenue for fiscal 2023 is about 26.27% i.e. ₹306.01 lakhs.

We have seen a notable uptick in sales across premium organic food categories such as healthy grains and rice. This surge is paralleled by an expansion in our product range, with an increased number of SKUs (Stock Keeping Units) available across all sales channels.

Moreover, we have initiated our "Sell with Us" model, incorporating partner brands into the program to diversify our offerings. In B2B sales, we are catering to a range of industries, including organic foods, sexual wellness products, sanitary pads, and contraceptives.

On the B2C front, we have evolved from a single-channel vendor fulfilment setup on Flipkart to now encompassing marketplace fulfilment within the Flipkart Assured program. Additionally, we've forged partnerships with small shop owners in tier 2 and tier 3 towns and cities to expand our physical product presence.

To amplify our online presence, we've listed our products on additional e-commerce platforms and initiated paid promotions across these platforms. Furthermore, recognizing the importance of offline engagement, we have established company-owned physical stores to enhance customer accessibility and experience.

Other Income

The increase in other income from ₹1.10 Lakhs in Fiscal March 2022 to ₹ 54.48 Lakhs in Fiscal 2023, representing a growth of 4852.73% as compared to fiscal 2022, can be primarily attributed to rebates and discount, commission received and shipping fees. The reason of increase in other income is following:

- **Rebates and Discounts:** Rebates and discounts are incentives offered by suppliers to encourage bulk purchases or repeat business, typically based on volume linked purchases., a new addition compared to the fiscal year 2022.
- **Shipping Fees:** We have introduced shipping charges for B2C sales in Fiscal 2023 for the first time.
- **Commission Received:** We have received a one-time commission from a vendor upon the initial introduction of their product.

Purchase of stock-in-trade

The expenditure on purchased traded goods in Fiscal 2023 accounted for 107.41% of our revenue, marking a 829.42% increase over Fiscal 2022. This reflects our commitment to expanding our product inventory to meet the growing market demand and maintaining healthy investment.

Changes in Inventories of stock-in-trade

Change in inventories of Stock-in-Trade was ₹-30.94 Lakhs for Fiscal 2022 as compared to ₹-412.90 lakhs for Fiscal 2023 reflects the same negative increase in change in inventories of stock-in-trade, primarily attributable to a higher inventory of work in progress at the end of Fiscal 2023.

Employee Benefit Expenses

Employee benefit expenses as of March 2023, accounting for 3.63% of our revenue, saw a 364.11% increase over Fiscal 2022. This rise due to the increase in the number of employees within the company and an increase in the incentives and benefits disbursed to them.

Finance Costs

For fiscal 2023 Finance costs is a new inclusion reflects the addition of long-term borrowings. Finance cost is a 0.41% of revenue.

Depreciation and Amortization Expenses

Our depreciation and amortization expense increased by ₹2.41 lakhs or 708.82%, from ₹0.34 lakhs in Fiscal 2022 to ₹2.75 lakhs in Fiscal 2023. The increase in depreciation was primarily due to additions in equipment.

Other Expenses

Other expenses increased by ₹135.58 lakhs or by 373.50% from ₹36.30 lakhs in Fiscal 2022 to ₹ 171.88 lakhs in Fiscal 2023. This was primarily due to an increase in shipping fees by ₹62.16 lakhs from ₹9.51 lakhs in Fiscal 2022 to ₹71.67 lakhs in Fiscal 2023 reflects increase in operations.

Tax Expenses

Our total tax expense increased by ₹25.77 lakhs or by 149025.39% from ₹0.02 lakhs in Fiscal 2022 to ₹25.78 lakhs in Fiscal 2023. This was driven by an increase in income.

Profit after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in profit; from profit of ₹0.30 lakhs in fiscal 2022 to profit of ₹72.95 lakhs in fiscal 2023. Profit after tax as a percentage of total revenue stood at 5.98% for Fiscal 2023 versus 0.19% for Fiscal 2022.

The increase in profit after tax is credited to the company's accomplishment of economies of scale and effective utilization of its asset-light model, alongside significant earnings from high-margin organic food products.

Cash Flows

(₹ in Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net Cash from Operating Activities	(1,164.09)	(287.60)	(101.44)
Net Cash from Investing Activities	(8.99)	(8.84)	(3.46)
Net Cash used in Financing Activities	1,241.36	316.69	123.16

Cash Flows from Operating Activities

Net cash generated from operating activities in the Fiscal 2024 was ₹ (1,164.09) Lakhs and our profit before tax that period was ₹ 1,740.64 Lakhs. The difference was primarily attributable to depreciation of ₹8.88 Lakhs, Finance costs of ₹ 43.91 Lakhs, Interest on Fixed Deposits of ₹ (0.06), and thereafter change in working capital of ₹ (2,954.69) Lakhs respectively, resulting in gross cash generated from operations at ₹ (1,161.32) Lakhs. We have income tax paid of ₹ (2.77) Lakhs.

Net cash generated from operating activities in the Fiscal 2023 was ₹ (287.60) Lakhs and our profit before tax that period was ₹ 98.73 Lakhs. The difference was primarily attributable to depreciation of ₹2.75 Lakhs, Finance costs of ₹ 4.35 Lakhs, and thereafter change in working capital of ₹ (390.05) Lakhs respectively, resulting in gross cash generated from operations at ₹ (284.22) Lakhs. We have income tax paid of ₹ (3.38) Lakhs.

Net cash generated from operating activities in the Fiscal 2022 was ₹ (101.44) Lakhs and our profit before tax that period was ₹ 0.32 Lakhs. The difference was primarily attributable to depreciation of ₹0.34 Lakhs, Interest on Fixed costs of ₹ (0.01) Lakhs, and thereafter change in working capital of ₹ (102.11) Lakhs respectively, resulting in gross cash generated from operations at ₹ (101.46) Lakhs. We have income tax paid of ₹ 0.02 Lakhs.

Cash Flows from Investment Activities

In the Fiscal 2024, our net cash used in investing activities was ₹ (8.99) Lakhs, which was primarily for Purchase of property, plant & equipment of ₹ (9.29) Lakhs, Sale of property, plant and equipment of ₹ 0.24 and Interest Income of ₹ 0.06 during the said year.

In the Fiscal 2023, our net cash used in investing activities was ₹ (8.84) Lakhs, which was primarily for Purchase of property, plant & equipment of ₹ (9.08) Lakhs, Sale of property, plant and equipment of ₹ 0.42 and Purchase of Investments of ₹ (0.18) during the said year.

In the Fiscal 2022, our net cash used in investing activities was ₹ (3.46) Lakhs, which was primarily for Purchase of property, plant & equipment of ₹ (3.47) Lakhs, and Interest Income of ₹ 0.01 during the said year.

Cash Flows from Financing Activities

In the Fiscal 2024, our net cash used in financing activities was ₹ 1,241.36 Lakhs. This was primarily due to issue proceeds received from shareholders ₹220.19 Lakhs, Securities premium of ₹451.83 Lakhs, Proceeds from borrowings of ₹610.51 Lakhs and Finance Cost of ₹ (41.17) Lakhs.

In the Fiscal 2023, our net cash used in financing activities was ₹ 316.69 Lakhs. This was primarily due to issue proceeds received from shareholders ₹3.91 Lakhs, share application money pending allotment ₹(19.59) Lakhs, Securities premium of ₹ 225.55 Lakhs, Proceeds from borrowings of ₹111.17 Lakhs and Finance Cost of ₹ (4.35) Lakhs.

In the Fiscal 2022, our net cash used in financing activities was ₹ 123.16 Lakhs. This was primarily due to issue proceeds received from shareholders ₹41.30 Lakhs, share application money pending allotment ₹19.59 Lakhs, Securities premium of ₹ 30.79 Lakhs, and Proceeds from borrowings of ₹ 31.48 Lakhs.

INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions

The only exception to the absence of unusual or infrequent transactions or events during the periods under review, is the one-time commission received from a company; as per the agreement that ceased after one year as reflected in our *Other Income* for the year.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the "*Risk Factors*" beginning on page 24 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "*Risk Factors*" on pages 24, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. Income and Sales on account of major product/main activities

For a detailed breakdown of the revenue by major products and main activities refer table below and for further information, please refer to the "*Our Business*" chapter on page 105 of this Draft Red Herring Prospectus.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %
Organic Foods	4,384.43	52.12%	306.01	26.27%	-	-
Nutrition and Wellness	1,735.33	20.28%	137.12	11.77%	43.59	28.06%
FMCG	2,368.26	26.32%	714.61	61.36%	110.26	70.98%
Other products	114.66	1.27%	6.92	0.59%	1.49	0.96%

5. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by the growth of the industry in which we operate.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in our revenues are by and large linked to increases in the volume of business.

7. Status of any publicly announced new products or business segments

Our Company has not announced any new products, services, or business segments that are separate from our ongoing operations, as detailed in the "*Our Business*" section on page 105 of this Draft Red Herring Prospectus. However, it is pertinent to note that Our Company regularly updates its product offerings on our platform/website to meet customer needs and market trends.

8. The extent to which the business is seasonal

The business of Our Company is not seasonal, as the demand for grooming products is consistent throughout the year. However, our business may be influenced by the promotions and offers provided by the online marketplaces and platforms where our products are listed. These promotional activities can lead to variations in sales volume across different periods.

