

### ANNEXURE III

May 10, 2023

#### Securities and Exchange Board of India

Corporation Finance Department  
Division of Issues and Listing  
SEBI Bhavan, Plot No. C4 A, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051, Maharashtra, India

Dear Sir/ Madam,

#### **Re: Proposed initial public offering of Equity Shares by Jupiter Life Line Hospitals Limited (the “Company”)**

We, ICICI Securities Limited, Edelweiss Financial Services Limited and JM Financial Limited, (collectively, the “**BRLMs**”) have been appointed by the Company and the Selling Shareholders to manage the Offer, state and confirm as follows:

1. We have examined various documents including those relating to litigation, including commercial disputes, intellectual property disputes, disputes with collaborators etc. and other material litigation (to the extent applicable) while finalizing the draft red herring prospectus dated May 10, 2023 (“**DRHP**”) pertaining to the Offer. - **Complied with to the extent applicable**
2. On the basis of such examination and discussions with the Company, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company and the Selling Shareholders, we confirm that:
  - (A) the DRHP filed with the Securities and Exchange Board of India (“**SEBI**”) is in conformity with the documents, materials and papers which are material to the Offer;
  - (B) all material legal requirements relating to the Offer as specified by SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
  - (C) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer, and such disclosures are in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the “**SEBI ICDR Regulations**”) and other applicable legal requirements.
3. Besides ourselves, all the intermediaries named in the DRHP are registered with SEBI and that till date such registration is valid. – **Complied with and noted for compliance. The registration of intermediaries registered with the SEBI are valid as on the date of the DRHP.**
4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. - **Noted for compliance.**

5. Written consents from the Promoters have been obtained for inclusion of their Equity Shares as part of the Promoters' contribution subject to lock-in and the Equity Shares proposed to form part of the Promoters' contribution subject to lock-in shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing of the DRHP with the SEBI till the date of commencement of lock-in period as stated in the DRHP. – **Complied with and noted for compliance.**
6. All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of Promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. – **Complied with and noted for compliance.**
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of Promoters' contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that Promoters' contribution shall be received at least one day before the opening of the Offer and that the auditors' certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that Promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. – **Not Applicable.**
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from the Stock Exchanges, and that the agreement entered into between the Bankers to the Offer, the Selling Shareholders and the Company specifically contains this condition. – **Noted for compliance.**
9. The existing business as well as any new business of the Company for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **Complied with to the extent applicable and noted for compliance.**
10. Following disclosures have been made in the DRHP:
  - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares; – **Complied with to the extent applicable and noted for compliance. There are no SR equity shares issued by the Company;** and
  - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **Complied with and noted for compliance;**
11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **Noted for compliance.**
12. The entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **Not Applicable.**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of its Promoters and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company in accordance with applicable laws. **Complied with to the extent**



**applicable. Please refer to the due diligence process note enclosed as Annexure III A to this certificate.**

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any. **Complied with. Please refer to Annexure III B to this certificate.**

All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

Thanking you,

Sincerely,

**Enclosed: As above.**

*This signature page forms an integral part of the letter submitted to SEBI for the initial public offering of Jupiter Life Line Hospitals Limited*

**For ICICI Securities Limited**



**Authorised Signatory**

Name: Sameer Purohit

Designation: Vice President

Contact Number: 9833767017

E-mail: [sameer.purohit@icicisecurities.com](mailto:sameer.purohit@icicisecurities.com)

*This signature page forms an integral part of the letter submitted to SEBI for the initial public offering of Jupiter Life Line Hospitals Limited.*

**For Edelweiss Financial Services Limited**



**Authorised Signatory**

**Name:** Sachin Khandelwal

**Designation:** ED and Co-Head - ECM Corporate Finance

*This signature page forms an integral part of the letter submitted to SEBI for the initial public offering of Jupiter Life Line Hospitals Limited.*

**For JM Financial Limited**

The image shows a handwritten signature in blue ink, which appears to read 'Nikhil Panjwani'. To the right of the signature is a circular blue stamp. The stamp contains the text 'JM Financial Limited' around the top inner edge and 'Mumbai' in the center, with a small star at the bottom.