9. Any significant dependence on a single or few suppliers or customers

Our Company is significantly dependent on a few suppliers. For further details, refer to the chapter titled “*Risk factors*” on page 24 of Draft Red Herring Prospectus.

10. Competitive Conditions

Competitive conditions have been discussed in sections titled “*Our Business*” and “*Our Industry*” on pages 105 and 98 of this Draft Red Herring Prospectus.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, and our Promoters ("Relevant Parties"). Further, there is no pending litigation involving Our Group Companies, the adverse outcome of which may have a material impact on our Company.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on May 2, 2024 for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:

- i. the claim/dispute amount, to the extent quantifiable, exceeds 10% of the total trade payables of the Company as per the last restated financial statements of the Company for a complete Financial Year would be considered 'material' for disclosure in this Draft Red Herring Prospectus; and
- ii. the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company's business, operations, cash flows, financial position or reputation of the Company.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 10 % of the total trade payables of the Company as per the latest restated financial statements of the Company shall be considered as 'material'. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Auditor.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors or Our Group Companies shall not be considered as litigation until such time that any of our Company, our Directors or Our Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. All terms defined in a particular litigation disclosure pertain to that litigation only.

I. Litigations involving the company: 2

1. Litigation Involving Criminal Laws

Cheque Dishonour Cases:

Anchit Associates, with Monika Singla as proprietor, a vendor of the Company from whom goods were purchases, has commenced legal action against our Company and its promoter-directors, alleging the dishonour of cheques worth 8 Lakhs under Sections 138 and 141 of the Negotiable Instruments Act, 1881. Despite the Company having already paying the amount by paying 4.5 lakhs before the cheques were presented to our bankers, the full claim for 8 lakhs remains listed in the cases filed, bearing numbers CC NI ACT Nos. 435/2024 and 436/2024, at the East Delhi District Court.

The issuance of cheques by the Company was necessitated by an inability to execute a bank transfer from our bank accounts held with Axis Bank Limited and Canara Bank Limited, attributed to a discrepancy in the Company's name registered with the bank after conversion of the Company from private to public. Subsequent to cheque issuance and successful payment to the payee, the Company instructed the bank to stop the cheques. Nevertheless, despite the payee receiving the payment, legal actions were lodged against the Company.

2. Litigation Involving Actions by Statutory/ Regulatory Authorities: 1

Revision of Board's Report and E Form MGT 7 and AOC 4

The company has filed a petition in NCLT for the revision of the Board's Report and to file revised MGT 7 and AOC 4 with the ROC for removing the discrepancies from statutory records for the financial year 2021-22 and 2022-23. The petition is filed with the intent to rectify the discrepancies in the statutory records for the financial year 2021-22 and 2022-23

3. Disciplinary Actions by Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based on Materiality Policy of Our Company:

Nil

II. Litigations involving the Promoter of the Company: 1

1. Litigation Involving Criminal Laws

Cheque Dishonour Cases:

Anchit Associates, with Monika Singla as proprietor, a vendor of the Company from whom goods were purchases, has commenced legal action against our Company and its promoter-directors, alleging the dishonour of cheques worth 8 Lakhs under Sections 138 and 141 of the Negotiable Instruments Act, 1881. Despite the Company having already paying the amount by paying 4.5 lakhs before the cheques were presented to our bankers, the full claim for 8 lakhs remains listed in the cases filed, bearing numbers CC NI ACT Nos. 435/2024 and 436/2024, at the East Delhi District Court.

The issuance of cheques by the Company was necessitated by an inability to execute a bank transfer from our bank accounts held with Axis Bank Limited and Canara Bank Limited, attributed to a discrepancy in the Company's name registered with the bank after conversion of the Company from private to public. Subsequent to cheque issuance and successful payment to the payee, the Company instructed the bank to stop the cheques. Nevertheless, despite the payee receiving the payment, legal actions were lodged against the Company.

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

III. Litigations involving the Directors of the Company other than Promoter of the Company: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

IV. Litigations involving Group Entities: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

V. Litigations relating to the Directors of Group Entities: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

VI. Litigations relating to the Subsidiary Company and Holding Company: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

VII. Litigations relating to the Directors of Subsidiary Company: NIL

1. *Litigation Involving Criminal Laws*

Nil

2. *Litigation Involving Actions By Statutory/ Regulatory Authorities*

Nil

3. *Disciplinary Actions By Authorities*

Nil

4. *Litigation Involving Tax Liability*

Nil

5. *Other Pending Litigation Based On Materiality Policy Of Our Company*

Nil

VIII.DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NIL

OTHER LITIGATIONS INVOLVING ANY OTHER ENTITIES WHICH MAY HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY

There are no other outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offenses, tax liabilities, prosecution under any enactment in respect of the Companies Act, Show Cause Notices or Legal Notices pending against any company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NIL

OUTSTANDING DUES TO CREDITORS

As per the materiality policy adopted by the Board of our Company in its meeting held on March 1, 2024 the outstanding dues to creditors in excess of 10% of the profit after tax (PAT) of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the above mentioned thresholds, if similar litigations put together collectively exceed 10% of the profit after tax of the Company will be considered material.

Based on the same, as on March 31, 2024, our Company had outstanding dues to creditors as follows:

Nature of Creditors	No. of Creditors as on March 31, 2024	Amount (₹ In Lakh)
Outstanding dues to micro and small enterprises (MSMEs)	12	571.55
Outstanding dues to other creditors	17	836.52
Total Outstanding Dues	29	1,408.07

Details of material dues to creditors as required under the SEBI (ICDR) Regulations have been disclosed on the company's website at <https://www.richesm.in>.

Material developments occurring after the last balance sheet date, that is, March 31st, 2024:

Except as disclosed in the "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" beginning on page number 188 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

We further confirm that except as stated hereinabove:

- Litigations or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against the Promoters of the Company during the last five years.
- Directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

- c. Pending proceedings initiated against the Company for economic offences;
- d. Default and non-payment of statutory dues by the Company
- e. Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Act in the last five years against the Company and Subsidiary including fines imposed or compounding of offenses done in those five years;
- f. Material frauds committed against the Company in the last five years;
- g. Cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- h. Pending litigation against the Promoters/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- i. Pending proceedings initiated for economic offenses against the Directors, Promoters, Companies, and firms promoted by the Promoters.
- j. Outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.

We further confirm that except as stated hereinabove:

- a. RHL/the Company, its Promoters, and other Companies with which Promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken against them or either of them by SEBI.
- b. There has been no material regulatory or disciplinary action by a Stock Exchange or Regulatory Authority in the past years in respect of the Promoters of the Company, group company's entities, entities promoted by the Promoters of the Company.
- c. Further, none of the Directors of the Company has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
- d. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoters, Group Companies, companies promoted by the Promoters during the past three years except as under:
- e. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- f. There is no pending litigation against the Promoters/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- g. There are no pending proceedings initiated for economic offenses against the Directors, Promoters, Companies, and firms promoted by the Promoters.
- h. There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- i. There are no litigations against the Promoters / Directors in their capacity.
- j. There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
- k. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- l. There is no pending litigation against the Promoters/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- m. There are no pending proceedings initiated for economic offenses against the Directors, Promoters, Companies, and firms promoted by the Promoters.
- n. There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- o. There are no litigations against the Promoters / Directors in their capacity.
- p. There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.

GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “**Key Regulation and Policies**” beginning on page 120 of the Draft Red Herring Prospectus.

CORPORATE APPROVALS FOR THIS ISSUE

- a. The Board of Directors have, pursuant to resolutions passed at its meeting held on June 06, 2024 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
- b. The Shareholders have, pursuant to the resolution dated June 06, 2024 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

IN-PRINCIPLE APPROVAL

The Company has obtained approval from SME Platform of BSE Limited, vide its letter dated [●] to use the name of BSE Limited in this Issue document for listing of equity shares on SME Platform of BSE Limited. BSE is the Designated Stock Exchange.

AGREEMENTS WITH NSDL AND CDSL

- a. The Company has entered into an agreement dated August 18, 2023 with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
- b. The Company has also entered into an agreement dated September 15, 2023, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
- c. The Company’s International Securities Identification Number (ISIN) is INE0R8T01012.