Authorised Signatory

Name: Nikhil Panjwani

Designation: Director

Contact Number: 9819077758

E-mail: Nikhil.Panjwani@jmfl.com

## ANNEXURE III-A

### Note explaining how the process of due diligence has been exercised

In connection with the draft red herring prospectus dated May 10, 2023 (“**DRHP**”), we, the BRLMs, have carried out due diligence exercise in relation to the current business of the Company, for the purposes of complying with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India, along with other professionals and experts engaged in connection with this Offer. All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

The due diligence process carried out by us and the Legal Counsels (defined below) commenced with virtual interactions with senior management of the Company including the Chairman and Managing Director, Executive Director and Chief Executive Officer, Non-Executive Directors, and Chief Executive Officer, the Statutory Auditors, and the Company Secretary and Compliance Officer, to gain an understanding of the business of the Company and its Subsidiaries, key risks involved, and financial overview, among others matters. These interactions were conducted with the objective of assisting the Company in preparing necessary disclosures as required under the SEBI ICDR Regulations and other applicable laws in relation to the Offer. In this regard, the Company was provided with a due diligence questionnaire and information requisition list which was prepared in consultation with the Legal Counsel (*as defined below*). The Company provided supporting documents for review and due diligence and provided explanations for queries raised. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

Khaitan & Co, has been appointed as the legal counsel to the Company as to Indian law, AZB & Partners, has been appointed as the legal counsel to the BRLMs as to Indian Law and Allen & Overy LLP, has been appointed as the international legal counsel to the BRLMs, (together, the “**Legal Counsels**”). The Legal Counsels have assisted the BRLMs in carrying out the due diligence and drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws, along with advising the BRLMs and the Company on other legal matters, as appropriate, and for the purposes of issuing legal opinions in relation to the Offer to the BRLMs.

The BRLMs were also assisted by the current statutory auditor of the Company, Aswin Malde & Co., Chartered Accountants (the “**Statutory Auditor**”), in the financial due diligence in relation to the Offer. In addition, (i) the Statutory Auditor has provided a statement of special tax benefits available to the Company, its shareholders and its Jupiter Hospital Projects Private Limited (the “**Material Subsidiary**”), and has reviewed certain matters relating to, *inter alia*, the computation of Company’s net worth, operating profit/loss and net tangible assets, utilisation of loans proposed to be repaid / pre-paid out of the Net Proceeds and compliance with corporate governance requirements by the Company. The Statutory Auditor has also provided an examination report in relation to the Restated Consolidated Financial Information of the Company, along with relevant certifications for the average cost of acquisition and weighted average cost of acquisition of equity shares held by the Promoters, Promoter Group and Selling Shareholders and certain key financial and operational data of the Company as disclosed in the DRHP along with certain other certificates.

In addition, the Company had also engaged an independent architect firm, Spatial Designs Consultants Private Limited, (the “**Architect**”) who have provided a certificate dated May 10, 2023 in relation to certain details pertaining to the hospitals operated by the Company and its Material Subsidiary.

The Company has received written consent dated May 10, 2023 from the Statutory Auditor to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR

Regulations, in the Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors, and in respect of their (i) examination report dated March 27, 2023 on the Restated Consolidated Financial Information; and (ii) their report dated May 10, 2023 on the “*Statement of Special Tax Benefits*” as included in the Draft Red Herring Prospectus. The Architect has also consented to be named as an expert, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of this DRHP with the SEBI.

The Company has also placed reliance on the report titled “*An assessment of the healthcare delivery market in India with a focus on West India*” dated April, 2023, issued by CRISIL Limited (“**CRISIL Research**” and such report, the “**CRISIL Report**”), which has been commissioned and paid for by the Company and has been prepared exclusively for the purposes of including disclosures in the “*Industry Overview*” and “*Our Business*” section of the DRHP.

The Company had appointed Makarand M. Joshi & Co., Company Secretaries (“**Practicing Company Secretary**”) and relied on the report dated May 10, 2023, for rectification of certain errors, and inconsistencies in the form filings, and secretarial records of the Company.

#### 1. ***Business and commercial diligence:***

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending a virtual kick-off meeting, discussions/ transaction related calls and virtual meetings with the management of the Company to develop an understanding of the business, history and other matters of the Company as well as the industry overview and regulatory environment. These were attended by the Chairman and Managing Director, Executive Director, Non-Executive Directors, and Chief Executive Officer, the Company Secretary and Compliance Officer, members of the secretarial, legal and financial departments of the Company, the BRLMs, the Legal Counsels and the Statutory Auditor. An overview of the business of the Company, the industry in which it operates, the regulatory environment with respect to the business, the capital structure, and financials of the Company and holding pattern was discussed, followed by interactive virtual discussions;
- (b) Regularly interacting with the senior management of the Company, including the Executive Director and Chief Executive Officer, and Chief Executive Officer, the Company Secretary, and other senior personnel from the business, secretarial, operations and finance departments and the Statutory Auditor, for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) virtual drafting sessions and conference calls to discuss the disclosures in the DRHP; (ii) due diligence calls with the Statutory Auditor; (iii) seeking appropriate clarifications from the Company for key operational data and other information included in the DRHP; (iv) bring down due diligence calls to receive updated information from the Company before filing the DRHP; (v) seeking appropriate certifications from the Company, the Selling Shareholders, Directors, Key Managerial Personnel, Senior Management Personnel, Promoters, members of the Promoter Group, Subsidiaries, the Statutory Auditor and the Practising Company Secretary; (v) interactions and due diligence calls with Makarand M. Joshi & Co., Company Secretaries (“**Practicing Company Secretary**”). These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act, and other applicable laws with regard to the Offer. We expect these interactions and due diligence calls to continue until the closure of the Offer;
- (c) Physical meetings/virtual/telephonic interactions with the senior management of the Company, to understand the day to day operations of the Company and its Subsidiaries, and to verify the disclosures being made in the DRHP;



- (d) Requesting the Company to make available the due diligence documents in a virtual data room and reviewing those documents along with the Legal Counsels, based on the requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions;
- (e) Obtaining and relying on formal representations and undertakings from, and on behalf of, as applicable, the Company, Promoters, members of the Promoter Group, Subsidiaries and other entities controlled by the Company, Directors, Key Managerial Personnel, Senior Management Personnel, Selling Shareholders, Statutory Auditor, third parties, and other documents, including extracts of the report by independent industry sources, in support of certain disclosures made in the DRHP;
- (f) Reviewing, together with the Legal Counsels, certain business related agreements entered into by the Company in ordinary course of business for carrying out its operations. Where such agreements and invoices, as applicable, were large in number and standard in form, the review was carried out on a sample basis to verify the disclosures made in this regard in the DRHP;
- (g) Interacting with the industry consultant, CRISIL Research and assisting the Company in obtaining the CRISIL Report, commissioned and paid for by the Company for the purposes of confirming the Company's understanding of the industry in connection with the Offer. Further, due diligence calls were conducted with CRISIL Research to ensure that necessary consent was obtained from CRISIL Research to disclose the contents of its report in the DRHP;
- (h) Obtaining certification from the Architect with respect to certain details pertaining to the hospitals operated by the Company and its Material Subsidiary;
- (i) Obtaining circle-ups and certificates, as applicable, from the Statutory Auditor in accordance with the SEBI ICDR Regulations; and on financial information, on certain key performance indicators, operational data and certain finance related information included in the DRHP; and
- (j) a physical visit of the Company's Corporate Office of the Company.