REGISTRATION (INCORPORATION) OBTAINED UNDER THE COMPANIES ACT, 2013

S. No.	Incorporation	Company Identification Number	Issued by	Issued on	Expiry Date
1	Original Certificate of Incorporation	U24299UP2021PTC141099	Registrar of Companies, Kanpur	02/02/2021	Replaced by fresh Certificate of Incorporation issued consequent upon the conversion of Company into a public limited company
2	Fresh Certificate of Incorporation issued to RHL upon its conversion from a private limited company to a public limited company	U24299UP2021PLC141099	Registrar of Companies, Kanpur	18/10/2023	Till cancelled

REGISTRATION UNDER TAX STATUTES:

S. No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1	Permanent Account Number (PAN)	AAKCR7678A	Income Tax Department, Government of India	02/02/2021	Till cancelled
2	Tax Deduction and Collection Account Number (TAN)	MRTR08872D	Income Tax Department, Government of India	02/02/2021	Till Cancelled

Goods and Services Tax (GST) Registration Certificates issued in respect of different states:					
1	Maharashtra	27AAKCR7678A1Z1*	Government of India, State Tax Officer, Vashi Turbhe 702, Maharashtra	06/07/2023	Till Cancelled
2	West Bengal	19AAKCR7678A1ZY*	Government of India, Superintendent, Park Street (West Bengal)	12/06/2023	Till Cancelled
3	Uttar Pradesh	09AAKCR7678A1ZZ*	Government of India, Superintendent, Ghaziabad Sector 5	25/01/2023	Till Cancelled
4	Haryana	06AAKCR7678A1Z5*	Government of India	26/02/2023	Till Cancelled
5	Karnataka	29AAKCR7678A1ZX*	Government of India, Assistant Commissioner LGSTO 150, Bengaluru	19/12/2023	Till Cancelled
6	Tamil Nadu	33AAKCR7678A1Z8	Government of India, Department of Goods and service Network	12/01/2024	Till Cancelled

LICENSES/ APPROVALS/CERTIFICATES WITH REGARD TO CORE BUSINESS:

Sl. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1.	Drug License under Drugs and Cosmetics Act, 1940 r/w Drugs and Cosmetics Rules, 1945	HR-66-1525-OW/H (For non- Schedule C & C1 and X drugs)* HR-66-1525-W/H (For Schedule C & C1 but non-Schedule X drugs)	Food and Drugs Administration, Gurugram #	24/03/2022	Perpetual*
2.	Registration cum Membership Certificate	Exporter Code 2721	Coffee Board	01/04/2023	31/03/2028
3.	Importer Exporter Code (IEC)	AAKCR7678A*	DGFT, Ministry of Commerce and Industries, Government of India	06/05/2021 (Modified on 01/09/2023)	NA
4.	Certificate of Recognition as a Startup	DIPP83939*	Department of Promotion of Industry and Internal Trade, Government of India	28/07/2021	01/02/2031
5.	UDYAM Registration Certificate	UDYAM-UP-29-0018261* (Micro Services)	Ministry of Micro, Small and Medium Enterprise	03/05/2021	NA
6.	Food Safety and Standards Authority of India	12721052000389* Uttar Pradesh	Department of Food Safety and Drug Administration	29/04/2021	28/04/2026
7.	Food Safety and Standards Authority of India	12724999000276 Uttar Pradesh	Department of Food Safety and Drug Administration	20/03/2024	19/03/2025
8.	Food Safety and Standards Authority of India	21523016000456 Maharashtra	Department of Food Safety and Drug Administration	10/03/2024	06/04/2025
9.	Food Safety and Standards Authority of India	20823005000430 Haryana	Department of Food Safety and Drug Administration	11/03/2024	10/03/2025
10.	Food Safety and Standards Authority of India	11224999000217 Karnataka	Department of Food Safety and Drug Administration	21/03/2024	20/03/2025

11.	Food Safety and Standards Authority of India	11224999000216 Karnataka	Department of Food Safety and Drug Administration	21/03/2024	20/03/2025
12.	Food Safety and Standards Authority of India	12824999000205 West Bengal	Department of Food Safety and Drug Administration	25/02/2024	24/02/2025
13.	Food Safety and Standards Authority of India	11524998000248 Maharashtra	Department of Food Safety and Drug Administration	19/02/2024	18/02/2025
14.	Food Safety and Standards Authority of India	12724999000361 Uttar Pradesh	Department of Food Safety and Drug Administration	08-04-2024	07-04-2025
15.	Food Safety and Standards Authority of India	12224999000176 Rajasthan	Department of Food Safety and Drug Administration	01-04-2024	31-03-2025
16.	Food Safety and Standards Authority of India	12824999000205 Kolkata	Department of Food Safety and Drug Administration	25-02-2024	25-02-2025
17.	Business license for carrying business as Exporter	TB LC E-12614	Tea Board	25/09/2023	24/09/2028
18.	Certificate of Registration - ISO/IEC 27001:2103	2024031834	Quality Research Organisation	18/03/2024	17/03/2026
19.	Certificate of Registration - ISO/IEC 9001:2015	305024031858Q	Quality Research Organisation	18/03/2024	17/03/2026
20.	Certificate of Registration - ISO/IEC 14001:2015	305024031859E	Quality Research Organisation	18/03/2024	17/03/2026
21.	Certificate of Registration - ISO/IEC 45001:2018	305024031860HS	Quality Research Organisation	18/03/2024	17/03/2026
22.	Certificate of Registration - ISO/AWI TS 17430	ICI/4374965/24	Internation certification & Inspection UK. Ltd	18/03/2024	17/03/2027
23.	Certificate of Registration – ISO 13485:2016	22800551041MD	DGA Management System Private Limited	18/03/2024	17/03/2027
24.	Certificate of Registration – US FDA	19936301644**	Liberty Management Group Limited	28/07/2023	31/12/2024

#for Shop No.101, CCA School, Sector 4, Laxman Vihar Phase II, Gurugram, Haryana

*unless otherwise cancelled or suspended subject to assessment once in three years or based on risk

*

LICENSES/ APPROVALS/CERTIFICATES UNDER INDUSTRIAL AND LABOUR LAWS:

S. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1.	Registration Certificate of Shop or Commercial Establishment (for the Registered Office)	UPSA09721957*	Labour Department, Uttar Pradesh	28/04/2021	31/03/2026
2.	Registration Certificate of Shop or Commercial Establishment (Gautam Buddh Nagar, Noida office)	UPSA10722248*	Labour Department, Uttar Pradesh	28/04/2021	31/03/2026
3.	Registration Certificate of Shop or Commercial Establishment (for the Gurugram Office)	PSA/REG/G GN/LI-GGN-15/0165759	Labour Department, Haryana	03/05/2021	Exemption for Renewal
4.	Employee Provident Fund, Meerut	MRMRT2292844 000	Employee's Provident Fund Organisation	02/02/2021	Till cancelled
5.	Registration Certificate of Shop or Commercial Establishment	24102003186673 95	Department of Labour, Maharashtra	15/03/2024	Exemption for Renewal
6.	Registration Certificate of Shop or Commercial Establishment	DHL/ANN/S/000 6/2024	Department of Labour, Karnataka	28/03/2024	31/12/2028

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE- MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

- a. This Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on June 06, 2024.
- b. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on June 06, 2024, and authorised the Board to take decisions in relation to this Issue.
- c. Our Board has approved this Draft Red Herring Prospectus through its resolution dated July 30, 2024.
- d. The Company has obtained approval from SME Platform of BSE (BSE SME) vide its letter dated [●] to use the name of BSE in this Issue document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
- e. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page number 203 of this Draft Red Herring Prospectus.

PROHIBITION BY SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the Director and Promoters of our Promoters Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as Promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Our Company, our Promoters or their relatives (as defined under the Companies Act) and Our Group Companies have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our company, our promoters and the members of the promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of this Draft Red Herring Prospectus.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

ELIGIBILITY FOR THIS ISSUE

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

1. Neither our Company, nor any of its Promoters, Promoter Group or Directors are debarred from accessing the capital market by the Board.
2. Neither our Promoters, nor any Directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
3. Neither our Promoters nor any of our Directors is declared as Fugitive Economic Offender.
4. Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters nor our Directors, are Wilful Defaulters or a fraudulent borrower.

Our Company is eligible for the issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI(ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital shall be upto ₹ 2,372.41 lakhs can Issue Equity Shares to the public and propose to list the same on the SME Platform of BSE Limited.

We confirm that:

- a. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM to the Issue will underwrite at least 15% of the Total Issue Size. For further details, pertaining to said underwriting please refer to “*General Information*” Underwriting on page 54 of this Draft Red Herring Prospectus.

- b. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the BRLM shall ensure that the Issuer shall file a copy of the Red Herring Prospectus/ Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with the Registrar of Companies.
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “*General Information*”, “*Details of the Market Making Arrangements for this Issue*” on page 54 of this Draft Red Herring Prospectus.
- e. In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its Promoters, promoter group or directors are debarred from accessing the capital market by the Board;
- f. In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, none of the Promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;
- g. In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its Promoters or directors is a wilful defaulter or fraudulent borrower.
- h. In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer’s Promoters or directors is a fugitive economic offender.
- i. In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, Application is being made to BSE Limited and BSE Limited is the Designated Stock Exchange.
- j. In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k. In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- l. In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the Promoters are already in dematerialized form.

BSE ELIGIBILITY NORMS:

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

1. Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of “Richesm Healthcare Private Limited” bearing Corporate Identification Number U24299UP2021PTC141099 dated February 02, 2021 issued by the Registrar of Companies, Kanpur. Subsequently, the name of our Company was changed to “Richesm Healthcare Limited” and a fresh Certificate of Incorporation dated October 18, 2023 was issued by the Registrar of Companies, Kanpur. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U24299UP2021PLC141099.
2. As on the date of this Draft Prospectus, the Company has a Paid-up Capital of ₹ 1743.77 Lakhs and the Post Issue Capital will be upto ₹ 2,372.41 lakhs which is less than ₹25 Crores.
3. The Company has a track record of at least 3 years as on the date of filing Draft Prospectus.
4. As on March 31, 2024, March 31, 2023 and March 31, 2022, the Company has net tangible assets of ₹ 9.21 Lakhs, ₹ 9.04 Lakhs and ₹ 3.13 Lakhs.
5. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 2 financial years out of preceding three financial years and its net-worth as on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 is at least Rs. 1 crore.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
EBITDA (₹ in lakhs)	238.54	106.49	0.66
Net Worth (₹ in lakhs)	2,976.28	374.80	72.39

6. The Leverage ratio (Total Debts to Equity) of the Company as on March 24, 2024 was 1:2.69
7. The Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
8. The Company further confirms that the Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither they are the promoters or directors of such companies on which the consequences of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.

9. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, companies promoted by the promoters of the Company;
10. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
11. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
12. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
13. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.
14. There has been no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment
15. The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
16. The Company confirms that there are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by our Company and promoters.
17. The Company confirms that there has not been any change in its name in last 1 year.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE Limited.

COMPLIANCE UNDER REGULATION 300 OF SEBI (ICDR) REGULATIONS

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KHANDWALA SECURITIES LIMITED AS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, KHANDWALA SECURITIES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KHANDWALA SECURITIES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on

any other source of information, including our website <https://www.richesm.in> and <https://www.khandwala.in/> would be doing so at his or her own risk.

CAUTION

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc. The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakh, pension funds with minimum corpus of ₹2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Uttar Pradesh only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SME Platform of BSE for its observations and SME Platform of BSE gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

Disclaimer Clause of the SME PLATFORM OF BSE

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE).

BSE Limited (BSE) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Limited does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or

- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S Persons” (as defined in Regulation under the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transaction in compliance with Regulation of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Offer Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]-30 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]-90 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]-180 th calendar days from listing*	
1.	Vishnusurya Projects And Infra Limited	49.98	68.00	October,10, 2023	73.00	141.94	(1.25)	478.34	10.26	271.36	14.34
2.	Kaushalya Logistics Limited	36.60	75.00	January 8, 2024	100.00	(13.67)	1.94	(17.19)	4.65	N/A	N/A
3.	Euphoria Infotech India Limited	9.60	100.00	January30, 2024	190.00	(59.92)	1.64	N/A	N/A	N/A	N/A

Summary Statement of Disclosure:

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing*	
1.	Vishnusurya Projects And Infra Limited	49.98	68.00	October 10, 2023	73.00	141.94	(1.25)	478.34	10.26	271.36	14.34
2.	Kaushalya Logistics Limited	36.60	75.00	January 8, 2024	100.00	(13.67)	1.94	(17.19)	4.65	(11.33)	13.07
3.	Euphoria Infotech India Limited	9.60	100.00	January 30, 2024	190.00	(59.92)	1.64	(63.73)	(96.10)	N/A	N/A

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day*			Nos. of IPOs trading at premium - 30 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th calendar day from listing day*			Nos. of IPOs trading at premium - 180 th calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2023-24	3	96.2	Nil	1	Nil	1	Nil	1	Nil	Nil	Nil	1	Nil	1
2024-25	Nil	Nil	Nil	N.A	N.A	N.A	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Break -up of past issues handled by Khandwala Securities Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2023-24	3	Nil

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

2. Source: www.bseindia.com and www.nseindia.com

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1	Khandwala Securities Limited	www.kslindia.com

Main Board:

Khandwala Securities Limited have not managed any Public Issue on Main Board.

FILING

The draft red herring prospectus is being filed with BSE Limited, 20th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001, Maharashtra. After getting in-principal approval from BSE, a copy of the prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Kanpur.

A copy of this draft red herring prospectus shall be furnished to SEBI in soft copy. A copy of the prospectus shall be filed with SEBI immediately upon filing of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. However, SEBI shall not issue any observation on the draft red herring prospectus/ red herring prospectus.

LISTING

Application will be made to the BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Issue documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount, if fraud involves an amount of at least ₹ 10 Lakhs or one-percent of the turnover of the company, whichever is lower.

Provided that where fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable for an imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

CONSENTS

Consents in writing of: (a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLM, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn at the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent for the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with BSE.

EXPERT OPINION

Our Company has received written consent dated July 26, 2024 from Peer Reviewed Auditor namely, **NKSC & Co, Chartered Accountants**, to include its name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an Independent Auditor and in respect of its (i) examination report dated March 15, 2024 on our Restated Financial Information; and (ii) its report dated March 15, 2024 on the statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

We have not made any previous rights and/or public issues since incorporation and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI (ICDR Regulations).

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under chapter titled “*Capital Structure*” beginning on page 63 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARY/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, has made any public issue or rights issue during the last three years.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF THE LISTED SUBSIDIARY OF OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Red Herring Prospectus our Company has no listed corporate Promoters and no listed subsidiary company.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

OUTSTANDING CONVERTIBLE INSTRUMENTS

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

PARTLY PAID-UP SHARES

As on the date of this Draft Red Herring Prospectus, there are no partly paid up Equity Shares of our Company.

OPTION TO SUBSCRIBE

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 date April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15

days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company shall obtain authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES prior to filing of the Red Herring Prospectus/ Prospectus with the RoC. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus/Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Preeti Srivastava as the Company Secretary and Compliance Officer and may be contacted at the following address:

Preeti Srivastava

Address: Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector-18, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301

Tel: +91 96502 40044;

E-mail: cs@richesm.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We do not have any listed company under the same management.

CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS

Except as disclosed in "*General Information*" beginning on Page 54 of this Draft Red Herring Prospectus; there are no changes in the Auditors of the company during the last three years.

CAPITALIZATION OF RESERVES OR PROFITS

Except as disclosed under “*Capital Structure*” beginning on page 63 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

REVALUATION OF ASSETS

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

TAX IMPLICATIONS

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the “*Statement of Possible Tax Benefits*” beginning on page 96 of this Draft Red Herring Prospectus.

PURCHASE OF PROPERTY

Other than as disclosed in “*Our Business*” on page 105 of the Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

SERVICING BEHAVIOR

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in “*Our Management*” beginning on page 134 and “*Restated Financial Information*” beginning on page 151 of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

EXEMPTION FROM COMPLYING WITH ANY PROVISION OF SECURITY LAWS, IF ANY GRANTED BY SEBI

As on date of Draft Red Herring Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI.

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, offered and Allotted pursuant to the Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and offer of capital and listing and trading of issued securities enacted from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

The Issue

The present Public Issue of up to 62,86,400 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 01, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on March 15, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to, '**Main Provisions of Article of Association**', beginning on page 251 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors for further details, please refer to "**Dividend Policy**" and "**Main Provisions of Article of Association**" beginning on page 150 and 251 respectively of this Draft Red Herring Prospectus.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price").

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled "**Basis of Issue Price**" beginning on page 91 of this Draft Red Herring Prospectus.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to "*Main Provisions of the Articles of Association*" beginning on page 251 of this Draft Red Herring Prospectus.

Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Company:

Tripartite Agreement dated September 15, 2023 between NSDL, our Company and Registrar to the Company; and

Tripartite Agreement dated August 18, 2023 between CDSL, our Company and Registrar to the Company.

Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Uttar Pradesh.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Subscription List of Public Issue

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	on or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	on or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	on or about [●]

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the BRLM, RTA and SME Platform taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST.

Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per

annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this Offer Document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer to the “**General Information**” on page 54 of this Draft Red Herring Prospectus. Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase-above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to “**General Information**” on page 54 of this Draft Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder

in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of Bombay Stock Exchange of India Limited.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provide a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such Investor. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under "*Capital Structure*" beginning on page 60 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to the "*Main Provisions of the Articles of Association*" beginning on page 251 of this Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper with wide circulation where the Registered Office of our Company is situated.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE. For further details regarding the salient features and terms of such an issue please refer “Terms of the Issue “and “Issue Procedure” on page 217 and 225 of the Draft Red Herring Prospectus.

The Issue comprise of a Public Issue of up to 62,86,400 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of ₹ [●]/- per Equity Shares (including a premium of ₹ [●]/- per equity share) aggregating to ₹ [●]/-Lakhs (“the Issue”) by our Company.

The Issue comprises a reservation of which [●] Equity Shares of ₹ 10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to the public of [●] Equity Shares of ₹ 10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute [●] % and [●] % respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process.

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	[●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Issue Size available for allocation	5% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidder However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment	Firm Allotment	Proportionate as follows: (excluding Anchor Investor Portion) a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds	Proportionate	Proportionate

		receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid bids received from Mutual Funds at or above the Anchor Investor Allocation Price.		
Mode of Application	Through ASBA Process Only	Through ASBA Process Only (Except for Anchor Investor)	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form.			
Minimum Application Size	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount does not exceed ₹ 200,000
Maximum Application Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount does not exceed ₹ 200,000
Trading Lot	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			

- This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- Subject to valid Bids being received at or above the issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- Our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2009, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.

- Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details, please refer to the section titled “**Issue Procedure**” beginning on page 225 of the Draft Red Herring Prospectus;

Withdrawal of the Issue

The Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi).

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Uttar Pradesh.