## 2. ***Financial information of the Company:***

Due diligence was conducted on financial matters, which included physical and virtual meetings, and due diligence calls with the Statutory Auditor, discussions with the finance department of the Company and review of the auditors' reports and other related documents. The Statutory Auditor provided an examination report dated March 27, 2023 on the restated consolidated financial information of the Company and its Subsidiaries for the nine months ended December 31, 2022, and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, comprising (i) the restated consolidated statement of balance sheet as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020; (ii) the restated consolidated statements of profits and losses (including other comprehensive income), and statement of cash flows and changes in equity for the nine months ended December 31, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; and (iii) notes, annexures, schedules thereto. Certain non-body corporates, as listed in the notes to accounts to the restated consolidated financial information - Note 2, are also consolidated in the restated consolidated financial information. Additionally, the audited financial information of the Company and Material Subsidiary in accordance with Paragraph 11(I)(A)(ii) of Schedule VI of the SEBI ICDR Regulations, for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, have been made available at [www.jupiterhospital.com/investor-relations/](http://www.jupiterhospital.com/investor-relations/). The details pertaining to net outstanding dues towards our material creditors are also available on the website of the Company at [www.jupiterhospital.com/investor-relations/](http://www.jupiterhospital.com/investor-relations/). Reliance was also placed on the statement of special tax benefits available to the Company, its shareholders and its Material Subsidiary under the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, issued by the Statutory Auditor.

We have placed reliance on the Statutory Auditor's reports and certifications with respect to certain financial information included in the DRHP were obtained from the Statutory Auditor. Further, the Statutory Auditor reviewed the financial information relating to the Company in the DRHP and have delivered a customary comfort letter along with circle-up confirmation to the BRLMs for the financial information contained in the DRHP. Such comfort letter will be re-issued or brought down at certain future dates as the Offer progresses, at the time of filing of the Red Herring Prospectus and the Prospectus and the Allotment of Equity Shares pursuant to the Offer.

We have also placed reliance on the certification and circle up comfort, as applicable, provided by the Statutory Auditor on computation of the Company's net worth, operating profit and net tangible assets, each on a restated and consolidated basis, to assess eligibility of the Company to undertake the Offer under Regulation 6(1) of the SEBI ICDR Regulations.

In relation to the information disclosed in summarized form in the section "*Financial Indebtedness*" of the DRHP, the relevant sanction letters issued by the lenders as well as other financing related documents were made available and together with the Legal Counsel, the same were reviewed. Furthermore, consents were sought and obtained from lenders, wherever applicable, regarding the Offer including corporate actions required in relation to the Offer and such consents are valid and have not been withdrawn as of date. We have also relied on a certification from the Statutory Auditor in connection with the financial indebtedness of the Company, ascertaining the amount of outstanding borrowings of the Company as of December 31, 2022, which is disclosed in the section titled "*Financial Indebtedness*" of the DRHP.

Suitable disclosures have been made in relation to key performance indicators of the Company in the section "*Basis for the Offer Price*" on page 113 of the DRHP and other relevant sections in the DRHP in compliance with the amendments to the SEBI ICDR Regulations dated November 21, 2022. Further, such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated May 2, 2023 and such key performance indicators as disclosed in the DRHP have been certified by the Statutory Auditor.

### 3. ***The Company, Selling Shareholders, Promoters, Promoter Group, Subsidiaries, Directors, Senior Management Personnel and Key Managerial Personnel of the Company categorised in the DRHP***

For the purposes of making certain disclosures with respect to Selling Shareholders, Promoters, Promoter Group, Subsidiaries, Directors, Senior Management Personnel and Key Managerial Personnel of the Company in the DRHP, we have obtained supporting documents (as applicable) and certifications from the relevant entities/ persons. Further, in relation to the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management Personnel of the Company, we have relied on relevant degree certificates/mark sheets, appointment/ relieving/ experience letters or other back-up documents including publicly available information as well as sought and obtained certifications from them.