Issue Programme:

Events	Indicative Dates
Bid/Issue Opening Date	[•]
Bid/Issue Closing Date	[•]
Finalization of Basis of Allotment with Designated Stock Exchange	[•]
Initiation of Allotment/Refunds/Unblocking of funds from ASBA Account or UPI ID linked bank account	[•]
Credit of Equity Shares to Demat accounts of Allottees	[•]
Listing Date	[•]

Note: Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. Investors should note that the details and process provided in the General Information Document should be read along with this section. Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 ("UPI Phase II"). SEBI vide press release bearing number 12/2023 had approved the proposal for reducing the time period for listing of shares in public issue from the existing six working days to three working days. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. The Issue will be made under UPI Phase II, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars are effective for initial public offers opening on or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus. The provisions of the circular issued by the BSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 are also deemed to form part of this Draft Red Herring Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and this Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum on the Bid Amount for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking, unless otherwise prescribed under applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will

comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for 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 QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company and Selling Shareholder in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Draft Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorizing blocking of funds that are available in the bank account specified in the Application Form, Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The Application Form shall contain space for indicating the number of specified securities subscribed for in demat form.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, individual investors Bidding up to ₹ 500,000 shall use UPI and provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, CDPs and RTAs.

Phase III: In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. SEBI vide press release bearing number 12/2023 had approved the proposal for reducing the time period for listing of shares in public issue from existing six working days to three working days and pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the reduce time period of three working days has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline and submit confirmation of the unblock to the BRLMs and Registrar within the prescribed timelines would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “**General Information Document**” available on the websites of the Stock Exchange and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM. All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIBs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

* Electronic Bid Cum Application Forms will also be available for download on the website of the BSE (www.bseindia.com).

** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediaries shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:

After accepting the Bid Cum Application Form, the respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of the stock exchange. Stock exchange shall share application details including the UPI ID with the sponsor bank on a continuous basis, to enable the sponsor bank to initiate mandate requests on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor Investor to accept a mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidder.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate a request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("Cut- Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

WHO CAN BID?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-
10. Institutional Bidder 's category;
11. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
12. Foreign Venture Capital Investors registered with the SEBI;
13. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
14. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
15. Insurance Companies registered with Insurance Regulatory and Development Authority, India;

16. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
18. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

APPLICATIONS NOT TO BE MADE BY:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non- resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidder The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper, [●], all editions of Hindi national newspaper, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

1. The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
2. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand

(i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

3. The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".
4. The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
5. Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
6. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
7. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
8. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

1. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band is decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
2. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidder
3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
4. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Participation by Associates /Affiliates of BRLM and the Syndicate Members

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

1. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
2. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

- a. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) with wide circulation. This advertisement shall be in prescribed format.
- b. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- c. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
- d. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
- e. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
- f. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
- g. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
- h. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
- i. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidder
- j. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY ANCHOR INVESTORS:

Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion.

In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.

1. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs
2. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
3. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
4. Our Company and Selling Shareholder in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - a. where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investor
 - b. where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
 - c. where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
5. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

6. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
7. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
8. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
9. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
10. The BRLM, our Promoter, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
12. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

BIDS BY MUTUAL FUNDS

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

BIDS BY ELIGIBLE NRIS

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non-repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 226. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

BIDS BY FPIS

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFS and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFS, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its Subsidiary, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all Subsidiary and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “*Key Regulations and Policies*” beginning on page 126.

BIDS BY SCSBS

SCSBS participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

BIDS BY SYSTEMICALLY IMPORTANT NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates.

Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 Lakhs or more but less than ₹ 25,000,000 Lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

- Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
- The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidder

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidder

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB

shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investor

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

In case of resident Anchor Investors: — “Richesm Healthcare Limited IPO – Anchor Account- R”

In case of Non-Resident Anchor Investors: — “Richesm Healthcare Limited IPO – Anchor Account- NR”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investor

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
4. the applications accepted by them,
5. the applications uploaded by them
6. the applications accepted but not uploaded by them or
7. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
8. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - The applications accepted by any Designated Intermediaries
 - The applications uploaded by any Designated Intermediaries or
 - The applications accepted but not uploaded by any Designated Intermediaries
9. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
10. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID

8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

2. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
 - Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

Withdrawal of Bids

RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

1. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investors Issue Price.
2. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
3. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
4. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
5. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
6. Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to Compliance with SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investor Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various Investor

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

GENERAL INSTRUCTIONS

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

- Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;
- Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids (other than Anchor) through the ASBA process only;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
- Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
- Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
- If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the

name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

- RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
- Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
- Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
- Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
- Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in); and
- FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

- Do not Bid for lower than the minimum Bid size;
- Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
- Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not submit the Bid for an amount more than funds available in your ASBA account.
- Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
- In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
- If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
- Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the General Index Register (GIR) number instead of the PAN;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- Do not submit a Bid using UPI ID, if you are not a RIB;
- Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- Do not Bid for Equity Shares in excess of what is specified for each category;
- Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Draft Red Herring Prospectus;
- Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
- Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
- If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
- Do not Bid if you are an OCB; and
- If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “**General Information**” and “**Our Management**” beginning on pages 63 and 134 respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “**General Information**” beginning on page 54.

GROUND FOR TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;

11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “**General Information**” beginning on page 51.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

1. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

2. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

3. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP/ Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for 5% of the Net QIB Portion shall be determined as follows:
 - In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the Net QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
 - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidder
 - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

4. Allotment to Anchor Investor (If Applicable)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

5. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME Platform (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
3. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.
4. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may

not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. www.nseindia.com and BSE, i.e. www.bseindia.com . With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com .

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;

Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and

If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
4. Each successful applicant shall be allotted [●] equity shares; and
5. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
6. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
7. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares in Dematerialised Form with NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

1. We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on August 18, 2023.
2. We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on September 15, 2023.
3. The Company's Equity shares bear an ISIN No. INE0R8T01012.
 - An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
 - The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
 - Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
 - Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
 - If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
 - The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
 - Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
 - The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all Investor

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Draft Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, each with wide circulation.

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Prospectus.

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years) Further, where the fraud involves an amount less than ₹ 10/- Lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Draft Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction.

The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company. Investment conditions/restrictions for overseas entities Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

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SECTION X - MAIN PROVISIONS OF OUR ARTICLE OF ASSOCIATION

INTERPRETATION

1. In the Regulations unless the context otherwise require:-

- (a) “the Company” or “this Company” means **RICHEM HEALTHCARE LIMITED**
- (b) “the Act” means the “Companies Act, 2013 and every statutory modification or re-enactment thereof and references to Sections of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
- (c) “these Regulations” means these Articles of Associations as originally framed or as altered, from time to time.
- (d) “the office” means the Registered Office for the time being of the Company.
- (e) “the Seal” means the common seal of the Company.
- (f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall includes bodies corporate and all other persons recognized by law as such.
- (g) “month” means a calendar month and “year” means financial year respectively.
- (h) Expressions referring to writing shall be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.
- (i) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.
- (j) The Company is a “**Public Company**” within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly means a company which-
 - a) is not a private company;
 - b) has minimum paid up share capital as may be prescribed.

2. The Regulations contained in Table F in Schedule I to the Companies Act, 2013 shall apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the Company and its members as if they are the terms of an agreement between them.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. *Share Capital*

The Authorised Share Capital of the Company shall be such amount; divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company; with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential , convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.

4. *New Capital same as existing capital*

The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new shares which may be unclassified and may be classified at the time of issue in one or more classes and such amount or amounts as may be deemed expedient. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Companies Act, 2013. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013.

5. *New Capital same as existing capital*

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. *Non-Voting Shares*

The Board shall have the power to issue a part of authorised capital by way of non- voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, in the event it is permitted by law to issue shares without voting rights attached to the subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. *Redeemable Preference Shares*

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

8. *Voting rights of preference shares*

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares and in circumstances provided under Section 47(2).

9. *Provisions to apply on issue of Redeemable Preference Shares*

On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:

- (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.
- (b) No such Shares shall be redeemed unless they are fully paid.
- (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.
- (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- (e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

10. *Reduction of capital*

- 1) The Company may (subject to the provisions of section 52, 55(1) & (2) of the Companies Act, 2013 and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce
 - (a) the share capital;
 - (b) any capital redemption reserve account; or
 - (c) any security premium account.

In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

11. *Purchase of own Shares*

The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

12. *Sub-division consolidation and cancellation of Shares*

Subject to the provisions of Section 61 of the Companies Act, 2013 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so Cancelled.

13. MODIFICATION OF RIGHTS

Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 48 of the Companies Act, 2013 be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

14. SHARES, CERTIFICATES AND DEMATERIALISATION

The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Section 39 of the Companies Act, 2013, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013.

15. *Further issue of shares*

- (1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-
 - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—
 - (i). the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - (ii). the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
 - (iii). after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
 - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or
 - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

- (2) The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

16. *Shares at the disposal of the Directors*

Subject to the provisions of Section 62 of the Companies Act, 2013 and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

16A *Power to offer Shares/options to acquire Shares*

- (1) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.-sweat equity shares
- (2) In addition to the powers of the Board under Article 16A (1), the Board may also allot the Shares referred to in Article 16A (1) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A (1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.
- (3) The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A (1) and (2) above.

17. *Application of premium received on Shares*

- (1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the securities premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.
- (2) The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:
 - (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares;
 - (b) In writing off the preliminary expenses of the Company;
 - (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or
 - (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
 - (e) For the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.

18. Power also to Company in General Meeting to issue Shares

In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

18A Power of General Meeting to authorize Board to offer Shares/Options to employees

- (1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose.
- (2) In addition to the powers contained in Article 18A (1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.

19. Shares at a discount

17. The Company shall not issue Shares at a discount except the issue of Sweat Equity Shares of a class already issued, if the following conditions are fulfilled, namely:
 - (a) the issue is authorized by a special resolution passed by the company;
 - (b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;
 - (c) not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business; and
 - (d) where the equity shares of the company are listed on a recognized stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with the prescribed rules.

20. Installments of Shares to be duly paid

18. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.

21. The Board may issue Shares as fully paid-up

Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.

22. *Acceptance of Shares*

Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.

23. *Deposit and call etc., to be debt payable*

The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

24. *Liability of Members*

Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

25 (A) *Dematerialization of securities*

Definitions:

Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository.

SEBI "SEBI" means the Securities and Exchange Board of India.

Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996; Depositories Act "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

Depository "Depository" means a company formed and registered under the Companies Act, 1956 or other in enactment and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Record "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations "Regulations" mean the regulations made by SEBI;

Security "Security" means such security as may be specified by SEBI.

25(B)

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

25 (C) *Options to receive security certificates or hold securities with depository*

Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.

Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.

25 (D) *Securities in depositories to be in fungible form*

All Securities held by a Depository shall be dematerialized and shall be in a fungible form;

25 (E) Rights of depositories and beneficial owners

- (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;
- (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;
- (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

25F Depository To Furnish Information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

25G Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

25H Option to opt out in respect of any security

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

25I Sections 45 and 56 of the Companies Act, 2013 not to apply

Notwithstanding anything to the contrary contained in the Articles:

- (1) Section 45 of the Companies Act, 2013 shall not apply to the Shares held with a Depository;
- (2) Section 56 of the Companies Act, 2013 shall not apply to transfer of Security affected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

26 Share certificate

- (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.
- (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.

26A Limitation of time for issue of certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 60 days from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 30 days of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

27. *Renewal of share certificates*

No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.

28. *Issue of new certificate in place of one defaced, lost or destroyed*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to Debentures of the Company.

The first name joint holder deemed sole holder

29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.

Issue of Shares without voting rights

30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

Buy-Back of Shares and Securities

31. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 67 and SEBI (Buy Back of Shares) Regulations as may be permitted by law.

Employees Stock Options Scheme/Plan

32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

Sweat Equity

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

Postal Ballot

34. The Company may pass such resolution by postal ballot in the manner prescribed by Section 110 of the Companies Act, 2013 and such other applicable provisions of the Act and any future amendments or re-enactment thereof and as may be required by any other law including Listing Regulations as amended from time to time. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central

Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

Company not bound to recognize any interest in Shares other than of registered holder

35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Trust recognized

36.

- (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
- (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

Declaration by person not holding beneficial interest in any Shares

37.

- (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.
- (2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.
- (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.
- (4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

Funds of Company not to be applied in purchase of Shares of the Company

38. No funds of the Company shall except as provided by Section 67 of the Companies Act, 2013 be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 52, 55 (to the extent applicable) of Companies Act, 2013 and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

Commission may be paid

39. Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company.

Brokerage

40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.

Commission to be included in the annual return

41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Section 92 to the Companies Act, 2013

DEBENTURES

Debentures with voting rights not to be issued

42.

- a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.
- b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 327 of the Companies Act, 2013.
- c) Certain charges (which expression includes mortgage) mentioned in Section 77 of the Companies Act, 2013 shall be void against the Liquidator or creditor unless registered as provided in Section 77 of the Companies Act, 2013.
- d) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.
- e) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Companies Act, 2013) within six months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture- stock allotted or transferred.

The Company shall comply with the provisions of Section 71 of the Companies Act, 2013 as regards supply of copies of Debenture Trust Deed and inspection thereof.

- f) The Company shall comply with the provisions of Section 2(16), 77 to 87 (inclusive) of the Companies Act, 2013 as regards registration of charges.

CALLS

Directors may make calls

43.

- a) Subject to the provisions of Section 49 of the Companies Act, 2013 the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.
- b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

Notice of call when to be given

- 44 Not less than fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call amount shall be paid.

Call deemed to have been made

- 45 A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

Directors may extend time

- 46 The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

Amount payable at fixed time or by installments to be treated as calls

- 47 If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

When interest on call or installment payable

- 48 If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding ten percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Evidence in action by Company against share holder

- 49 On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in Anticipation of calls may carry interest

- 50 The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

Partial payment not to preclude forfeiture

- 51 Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Company's lien on Shares/ Debentures

52 The Company shall have first and paramount lien upon all Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.

As to enforcing lien by sale

53 The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same.

PROVIDED THAT no sale shall be made:-

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from on behalf of and in the name of such Members

The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale

54

- (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
- (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

If money payable on Shares not paid notice to be given

55 If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Sum payable on allotment to be deemed a call

56 For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

Form of notice

57 The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.

In default of payment Shares to be forfeited

58 If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in

respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of Forfeiture to a Member

- 59 When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited Shares to be the property of the Company and may be sold etc.

- 60 Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Member still liable for money owing at the time of forfeiture and interest

- 61 Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

Effects of forfeiture

- 62 The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.

Power to annul forfeiture

- 63 The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Declaration of forfeiture

- 64
- (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
 - (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
 - (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
 - (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
 - (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum

- 65 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Cancellation of shares certificates in respect of forfeited Shares

66 Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

Evidence of forfeiture

67 The declaration as mentioned in Article 64(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

Validity of sale

68 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Surrender of Shares

69 The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

No transfers minors etc.

70 No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

Instrument of Transfer

71 The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Application for transfer

72

- (a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.
- (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Execution of transfer

73 The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 56 of the Companies Act, 2013 and any statutory modification thereof for the time being shall be duly complied with.

Transfer by legal representatives

- 74 A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

Register of Members etc when closed

- 75 The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders, in accordance with Section 91 of the Companies Act, 2013 and rules made thereunder, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

Directors may refuse to register transfer

- 76 Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

Death of one or more joint holders of Shares

- 77 In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.

Titles of Shares of deceased Member

- 78 The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 and 56 of the Companies Act, 2013.

Notice of Application when to be given

- 79 Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Companies Act, 2013.

Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)

- 80 Subject to the provisions of the Act and Article 77 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".

Refusal to register nominee

- 81 Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Person entitled may receive dividend without being registered as a Member

- 82 A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

No fee on transfer or transmissions

- 83 No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.

Transfer to be presented with evidence of title

- 84 Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Company not liable for disregard of a notice prohibiting registration of transfer

- 85 The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Share may be converted into stock

- 86 The Company may, by Ordinary Resolution convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.

Transfer of stock

- 87 The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.

PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.

Right of stockholders

- 88 The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.

Regulation applicable to stock and share warrant

- 89 Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Power to borrow

- 90 Subject to the provisions of Sections 73, 74 and 179 of the Companies Act, 2013 and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source.

PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

The payment or repayment of moneys borrowed

- 91 The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Bonds, Debentures, etc. to be subject to control of Directors

- 92 Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.

Terms of issue of Debentures

- 93 Any Debentures, Debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Mortgage of uncalled capital

- 94 If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

Indemnity may be given

- 95 Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

RELATED PARTY TRANSACTIONS

Related Party Transactions

- a. Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee.
- b. Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Regulations or any other law for the time being in force, with approval of the shareholders in the general meeting.

MEETING OF MEMBERS

Annual General Meeting

97

- (i). An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next.
- (ii). Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time with which any Annual General Meeting may be held.
- (iii). Every Annual General Meeting shall be called at a time during business hours i.e. 9 a.m. to 6 p.m., on a day that is not a National holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (iv). The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.
- (v). Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any, part of the business which concerns him as an Auditor.
- (vi). At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.
- (vii). The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act.

Report statement and registers to be laid before the Annual General Meeting

98 The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.

Extra-Ordinary General Meeting

99 All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.

Requisitionists' Meeting

100

- (1) Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified:-
 - (a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.
 - (b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

- (2) The number of Members necessary for a requisition under clause (1) hereof shall be such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or
- (3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.
- (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:
 - (a) A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.
 - (i). In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;
 - (ii). In the case of any other requisition, not less than two weeks before the Meeting, and
 - (b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof.

- (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

Extra-Ordinary General Meeting by Board and by requisition

101

- (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.
- (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

Contents of requisition, and number of requisitionists required and the conduct of Meeting

102

- (1) In case of requisition the following provisions shall have effect:
 - (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
 - (b) The requisition may consist of several documents in like form each signed by one or more requisitionists.

- (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.
- (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.
- (e) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:
 - (i). by the requisitionists themselves; or
 - (ii). by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less.

PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114 of the Companies Act, 2013.

- (2) A meeting called under sub-clause(c) of clause (1) by requisitionists or any of them:
 - (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but
 - (b) shall not be held after the expiration of three months from the date of deposit of the requisition.

PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

- (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of notice of Meeting

103

- (1) A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing.
- (2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:
 - (i). In the case of Annual General Meeting by all the Members entitled to vote thereat; and
 - (ii). In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.

PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.

Contents and manner of service of notice and persons on whom it is to be served

104

- (1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.