In addition, confirmations have been received from the Company, Subsidiaries and other entities controlled by the Company, the Directors, Promoters, members of Promoter Group and Selling Shareholders stating that (i) they 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 authorities, and (ii) they have not been identified as wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. Further, confirmations have been taken from Directors that (a) they are not or were not directors on the board of any listed companies whose shares have been/were suspended from being traded on any stock exchange during the period of five years before the date of the DRHP; (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange during the

term of their directorship in such company; (iii) that they have not been declared as fugitive economic offenders.

The identification of Group Companies, if any has been undertaken in accordance with the definition provided under the SEBI ICDR Regulations, as companies with which there were related party transactions during nine months ended December 31, 2022, and the last three Fiscals, as disclosed in the Restated Consolidated Financial Information in the DRHP, as covered under the applicable accounting standards and in terms of the materiality policy adopted by the board of directors in their meeting dated March 27, 2023, for determining group companies.

The Selling Shareholders, in relation to the notice for participation in the offer for sale, containing terms and conditions for the Offer including eligibility conditions for participation in the Offer, the Company has received consent letters, along with the relevant information and documents which include, authorization from each Selling Shareholder to participate in the Offer and various confirmations, covenants, representations and warranties, as required from each Selling Shareholder.

Confirmations have also been obtained from the Company, Promoters, members of the Promoter Group and the Selling Shareholders in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of the DRHP.

Further, public domain search including on the websites of CIBIL and watchout investors or Company, its Subsidiaries, Promoters, Directors, members of the Promoter Group and Group Companies were carried out and the results of such searches were analysed and written confirmations regarding non-applicability of positive results, if any, in respect of the relevant parties, were obtained.

#### **4. *Industry Information***

We have relied on industry and market data derived from the CRISIL Report. The CRISIL Report has been commissioned and paid for by the Company exclusively for the purposes of confirming the Company's understanding of the industry in connection with the Offer. The industry related information contained in certain sections of the DRHP, including "*Industry Overview*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Risk Factors*" and "*Our Business*", have been included from the report from CRISIL Research.

The CRISIL Report will be available on the website of the Company at [www.jupiterhospital.com](http://www.jupiterhospital.com), in accordance with applicable law and has been included as one of the documents that will be available as a material document for inspection.

#### **5. *Statutory and / or regulatory and other diligence***

In connection with diligence of matters relating to statutory and/ or regulatory matters, a review was conducted of the relevant statutory and/ or regulatory records of the Company, including the corporate records and regulatory filings made by the Company, in conjunction with the Legal Counsels.

In addition, during the course of our diligence, there were certain inconsistencies found with respect to the form filings and statutory records maintained by the Company. Further, the names of allottees/ transferor(s) and issue price for some of these issuances, transfers and transmissions have been determined on the basis of the register of members, minutes of the meeting of the board and shareholders, annual returns and other documents maintained by the Company.

We have relied on the list of material licenses, approvals and registrations of the Company and its Material Subsidiary, identified by the Company, and reviewed such material licenses, approvals and registrations, copies of which were provided by the Company. We have, along with the Legal Counsels, reviewed material licenses, approvals and registrations applied for and/or received by the Company to

undertake its business activities. We have also relied on representations and certifications provided by the Company in connection with such statutory and/or regulatory matters.

## 6. ***Outstanding Litigation and Material Creditors***

The Company has disclosed outstanding (i) criminal litigation, (ii) actions taken by statutory or regulatory authorities; (iii) outstanding claims related to direct and indirect taxes and (iv) other pending litigation as determined to be material by the Board, involving the Promoters, Subsidiaries and Directors, in the DRHP in accordance with the legal requirements under the SEBI ICDR Regulations. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the five Financial Years preceding the date of the DRHP, including any outstanding action. In accordance with the SEBI ICDR Regulations, in relation to litigation involving the Group Companies, the Company is required to disclose only such pending litigation which has a material impact on the Company. The Company has confirmed that there is no pending litigation involving the Group Companies which may have a material impact or bearing on the Company. The Company has provided certifications received from the respective Promoters, Subsidiaries and Directors. In addition, the Company has provided a consolidated statement for all the litigation proceedings involving the Company, Promoters, Subsidiaries and Directors (the “**Relevant Parties**”). Further, interactions have been conducted, from time to time, with the relevant representatives of the Company to understand the status of material pending proceedings involving the Company. The Company has also provided requisite supporting documents for outstanding litigation proceedings involving the Company.