- (2) Subject to the provisions of the Act notice of every General Meeting shall be given;
- (a) to every Member of the Company, in any manner authorized by Section 20 of the Companies Act, 2013;
 - (b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
 - (c) to the Auditor or Auditors for the time being of the Company
- (3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not to be a Member of the Company.

Special and ordinary business and explanatory statement

105

1.
 - (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to
 - i. the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;
 - ii. the declaration of dividend;
 - iii. the appointment of Directors in the place of those retiring; and
 - iv. the appointment of, and the fixing of the remuneration of the Auditors, and
 - (b) In the case of any other meeting, all business shall be deemed special.
2. Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.

PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up- share capital of the other company.

3. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Omission to give notice not to invalidate Proceedings

106 The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

MEETING OF MEMBERS

Notice of business to be given

107 No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

Quorum

108 The quorum for General Meetings shall be as under:-

- i. five members personally present if the number of members as on the date of meeting is not more than one thousand;
- ii. fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- iii. thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

No business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Companies Act, 2013.

If quorum not present when Meeting to be dissolved and when to be adjourned

109 If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

Resolution passed at adjourned Meeting

110 Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of General Meeting.

111 At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required

112 Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.

Business confined to election of Chairman whilst the Chair is vacant

113 No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

Chairman may adjourn Meeting

114

- (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place
- (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.
- (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.

How questions are decided at Meetings

115 Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.

Chairman's declaration of result of voting on show of hands

116 A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.

Demand of poll

117 Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

Time of taking poll

118 A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

Chairman's casting vote

119 In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

Appointment of scrutineers

120 Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

Demand for poll not to prevent transaction of other business

121 The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.

Special notice

122 Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Member paying money in advance not to be entitled to vote in respect thereof

123 A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

Restriction on exercise of voting rights of Members who have not paid calls

124 No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Number of votes to which Member entitled

125 Subject to the provisions of Article 123, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative), or by an agent duly authorized under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company.

Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in sub-section (2) of Section 47 of Companies Act, 2013) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares.

A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Votes of Members of unsound mind

126 A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

Votes of joint Members

127 If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Representation of body corporate

128

(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.

(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.

Votes in respects of deceased or insolvent Members

129 Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

Voting in person or by proxy

130 Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 105 of the Companies Act, 2013.

Rights of Members to use votes differently

131 On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses

Proxies

132 Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

Proxy either for specified meeting or for a period

133 An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

No proxy to vote on a show of hands

134 No proxy shall be entitled to vote by a show of hands.

Instrument of proxy when to be deposited

135 The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarial certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.

Form of Proxy

136 Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms as prescribed in the Companies Act, 2013, and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it.

Validity of votes given by proxy notwithstanding revocation of authority

137 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall

be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.

Time for objection to vote

138 No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.

Chairman of any Meeting to be the judge of Validity of any value

139 The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

Custody of Instrument

140 If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Number of Directors

141 Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Companies Act, 2013, the number of Directors shall not be less than three and not more than fifteen.

141A. First Directors of the Company were:
ASHISH AGGARWAL
DILMEET KAUR
DHARAM ASREY AGGARWAL

Appointment of Directors

142. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.

Debenture Directors

143. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.

Nominee Director or Corporation Director

144.

(a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains

outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places.

- (b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.
- (c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall ipso facto vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.
- (d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation.

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.

Special Director

145.

- (a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.
- (b) The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.
- (c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

Limit on number of non-retiring Directors

146. The provisions of Articles 143, 144 and 145 are subject to the provisions of Section 152 of the Companies Act, 2013 and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

Alternate Director

147. The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

Directors may fill in vacancies

148. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.

Additional Directors

149. Subject to the provisions of Section 161 of the Companies Act, 2013 the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.

Qualification shares

150. A Director need not hold any qualification shares.

Directors' sitting fees

151. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

Extra remuneration to Directors for special work

152. Subject to the provisions of Sections 188 and 197 of the Companies Act, 2013, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.

Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:

- i. by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- ii. by way of commission if the Company by a Special Resolution authorized such payment.

Traveling expenses incurred by Directors on Company's business

153. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such

sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.

Director may act notwithstanding vacancy

154. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.

Board resolution necessary for certain contracts

155.

1. Subject to the provisions of Section 188 of the Companies Act, 2013, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:
 - (a) For the sale, purchase or supply of goods, materials or services; or
 - (b) for underwriting the subscription of any Share in or debentures of the Company;
 - (c) nothing contained in clause (a) of sub-clause (1) shall affect:-
 - i. the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
 - ii. any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business.

PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

2. Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.
3. Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.
4. If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.
5. The Directors, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established.

Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director

156. When the Company:-

- (a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Companies Act, 2013 shall be complied with.

Directors of interest

157.

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Companies Act, 2013.
- (b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 184 of the Companies Act, 2013 shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Directors and Managing Director may contract with Company

158. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into. If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board. The Directors, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established. or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Companies Act, 2013 and in this respect all the provisions of Section 184 and 189 of the Companies Act, 2013 shall be duly observed and complied with.

Disqualification of the Director

159. A person shall not be capable of being appointed as a Director of the Company if:-

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an un-discharged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court, unless the leave of the Court has been obtained for his appointment.

Vacation of office by Directors

160. The office of Director shall become vacant if:-

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudged an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or
- (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or

- (f) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Companies Act, 2013; or
- (g) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 184 of the Companies Act, 2013; or
- (h) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or
- (i) if by notice in writing to the Company, he resigns his office, or
- (j) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
- (k)

Vacation of office by Directors (contd.)

161. Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 160 hereof, the disqualification referred to in these clauses shall not take effect:

- (a) for thirty days from the date of the adjudication, sentence or order;
- (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Removal of Directors

162.

- (a) The Company may subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 242 of the Companies Act, 2013 before the expiry of his period of office.
- (b) Special Notice as provided by these Articles or Section 115 of the Companies Act, 2013 shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.
- (d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:
 - i. in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and
 - ii. send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting:

Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.

- (e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 161 of the Companies Act, 2013 be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 148 or Section 161 of the Companies Act, 2013 and all the provisions of that Article and Section shall apply accordingly

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

- (g) Nothing contained in this Article shall be taken:-

- i. as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or
- ii. as derogating from any power to remove a Director which may exist apart from this Article.

Interested Directors not to participate or vote in Board's proceedings

163.No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.

Provided however, that nothing herein contained shall apply to:-

- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;
 - i. in his being:
 - (a) a director of such company; and
 - (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or
 - ii. in his being a member holding not more than two percent of its paid-up share capital.

Director may be director of companies promoted by the Company

164.A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 197 or Section 188 of the Companies Act, 2013 may be applicable.

ROTATION AND APPOINTMENT OF DIRECTORS

Rotation of Directors

165.Not less than two third of the total number of Directors shall:

- (a) Be persons whose period of the office is liable to termination by retirement by rotation and
- (b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

Retirement of Directors

166.Subject to the provisions of Articles 145 and 147, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.

Retiring Directors

167.Subject to the provisions of Section 152 of the Companies Act, 2013 and Articles 143 to 154, at every Annual General Meeting of the Company, one- third or such of the Directors for the time being as are liable to retire by rotation. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 180, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

Appointment of Technical or Executive Directors

168.

- (a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- (b) Subject to the provisions of Section 161 of the Companies Act, 2013 if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting

of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

Ascertainment of Directors retiring by rotation and filling of vacancies

169. Subject to Section 152 of the Companies Act, 2013 the Directors retiring by rotation under Article 167 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.

Eligibility for re-election

170. A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.

Company to fill vacancies

171. At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

Provision in default of appointment

172.

- (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:
 - i. at that Meeting or the previous Meeting a resolution for the re- appointment of such Director has been put to the Meeting and lost.
 - ii. the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.
 - iii. he is not qualified or is disqualified for appointment.
 - iv. a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or
 - v. section 162 of the Companies Act, 2013 is applicable to the case

Company may increase or reduce the number of Directors or remove any Director

173. Subject to the provisions of Section 149 and 152 of the Companies Act, 2013 the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.

Appointment of Directors to be voted individually

174.

- (a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.
- (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.
- (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of candidature for office of Directors except in certain cases

175.

1. No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.
2. The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office in such manner as may be prescribed.
3. Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013 signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.
4. A person other than:
 - (a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or
 - (b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013 appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office

shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.

Disclosure by Directors of their holdings of their Shares and debentures of the Company

176. Every Director and every person deemed to be Director of the Company by virtue of Section 170 of the Companies Act, 2013 shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.

Votes of Body Corporate

177. A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

Powers to appoint Managing Director

178. Subject to the provisions of Section 196 and 203 of the Companies Act, 2013 the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

- (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable.

- (b) Subject to the provisions of Section 152 of the Companies Act, 2013 the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation.

Remuneration of Managing Director

179. Subject to the provisions of Sections 196 and 197 of the Companies Act, 2013 a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

Special position of Managing Director

180. Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

Powers of Managing Director

181. The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
182. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
183. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.
184. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
185. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

Appointment and powers of Manager

186. The Board may, from time to time, appoint any person as Manager (under Section 2(53) of the Companies Act, 2013) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Power to appoint Whole-Time Director and/or Whole-time Directors

187. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine

and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 188 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.

To what provisions Wholetime Directors shall subject

188. Subject to the provisions of Section 152 of the Companies Act, 2013 and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall ipso facto and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.

Seniority of Wholetime Director and Managing Director

189. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

190. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 173 of the Companies Act, 2013 allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

Quorum

191.

- (a) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.

PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time.

- (b) For the purpose of clause (a)

- i. "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and
- ii. "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.

Procedure when Meeting adjourned for want of quorum

192. If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

Chairman of Meeting

193. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.

Question at Board meeting how decided

194. Subject to the provisions of Section 203 of the Companies Act, 2013 questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

Powers of Board meeting

195. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.

Directors may appoint Committee

196. The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Companies Act, 2013 and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

Meeting of the Committee how to be governed

197. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.

Circular resolution

198.

- (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 197 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.
- (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

Acts of Board or Committee valid notwithstanding defect in appointment

199. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

General powers of management vested in the Board of Directors

200. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting :-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
 - (b) remit, or give time for the repayment of, any debt due by a Director,
 - (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;
 - (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;
- i. Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)
 - ii. Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Certain powers to be exercised by the Board only at Meetings

201.

- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;
 - a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
 - b) the power to issue Debentures,
 - c) the power to borrow moneys otherwise than on Debentures,
 - d) the power to invest the funds of the Company, and
 - e) the power to make loans
- ii. Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub- clause (c),(d) and (e) to the extent specified below.
- iii. Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.
- v. Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose

- vi. in individual cases.

Certain powers of the Board

202. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
3. Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
11. Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
12. To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company.
15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious,

scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.

16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
18. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.
19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.
20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.
21. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.
22. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.
24. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.
25. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to

such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
27. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
28. To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
29. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
30. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
31. To improve, manage, develop, exchange, lease, sell, resell and re- purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
32. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
33. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
34. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MANAGEMENT

Appointment of different categories of Key managerial personnel

203. The Company shall have the following whole-time key managerial personnel,—

- i. managing director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- ii. company secretary; and
- iii. Chief Financial Officer

Same person May be Chairperson of the Board and MD/CEO

203A. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

MINUTES

Minutes to be made

204.

1. The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
2. Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:
 - (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

Books of minutes of General Meeting to be kept

205.

- (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.
- (b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 and Section 120 of the Companies Act, 2013 and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.

Presumptions

206. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Companies Act, 2013 until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

Secretary

207. The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies Act, read with rules made thereunder.

The Seal, its custody and use

208.

- (a) The Board shall provide for the safe custody of the seal.
- (b) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND CAPITALISATION OF RESERVES

Division of profits

209.

- (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;
- (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

The Company at General Meeting may declare dividend

210. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

Dividends out of profits only

211. No dividend shall be payable except out of profits of the Company arrived at profits only the manner provided for in Section 123 of the Companies Act, 2013.

Interim Dividend

212. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

213.

- (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.

Capital paid-up in advance to carry interest, not the right to earn dividend

214. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

Dividends in proportion to amounts paid-up

215. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.

No Member to receive dividend while indebted to the Company and the Company's right in respect thereof

216. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

Effect of transfer

217. A transfer of Shares shall not pass the right to any dividend declared therein of Shares before the registration of the transfer.

Dividend to joint holders

218. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Dividend how remitted

219. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any

cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

Notice of dividend

220. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.

Reserves

221. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

Dividend to be paid within time required by law

222. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-

- (a) where the dividend could not be paid by reason of the operation on any law; or
- (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or
- (c) where there is dispute regarding the right to receive the dividend; or
- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- (e) where for any other reason, the failure to pay the dividend or to post the warrant within the aforesaid was not due to any default on the part of the Company.

Unpaid or unclaimed dividend

223.

- a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Richesm Healthcare Limited (year)Unpaid Dividend Account".
- b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Companies Act, 2013.
- c) No unclaimed or unpaid dividend shall be forfeited by the Board.

Set-off of calls against dividends

224. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

Dividends in cash

225. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

Capitalisation

226.

1. The Company in General Meeting may, upon the recommendation of the Board, resolve:
 - a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and
 - b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; paying up any amount for the time being unpaid on any Shares held by such Members respectively, or paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)
3. A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

Board to give effect

227. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

Fractional certificates

228.

1. Whenever such a resolution as aforesaid shall have been passed, the Board shall;
 - a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
 - b) Generally do all acts and things required to give effect thereto.
2. The Board shall have full power:
 - a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
 - b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.
3. Any agreement made under such authority shall be effective and binding on all such Members.
4. That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

Books to be kept

229.

1. The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:
 - a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place
 - b) all sales and purchases of goods by the Company
 - c) the assets and liabilities of the Company and
 - d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

2. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

Inspection by Members

230.No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.

Statements of accounts to be furnished to General Meeting

231.The Board of Directors shall from time to time in accordance with Sections 129, 133, and 134 of the Companies Act, 2013, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136

232.

- 1) The Company shall comply with the requirements of Section 136 of the Companies Act, 2013.
- 2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.
- 3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

Accounts to be audited

233.Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors

234.

- 1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 146 of the Companies Act, 2013.
- 2) The Company shall at each Annual General Meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The company shall place the matter relating to such appointment for ratification by members at every annual general meeting. The company shall also inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.
- 3) The company or shall not appoint or re-appoint—
 - (a) an individual as auditor for more than one term of five consecutive years; and
 - (b) an audit firm as auditor for more than two terms of five consecutive years: Provided that—

- i. an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;
 - ii. an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term:
4. Subject to the provisions of Clause (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if—
 - (a) he is not disqualified for re-appointment;
 - (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
 - (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
 5. Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.
 6. Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.
 7. Special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under Clause (3).

DOCUMENTS AND NOTICES

To whom documents must be served or given

235. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company

Members bound by documents or notices served on or given to previous holders

236. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.

Service of documents on the Company

237. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

Authentication of documents and proceedings

238. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company.

REGISTERS AND DOCUMENTS

Registers and documents to be maintained by the Company

239. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 187 of the Companies Act, 2013
- (b) Register of mortgages and charges as required by Section 85 of the Companies Act, 2013 and copies of instruments creating any charge requiring registration according to Section 85 of the Companies Act, 2013.
- (c) Register and index of Members and debenture holders as required by Section 88 of the Companies Act, 2013.
- (d) Foreign register, if so thought fit, as required by Section 88 of the Companies Act, 2013.
- (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Companies Act, 2013.
- (f) Register of Directors and Secretaries etc. as required by Section 170 of the Companies Act, 2013.
- (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 170 of the Companies Act, 2013.
- (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 186 of the Companies Act, 2013.
- (i) Copies of annual returns prepared under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Companies Act, 2013.

Inspection of Registers

240. The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

Distribution of assets

241. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

Distribution in specie or kind

242.

- (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.
- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

Right of shareholders in case of sale

243. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

Directors and others right to indemnity

244. Every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages Which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.

Director, officer not responsible for acts of others

245. Subject to the provisions of Section 201 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

Secrecy Clause

246. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No Member to enter the premises of the Company without permission

247. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

GENERAL

General Power

248. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the registered office: Office No. 1/54, 1st Floor, Wave Silver Tower, Plot No. D-6, Sector-18, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301.

From the date of filing this Draft Red Herring Prospectus with the Stock Exchange to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

MATERIAL CONTRACTS

1. Issue Agreement dated July 26, 2024 between our company and the Book Running Lead Manager.
2. Agreement dated July 26, 2024 between our company and the Registrar to the Issue.
3. Public Issue Agreement dated [●] among our Company, the Book Running Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank, and the Registrar to the Issue.
4. Underwriting Agreement dated [●] between our company and the Underwriters.
5. Market making Agreement dated [●] between our company, the Book Running Lead Manager and the Market Maker.
6. Tripartite Agreement dated August 18, 2023 between NSDL, our Company and Registrar to the Issue; and
7. Tripartite Agreement dated September 15, 2023 between CDSL, our Company and Registrar to the Issue.

MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated July 06, 2024 in relation to the Issue and other related matters
3. Shareholders' resolution dated July 06, 2024 in relation to the Issue and other related matters
4. Consents of entities related to the issue to act in their respective capacities and be named in the Offer Document.
5. Peer Review Auditors Report dated May 14, 2024 on Restated Financial Statements of our Company for the period ended 31st March, 2024, 31st March 2023 and 31st March 2022.
6. Consent of the Peer Reviewed Auditors and Report dated July 26, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus.
7. Due Diligence Certificate from Book Running Lead Manager dated [●], 2024 addressing BSE
8. Copy of approval from BSE vide letter dated [●] to use the name of BSE Limited in this offer document for listing of Equity Shares on the SME Platform of BSE.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Name & Designation	Signature
Ashish Aggarwal <i>Managing director</i>	Sd/-
Dilmeet Kaur <i>Whole-Time Director</i>	Sd/-
Gurmeet Singh <i>Non-Executive Director</i>	Sd/-
Vishweshwar Dayal Goel <i>Non-Executive and Independent Director</i>	Sd/-
Ramayan Prasad Tiwari <i>Non-Executive and Independent Director</i>	Sd/-

SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY

Name & Designation	Signature
Preeti Srivastava <i>Company Secretary & Compliance Officer</i>	Sd/-
Vikash Kumar <i>Chief Financial Officer</i>	Sd/-

Place: Noida

Date: July 30, 2024