Further, in accordance with the SEBI ICDR Regulations, the Board of Directors has adopted a policy on materiality which has been approved by the Board of Directors by a resolution dated March 27, 2023 (“**Materiality Policy**”). In terms of the Materiality Policy, any pending litigation including outstanding tax matters (direct and indirect) (other than outstanding: (i) criminal proceedings, (ii) actions taken by regulatory or statutory authorities, and (iii) disciplinary actions including any penalty imposed by SEBI or Stock Exchanges against the Promoters in the last five years) would be considered ‘material’ if: (i) the monetary amount of claim/ dispute/ liability made by or against the entity or person in any such proceedings is one percent (or in excess of one percent) of the consolidated profit after taxes for the latest financial year as included in the Restated Consolidated Financial Information (being Fiscal 2022) i.e. ₹ 5.11 million; or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company; or (iii) where the decision in one matter is likely to affect the decision in similar matter such that the cumulative amount involved in such matters exceeds the materiality threshold specified in point (i) above. All pre-litigation notices received by the Relevant Parties from third parties (excluding such notices issued by statutory / regulatory / tax authorities and notices threatening criminal action) shall not unless otherwise decided by the Company’s board of directors, be considered material until such time that the Relevant Party is impleaded as a defendant in litigation proceedings before any judicial forum. The risk factor on litigation titled – “*There are outstanding litigation against our Company, Promoter(s), Directors and Subsidiaries. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition, results of operations and cash flows*” in the DRHP reflects the disclosures in the “*Outstanding Litigation and Material Developments*” section of the DRHP.

With respect to total demand (including penalty, if any) and number of taxation proceedings involving the Company, reliance has been placed on a list provided by the Company and the certificate dated May 10, 2023 issued by the Statutory Auditor in this regard.

Based on the SEBI ICDR Regulations and the Materiality Policy, disclosures on dues to material creditors have been provided in summary format (indicating the total number of, and aggregate outstanding amounts due to such creditors). Further, in terms of the Materiality Policy, all creditors where the amount due from the Company is equal to or in excess of five percent of the total trade

payables basis the latest Restated Consolidated Financial Information, as at December 31, 2022 (i.e., ₹28.98 million). Further as on the date of this draft red herring prospectus, there are no outstanding overdue to material creditors.

## **7. *Objects of the Offer***

The Company intends to use the Net Proceeds towards (a) Repayment and/or pre-payment of certain borrowings, in full or part, availed by the Company and its Material Subsidiary; and (b) general corporate purposes.

In relation to the object on repayment and/or pre-payment of certain borrowings, in full or part, availed by the Company and its Material Subsidiary which are outstanding as on December 31, 2022, the selection of borrowings proposed to be prepaid and/or repaid will be done by the Company based on various factors and commercial considerations, as disclosed in the DRHP. As a part of the diligence process along with the Legal Counsels, copies of the sanction letters, facility agreements and other documents provided by the Company have been reviewed. Additionally, a certification on the loan utilisation has been obtained from the Statutory Auditor.

Further, the Selling Shareholders will be entitled to their respective portions of the proceeds of the Offer for Sale, after deducting their proportion of Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale.

## **8. *Price information of past issues handled by the BRLMs***

Reliance has been placed on the information available on the websites of National Stock Exchange of India Limited and/or BSE Limited for preparing the statement of price information of the past issues handled by the BRLMs.